A G E N D A

REGULAR MEETING
OF THE CITY COUNCIL
CITY OF HIGHLAND VILLAGE, TEXAS
TUESDAY, JANUARY 10, 2017, 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
Training Room

1. **Discuss Complaint Status of Waste Management**

2. **Discuss Speed Limits in Highland Village**

3. **Review of Possible Amendments to the Highland Village City Charter**

4. **Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of January 10, 2017**

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

CLOSED SESSION
Training Room

5. **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)

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

6. **Call to Order**

7. **Prayer to be led by Deputy Mayor Pro Tem William Meek**

8. **Pledge of Allegiance to the U.S. and Texas Flags to be led by Deputy Mayor Pro Tem William Meek**

9. **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.)***

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**

- **Proclamation – Mayor for the Day**
- **Presentation – Capital Credit Check from CoServ**
- **Announcement – Destination Imagination's Messy Mutts' Arty Party Event**

11. **City Manager/Staff Reports**

- **35Express Project Update**
- **HVTV Update**

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.

12. **Consider Approval of Minutes of the Regular Meeting held on December 13, 2016**

13. **Receive Budget Report for Period Ending October 31, 2016**

ACTION AGENDA

14. **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)

15. **Consider Resolution 2017-2670 Regarding Proposed Legislation Relating to the Imposition of Revenue Caps on Local Governments and the Related Impact on Local Services**

<u>LATE WORK SESSION</u>
(Items may be discussed during Early Work Session, Time Permitting)

16. **Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may**

be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)

17. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 6th DAY OF JANUARY, 2017 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 _____, 2017 at _____ am/pm by

_____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 1 **MEETING DATE: 01/10/17**

SUBJECT: **Discuss Complaint Status of Waste Management**

PREPARED BY: **Angela Miller, City Secretary**

COMMENTS

Staff will be present to discuss the complaint status of services provided by Waste Management.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 2 **MEETING DATE: 01/10/17**

SUBJECT: Discuss Residential Speed Limits in Highland Village

PREPARED BY: Doug Reim, Chief of Police

COMMENTS

Highland Village Police Department is providing an overview of data collected on various streets throughout Highland Village for the last three years. The information consists of speed of vehicles, number of vehicles, peak times, and the 85th percentile of the speed traveled. It is appropriate for posted speed limits to be based on the 85th percentile speed.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA # 3 **MEETING DATE: 01/10/17**

SUBJECT: **Review of Possible Amendments to the Highland Village City Charter**

PREPARED BY: **Angela Miller, City Secretary**

COMMENTS

At the June 28, 2016 Council meeting, direction was given to move forward with a legal review of the Highland Village City Charter, with amendments to be put before the voters not earlier than the May 6, 2017 election. At the November 10, 2016 and December 13, 2016 meetings, Council discussed potential amendments, and came to a consensus on a time line for review and citizen input.

With direction from Council, the legal review has been conducted by the City Attorney and includes possible amendment updates. Below are dates for upcoming meetings for citizen input:

- January 24, 2017 – Council conduct 1st public hearing with no action taken
- February 14, 2017 - Council conduct a 2nd public hearing and then order the election

Section Affected	Current Language	Proposed Amendment	New Language
Sec. 3.04. Member Qualification; Paragraph A.	The Mayor and each Councilmember shall be a citizen of the City for a period of twelve (12) months, and a qualified voter of the State of Texas.	The Mayor and each Councilmember shall be a ~~citizen~~ resident of the City for a period of not less than twelve (12) months prior to the date of election, and a qualified voter of the State of Texas.	The Mayor and each Councilmember shall be a resident of the City for a period of not less than twelve (12) months prior to the date of election, and a qualified voter of the State of Texas.
Sec. 3.07. Procedure to Enact Legislation	The Council shall legislate by ordinance, and the enacting clause of every ordinance shall be: "Be it ordained by the City Council of the City of Highland Village." The City Attorney shall review all ordinances adopted by the Council as to the legality thereof, or shall file with the City Secretary his written legal position thereto. Evidence of the review of an ordinance by the City Attorney may be by notation on the ordinance itself, or by separate paper or instrument. Every ordinance enacted by the Council shall be signed by the Mayor, Mayor Pro Tem, or by three Councilmembers and shall be filed with and recorded by the City Secretary upon passage. A. All routine ordinances shall be read at two open meetings of the Council on two separate days; the	A. The Council shall legislate by ordinance, and the enacting clause of every ordinance shall be: "Be it ordained by the City Council of the City of Highland Village." B. The City Attorney shall review all ordinances adopted by the Council as to the legality thereof, or shall file with the City Secretary his written legal position thereto. Evidence of the review of an ordinance by the City Attorney may be by notation on the ordinance itself, or by separate paper or instrument. C. Every ordinance enacted by the Council shall be signed by the Mayor, Mayor Pro Tem, or by three Councilmembers and shall be filed with and recorded by the City Secretary upon passage.	A. The Council shall legislate by ordinance, and the enacting clause of every ordinance shall be: "Be it ordained by the City Council of the City of Highland Village." B. The City Attorney shall review all ordinances adopted by the Council as to the legality thereof, or shall file with the City Secretary his written legal position thereto. Evidence of the review of an ordinance by the City Attorney may be by notation on the ordinance itself, or by separate paper or instrument. C. Every ordinance enacted by the Council shall be signed by the Mayor, Mayor Pro Tem, or by three

Section Affected	Current Language	Proposed Amendment	New Language
	second such reading shall occur not less than ten days following the first such reading. The ordinance, unless provided by law or by its terms, shall take effect immediately upon the final passage thereof. B. Emergency ordinances may be enacted without two separate readings when dealing with the immediate preservation of the public peace, health, safety or welfare. These ordinances must be adopted by the favorable vote of not less than four of the entire Council and shall contain a statement as to the nature of the emergency and the length of time the ordinance will be in effect, not to exceed ninety days.	~~A~~D.~~—~~ ~~All routine ordinances shall be read at two open meetings of the Council on two separate days; the second such reading shall occur not less than ten days following the first such reading. The ordinance, u~~Unless provided by law or by its terms, every ordinance shall ~~take~~ become effect immediately upon the final passage thereof. ~~B. Emergency ordinances may be enacted without two separate readings when dealing with the immediate preservation of the public peace, health, safety or welfare. These ordinances must be adopted by the favorable vote of not less than four of the entire Council and shall contain a statement as to the nature of the emergency and the length of time the ordinance will be in effect, not to exceed ninety days.~~	Councilmembers and shall be filed with and recorded by the City Secretary upon passage. D. Unless provided by law or by its terms, every ordinance shall become effect immediately upon the final passage thereof
Sec. 3.13. Council Meetings; 4th Sentence	At each Council meeting a quorum of five, composed of the Mayor or Mayor Pro Tem and four members of the Council, must be present but no action shall be of any force or effect unless adopted by the favorable vote of not less than four of the entire Council (unless otherwise provided by this Charter).	At each Council meeting, a quorum of five~~, composed of the Mayor or Mayor Pro Tem and four members of the Council,~~ members of the City Council must be present for the conduct of business, but no action shall be of any force or effect unless adopted by the favorable vote of not less than four of the entire Council (unless otherwise provided by this	At each Council meeting, a quorum of five members of the City Council must be present for the conduct of business, but no action shall be of any force or effect unless adopted by the favorable vote of not less than four of the entire membership of the Council

Section Affected	Current Language	Proposed Amendment	New Language
		Charter).	(unless otherwise provided by this Charter).
Sec. 4.05. Clerk of the Municipal Court.	The Court may appoint a clerk of the Municipal Court with such duties and responsibilities as the Council may direct. The clerk shall have the power to administer oaths and affidavits, make certificates, affix the seal of the Court thereto, and otherwise perform any and all acts necessary in conducting the business thereof. Nothing herein shall prevent the City Secretary or any other city official or employee from also being designated the clerk, and the Council may appoint a deputy with the same power as the clerk.	**Total Repeal:** No new language. Code of Ordinances §1.04.005 to be amended to provide for City Manager to appoint the municipal court clerk.	n/a
Sec. 4.06. Commissions, Boards and Committees; Paragraph B. Parks and Recreation Board.	B. Parks and Recreation Board. There is hereby established a Parks and Recreation Board of five members, a first alternate member and a second alternate member, who shall be appointed by the Council to two-year terms. Not more than three members' terms, or one alternate member's term, shall expire during a year. When a member is absent from a Board meeting, the alternate member replacement shall have voting privileges. The Board members shall be qualified voters of	**Total Repeal**: Amend Article 14, Division 2 of Ordinances to address creation, membership, and any other provisions of repealed charter section that Council desires to retain.	n/a

Section Affected	Current Language	Proposed Amendment	New Language
	the City. If a vacancy should occur in the membership, the Council shall appoint a new member to fill the vacancy for the unexpired term. A majority of the members shall constitute a quorum. The Parks and Recreation Board shall formulate and submit recommendations of park and recreation policies to the Council. The Parks and Recreation Board shall submit recommended plans for land use and location of public parks to Council. The Parks and Recreation Board shall propose annual parks operating requirements and five-year capital plan and submit both to the Manager no later than one hundred twenty days prior to the final date for submission of the budget.		
Sec. 8.02. Filing for Office; Paragraph A, Clause 2.	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 2. shall have resided within the corporate limits of the City, including the annexed territory, for	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 2. shall have resided within the corporate limits of the City, including the annexed territory, for	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 2. shall have resided within the corporate limits of the City, including the annexed territory,

Section Affected	Current Language	Proposed Amendment	New Language
	the twelve consecutive months prior to the filing deadline;	the twelve consecutive months prior to the ~~filing deadline~~ date of election;	for the twelve consecutive months prior to the date of election;
Sec. 8.02. Filing for Office; Paragraph A, Clause 5.	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 5. shall resign from the office and the position declared vacant if an incumbent and seeking another office or position number;	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 5. subject to the provisions of Section 3.06, shall resign from the office and the position declared vacant if an incumbent and seeking another office or position number;	A. Eligibility to File. Each candidate for any elective City office shall meet the following qualifications: 5. subject to the provisions of Section 3.06, shall resign from the office and the position declared vacant if an incumbent and seeking another office or position number;
Sec. 9.02. Initiation of Proceedings, Petitioners' Committee, Affidavit; 5th Sentence	Immediately after the affidavit of the petitioners' committee is filed, the City Secretary shall issue the appropriate petition blanks to the petitioners' committee.	~~Immediately after the affidavit of the petitioners' committee is filed, t~~The City Secretary shall issue the appropriate petition blanks to the petitioners' committee not later than ten business days after the affidavit of the petitioners' committee is filed with the City Secretary.	The City Secretary shall issue the appropriate petition blanks to the petitioners' committee not later than ten business days after the affidavit of the petitioners' committee is filed with the City Secretary.
Sec. 10.02. Public Records; 1st Sentence.	All records of the City shall be open for inspection except for those that are closed to the public by law.	All records of the City shall be open for public inspection ~~except for those that are closed to the public by law.~~to the extent required by state or federal law.	All records of the City shall be open for public inspection to the extent required by state or federal law.
Sec. 10.02. Public Records; 2nd Sentence.	The records may be examined and copied in the City offices during normal business hours at a charge established by State law.	The records may be examined and copied in the City offices during normal business hours at a charge established ~~by~~ in accordance with	The records may be examined and copied in the City offices during normal business hours at a charge established by in

Section Affected	Current Language	Proposed Amendment	New Language
		State law.	accordance with State law.
Sec. 10.08. Codification of Ordinances.	The Council, within twelve months after the adoption of this Charter, shall cause to be codified, then published as soon as practicable in pamphlet form for public distribution the ordinances of the City, and shall annually thereafter revise and keep same up to date.	The Council shall have power to cause the ordinances of the city to be printed in code form~~, within twelve months after the adoption of this Charter, shall cause to be codified, then published as soon as practicable in pamphlet form for public distribution the ordinances of the City,~~ and ~~shall annually~~ to thereafter revise and keep same up to date.	The Council shall have power to cause the ordinances of the city to be printed in code form to thereafter revise and keep same up to date.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 8	**MEETING DATE: 01/10/17**
SUBJECT:	**Pledge of Allegiance**
PREPARED BY:	**Angela Miller, City Secretary**

COMMENTS

A Councilmember will lead the Pledge of Allegiance to the U.S. and Texas Flags.

The Pledge to the Texas Flag is as follows:

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10 **MEETING DATE: 01/10/17**

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.

- Proclamation – Mayor for the Day
- Presentation – Capital Credit Check from CoServ
- Announcement – Destination Imagination's Messy Mutts' Arty Party Event

PROCLAMATION

WHEREAS, *The City of Highland Village is served by and is proud to support the Lewisville Independent School District and recognizes that current LISD students are the future leaders of our city, county, state and nation; and*

WHEREAS, *Heritage Elementary School has provided Highland Village students in grades Kindergarten through Fifth Grade with a high quality education; and*

WHEREAS, *The Heritage Elementary PTA, which provides an excellent support system to our Highland Village students, holds an annual silent auction to raise funds to serve the needs of Heritage Elementary School; and*

WHEREAS, *At last year's auction, the City of Highland Village offered a "Mayor for the Day" opportunity to one lucky student; and*

WHEREAS, *Student Mr. Tate Dodson was the successful recipient of the "Mayor for the Day" honor.*

NOW THEREFORE, *on behalf of the City Council and City Staff, I, Charlotte Wilcox, Mayor of the City of Highland Village, do hereby congratulate and recognize*

"Tate Dodson as Mayor for the Day"

IN WITNESS WHEREOF, *I have hereunto set my hand and caused the seal of the City of Highland Village to be affixed on this the 10th day of January 2017.*

_____

Charlotte J. Wilcox, Mayor

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12 **MEETING DATE 01/10/17**

SUBJECT: **Consider Approval of Minutes of the Regular Meeting held on December 13, 2016**

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 Department 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 December 13, 2016 Council Meeting minutes.

MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS
HELD IN THE MUNICIPAL COMPLEX, LOCATED AT 1000 HIGHLAND VILLAGE ROAD
TUESDAY, DECEMBER 13, 2016

The City Council of the City of Highland Village, Texas met in Early Work Session on the 13th day of December, 2016 at 6:00 p.m., prior to the Regular Council Meeting.

Call to Order

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

Roll Call

Present:	Charlotte Wilcox	Mayor
	Mike Lombardo	Councilmember
	Barbara Fleming	Councilmember
	John McGee	Councilmember
	William Meek	Deputy Mayor Pro Tem
Absent:	Michelle Schwolert	Mayor Pro Tem
	Fred Busche	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin B. Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Scott Kriston	Public Works Director
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Senior A/V Technician
	Karen Bradley	Administrative Assistant

EARLY WORK SESSION

Mayor Wilcox reported the order of some Early Work Session agenda items would be rearranged.

2. Receive an Update on Wholesale Water Rate Adjustment

Assistant City Manager Ken Heerman reported the Upper Trinity Regional Water District (UTRWD) provides wholesale water to the City as well as sewage treatment services. The related expenditures are a significant portion of the Utility Budget. Accordingly, wholesale charges are delineated in the Utility Rate structure for two primary purposes:

1) Provide transparency to residents regarding the basis of utility charges
2) As wholesale charges represent roughly 50% of total expenditures, and the City does not have direct control relative to these costs, a mechanism was established to provide a pass-through adjustment for these costs.

Mr. Heerman stated that each year revenues associated with billed wholesale charges are compared to expenditures billed from the UTRWD, both for the year just completed and the upcoming budget year. The original intent was to “true-up” rates each year so that the billed revenues match related expenditures in total. However, in practice, variances for the current year have been absorbed, as there are variables that would distort the rates and provide significant change in rates from year to year. Mr. Heerman

stated a good example of this is when spring flooding resulted in inflow/infiltration (I&I) to the sewer system wastewater flows, in turn, greatly increasing UTRWD charges for associated treatment. If the wholesale rate was adjusted to recoup this, the sewage rate component would spike for the next year. Thus, with the intent to maintain relatively constant rates, we have focused on the upcoming budget year to make sure the rate structure is sufficient for the updated budget.

For Fiscal Year 2016, Mr. Heerman stated actual UTRWD expenditures exceeded associated billed wholesale charges by $247,287. The primary factor was significantly increased sewer effluent charges resulting from I&I. Actual water sales were also depressed compared to the budget, resulting in a negative volume variance. Staff recommends no rate adjustment rates to account for the shortfall of the previous year.

For the upcoming year (Fiscal Year 2017), Mr. Heerman stated the new UTRWD rates provided only a slight increase in overall expenditures. Budgeted water/sewer sales projections at the current rates will roughly break even with the wholesale costs anticipated from the UTRWD. He reported water charges are expected to be short $43,231, however offset by sewer charges exceeding UTRWD projections by $46,965. Mr. Heerman stated it is a challenge regarding water sales projections as weather patterns have a significant effect. He reported the projections are based on "normalized" water usage determined by an average over the past several years. Staff recommends no rate adjustment to the current wholesale rates at this time, however to revisit in conjunction with a full utility rate structure review in 2017.

3. Review of Possible Amendments to the Highland Village City Charter

City Manager Michael Leavitt reported at the November 10, 2016 meeting, Council discussed potential amendments to include in a legal review of the City Charter. Based on direction from Council, the City Attorney provided updates to Council regarding state laws and the election code, as well as any language clarification. Councilmember McGee asked what amendments were potentially being considered to update in order to be in compliance with state law. City Attorney Kevin Laughlin reviewed those amendments, which included the following:

- <u>Section 3.04(A) – Member Qualification:</u> The current language is not clear as to when to begin counting back with respect to the twelve (12) month period. Mr. Laughlin reported the Texas Election Code provides that a City may establish a residency requirement, but the requirement cannot be longer than a twelve (12) month period as of Election Day. Clarification of the language in this section will make it consistent with state law.
- <u>Section 8.02(A)(2) – Filing for Office</u>: The current language states that a candidate must have resided in the City for twelve (12) months prior to the date of the filing deadline. This language is contrary to applicable provisions of the Texas Election Code and should be made consistent with state law that the twelve (12) month period is determined as of Election Day.
- <u>Section 8.02(A)(5) – Filing for Office:</u> This section currently states that a person filing as a candidate for City Council shall resign from the office and the position declared vacant if an incumbent is seeking another office or position. Mr. Laughlin reported this language creates some confusion when a sitting councilmember desires to run for Mayor in light of the language in Section 3.06. This section should be clarified to include a cross reference to Section 3.06.
- <u>Section 10.02 – Public Records:</u> The current language does not correspond with what state law allows. The language should be amended to provide that: (1) documents are open to the public for inspection except to the extent such public information may or must be withheld in accordance with applicable state or federal law, and (2) the City may establish the rates to be charged for retrieving,

copying, and making available for inspection such records not to exceed amounts allowed by state law.

Consensus of Council is to move forward with the proposed amendments listed above.

Mr. Laughlin reported the following proposed amendments are for language clarification and/or are procedural in nature:

Section 3.07(A) – Procedures to Enact Legislation: Mr. Laughlin reported this section is just restructuring of the paragraphs and to remove the reference to two (2) separate reads as it relates to ordinances. Mayor Wilcox stated for transparency, she was in favor of keeping the requirement of having two (2) reads of ordinances. Mr. Laughlin reported Council would still have the opportunity to present an item as many times as they wish, before voting on an ordinance.

Mr. Laughlin also reported with Truth in Taxation laws and additional disclosures that are required for adoption of the fiscal year budget, staff looks ahead to the last possible date available to approve the tax and budget ordinances, then determine dates to meet publication and notice requirements, dates for public hearings, and then determine dates for the first and second reads of the ordinance. He stated, with having two (2) reads, the council loses some flexibility on what happens between when the council holds public hearings and the time the council adopts the budget and tax rate ordinances. Occasionally, because of changes in the tax roll, the Council may wish to do some type of budget adjustment but loses some flexibility in doing so because of having to go back and start the process over again to accommodate two (2) readings of the ordinance.

Consensus of Council is to move forward with no longer requiring a second read, since procedurally Council already has the option to table an item or to defer action to another meeting.

Section 3.13 – Council Meetings: Mayor Wilcox stated she likes the current language of the Charter as it relates to having a quorum of five (5), composed of the Mayor or Mayor Pro Tem, and four members of the Council present. She suggested adding that the Deputy Mayor Pro Tem be present as one of the five.

Consensus of Council is to retain the quorum of five (5), with the addition of Deputy Mayor Pro Tem to preside at meetings and serve as acting Mayor in the absence of the Mayor and Mayor Pro Tem.

Section 4.05 – Clerk of the Municipal Court: Mr. Leavitt and Mr. Laughlin reported this proposed amendment is to repeal this section in order to reflect current practice. Consensus of Council is to repeal this section.

Section 4.06(B) – Commissions, Boards and Committees/Parks and Recreation Board: Mr. Leavitt stated this is a total repeal from the Charter, but there will be an amendment to the Code of Ordinances to include the Parks and Recreation Advisory Board. Consensus of Council is to remove this section from the Charter in lieu of the existing provisions relating to the Parks and Recreation Advisory Board in the Code of Ordinances.

Section 9.02 – Initiation of Procedures, Petitioner's Committee Affidavit: Mr. Laughlin reported this reflects a procedural change in order to clarify the term "immediately". Consensus of Council is to amend this section to remove the word immediately and replace to read "within ten (10) business days."

Section 10.08 – Codification of Ordinances: Councilmember Lombardo suggested changing the use of the word "digested" of the proposed language. Mr. Laughlin stated it could be changed to "indexed" or "incorporated". Consensus of Council is to move forward with the proposed amendment.

Mr. Leavitt stated the proposed amendments will be brought back to Council at their January 10, 2017 meeting for final discussion and review. He included the following meeting dates:

- January 24, 2017 – Council to conduct 1st public hearing, with no action
- February 14, 2017 – Council to conduct a 2nd public hearing if they wish, and then take action to order the election

1. Receive Presentation from First Southwest regarding Refunding Opportunities

Jim Sabonis, Managing Director from First Southwest, reported a refunding opportunity exists with outstanding 2008 and 2009 bonds related to 4B and Utility. The portion eligible for refunding totals $6,640,000, comprised of $2,050,000 (4B) and $3,015,000 (Utility). The refunding may provide savings of $640,000 between the two, however also providing opportunity to consider restructuring Utility debt service over the next ten (10) years (consistent with the current maturity), if needed, when addressing the extended outlook of utility capital needs. These outstanding bonds have a call date of February, 2017.

Assistant City Manager Ken Heerman stated both the Utility and Highland Village Community Development Funds have limited ability for new debt in the immediate timeframe in context of the existing debt structure. With the refunding, there is opportunity to defer principal for the refunded debt within the existing ten (10) year maturity, if desired. Restructuring would, however, reduce the potential savings realized by the refunding. The Utility system does have identified capital programs to be addressed. Thus, this option will be considered in tandem with a review of the utility rate structure.

Mr. Sabonis reviewed a timeline of events relating to the refunding opportunities. He stated the bonds would be marketed to potential buyers and be competitively bid. At the January 24, 2017 Council meeting, Council could consider an ordinance authorizing the issuance of General Obligation Refunding Bonds. Toward the end of February, closing of the debt issue, delivery of funds to the Escrow Agent and redemption of the refunded obligations would occur. Mr. Sabonis stated, if desired, the schedule could be moved up to the January 10, 2017 meeting.

Mr. Heerman stated staff is seeking general consensus of Council if they wish to proceed with the refunding. The general consensus of Council is to move forward with the refunding process.

4. Discuss Rescheduling or Cancelling of the February 28, 2017 City Council Meeting

With all City Council members attending Denton County Days, Mr. Leavitt reported there is a conflict with the Regular City Council meeting scheduled for Tuesday, February 28, 2017. Denton County Days is a semi-annual event held in Austin during each legislative session and offers an opportunity for Council to meet with and hear from the state's top elected official decision makers and key agency officials.

Mr. Leavitt stated due to development projects that will be coming forward soon, there may be a need to reschedule the second meeting in February rather than cancel. He

reported staff will have a better idea of development items around the first week of February and will report back to Council at that time.

5. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of December 13, 2016

No items were discussed.

Mayor Wilcox announced since time allowed, Agenda Item #18 was going to be moved up on the agenda.

18. Discuss 2017 State Legislative Program for the City of Highland Village

Mr. Leavitt stated Mayor Wilcox and City staff has meetings scheduled on December 20th with Representative Tan Parker and Representative Ron Simmons to present the effects of appraisal and revenue caps on the City of Highland Village.

Early Work Session ended at 7:07 p.m.

CLOSED SESSION

6. Hold a closed meeting in accordance with the following sections of the Texas Government Code:

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

Council did not meet in Closed Session.

OPEN SESSION

7. Call to Order

Mayor Wilcox called the meeting to order at 7:30 p.m.

Roll Call

Present:	Charlotte Wilcox	Mayor
	Mike Lombardo	Councilmember
	Barbara Fleming	Councilmember
	John McGee	Councilmember
	William Meek	Deputy Mayor Pro Tem
Absent:	Michelle Schwolert	Mayor Pro Tem
	Fred Busche	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin B. Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Karl Schlichter	Police Commander
	Brad Goudie	Fire Chief
	Jason Collier	Assistant Fire Chief

Scott Kriston	Public Works Director
Laurie Mullens	Public Affairs Manager
Andrew Boyd	Senior A/V Technician

8. Prayer to be led by Councilmember John McGee

Councilmember McGee gave the invocation.

9. Pledge of Allegiance to the U.S. and Texas Flags to be led by Councilmember John McGee

Councilmember McGee led the pledge to the U.S. and Texas flags.

10. Visitor Comments

No one wished to speak.

11. 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

Councilmember McGee stated this can sometimes be a difficult time of year for our veterans and their families. He reported the Denton County Chapter for the Military Veteran Peer Network is an organization that connects veterans and their families to local, state, and national resources through an active group of veteran peers. If you know a Veteran that is dealing with emotional, health, financial or law enforcement issues, they may contact Ginger Simonson at (817) 683-2870.

Councilmember McGee also reported National Wreaths Across America Day is December 17. This nationwide program distributes holiday wreaths as a tribute to Veterans laid to rest at VA national cemeteries and state Veteran cemeteries. At 10:30 a.m. on December 17, they will be at the Dallas-Fort Worth National Cemetery to lay wreaths and say the name of each veteran aloud. Anyone wishing to volunteer or attend the ceremony is asked to please contact Joan Gilexan at (214) 437-3641.

Mayor Wilcox announced Santa will partner with the Highland Village Fire Department to drive through different neighborhoods each evening from December 18-23, from 6:30-8:30 p.m. She noted in the case of an emergency, the Fire Department would have to respond to the call. Route information is available on the City's website.

- **Swearing In and Pinning Ceremony for Promotion of Officer Robert Fever and Officer Mike MacLean to Corporal**

  Police Chief Doug Reim swore in Corporal Robert Fever and Corporal Mike MacLean. Mrs. Fever and Mrs. MacLean pinned the badges for their husbands.

- **Swearing In and Pinning Ceremony for Promotion of Firefighter/Paramedic Dan Ortmeier to Captain**

  Mayor Wilcox swore in Captain Dan Ortmeier. He is a lifelong resident of Highland Village. His wife, Mrs. Ortmeier, pinned his badge.

12. City Manager/Staff Reports

- **HVTV Update**

The latest video report from HVTV News was shown:

Santa Comes to Town – Santa will partner with the Highland Village Fire Department to drive through different neighborhoods each evening from December 18-23, from 6:30-8:30 p.m.; route information is available on the City's website
Photo Contest – the City is looking for your best photos from 2016; categories for this contest include Best Overall, City Parks, City Events, Nature/Wildlife/Pets and Family Fun; cash prizes will be awarded in each category; check out www.hvparks.com for rules and entry forms; the deadline to enter is January 13, 2017
A HoliDay in Highland Village – this item informed residents of the opportunities to shop local this holiday season and featured area businesses, including Edison Coffee, Barnes & Noble, Whole Foods, Jack's Outfitters, DSW Shoes, Shellman's, Goody Goody, Peter's Pizzeria, AMC Movie Theatre, and Fresco's
The HVBA Website – to see the newly redesigned website, be sure to visit www.TheHVBA.com to find out ways to shop, taste, go, play and do in Highland Village
Christmas Tree Recycling – tree recycling will be held December 26 through January 3 in the Kid's Kastle parking lot at Unity Park; be sure to remove all decorations

CONSENT AGENDA

13. Consider Approval of Minutes of the Regular Meeting held on November 10, 2016

14. Consider Resolution 2016-2668 Authorizing the City Manager to Negotiate and Enter into Interlocal Cooperation Agreements with Denton County for Fire and Ambulance Protection Services

15. Consider Resolution 2016-2669 Authorizing the Purchase of a Vehicle and Equipment for the Public Works Department through the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard)

16. Receive Budget Report for Period Ending September 30, 2016

Motion by Councilmember Lombardo, seconded by Deputy Mayor Pro Tem Meek, to approve Consent Agenda Items #13 through #16. Motion carried 7-0.

ACTION AGENDA

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

NO ACTION TAKEN

Council did not meet in Closed Session; no action was taken.

LATE WORK SESSION

18. Discuss 2017 State Legislative Program for the City of Highland Village

Mayor Wilcox announced since time allowed, Agenda Item #18 was moved up to the Early Work Session agenda.

19. 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.)

Mr. Leavitt reported this is the only Council meeting in December; the second meeting had been cancelled due to the holidays. On behalf of himself, City staff and the City Council he wished everyone a Happy Holiday and Happy New Year.

- **35Express Update**

Mr. Leavitt provided the following update regarding the 35Express Project:

- The FM 407 north to southbound U-turn lane will remain closed through early 2017 to complete aesthetic and decorative paving work
- Work on the new Copperas Branch Park is scheduled to begin at the end of this year and work on the new Highland Lakes Park (north of Garden Ridge Boulevard) is expected to begin by early 2017
- This week AGL crews will begin the install of drill shafts for the pedestrian bridge by Copperas Branch Road

20. Adjournment

Mayor Wilcox adjourned the meeting at 7:56 p.m.

_____
Charlotte J. Wilcox, Mayor

ATTEST:

_____
Angela Miller, City Secretary

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 13 **MEETING DATE: 01/10/17**

SUBJECT: Receive Budget Reports for Period Ending October 31, 2016

PREPARED BY: Ken Heerman

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 October represents the first 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 October 31, 2016.

General Fund Summary
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	**Revised Budget** (Includes Budget Amendments)	**Year to Date**	Variance	% Received
Property Tax	$ 9,763,828	**$ 9,763,828**	**$ 46,002**	$ (9,717,826)	0%
Sales Tax	2,700,218	**2,700,218**	**-**	(2,700,218)	0%
Franchise Fees	1,714,328	**1,714,328**	**384,711**	(1,329,617)	22%
Licensing & Permits	450,833	**450,833**	**26,483**	(424,350)	6%
Park/Recreation Fees	221,070	**221,070**	**24,119**	(196,951)	11%
Public Safety Fees	39,000	**39,000**	**2,098**	(36,903)	5%
Rents	126,401	**126,401**	**5,458**	(120,943)	4%
Municipal Court	112,200	**112,200**	**5,611**	(106,589)	5%
Public Safety Charges for Svc	466,921	**466,921**	**109,968**	(356,953)	24%
Interest Income	32,000	**32,000**	**847**	(31,153)	3%
Miscellaneous	129,850	**129,850**	**2,710**	(127,140)	2%
Total Revenues	$ 15,756,649	**$ 15,756,649**	**$ 608,006**	$ (15,148,643)	4%
Other Sources					
Transfers In	$ 534,000	**$ 534,000**	**$ -**	$ (534,000)	0%
Total Available Resources	$ 16,290,649	$ 16,290,649	$ 608,006	$ (15,682,643)	

Expenditures	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
City Manager Office	$ 646,560	**$ 646,560**	**$ 45,475**	$ 601,085	7%
Finance (includes Mun. Court)	1,483,887	**1,483,887**	**242,037**	1,241,849	16%
Human Resources	552,948	**552,948**	**33,942**	519,006	6%
City Secretary Office	304,402	**304,402**	**11,232**	293,170	4%
Information Services	1,109,963	**1,109,963**	**56,751**	1,053,212	5%
Police	4,676,887	**4,676,887**	**289,832**	4,387,055	6%
Fire	2,846,905	**2,846,905**	**327,333**	2,519,573	11%
Community Services	425,512	**425,512**	**22,473**	403,039	5%
Streets/Drainage	1,374,669	**1,374,669**	**78,149**	1,296,521	6%
Maintenance	898,459	**898,459**	**33,847**	864,612	4%
Parks	1,571,130	**1,571,130**	**102,513**	1,468,617	7%
Recreation	448,527	**448,527**	**16,411**	432,117	4%
Total Expenditures	**$ 16,339,850**	**$ 16,339,850**	**$ 1,259,995**	$ 15,079,855	8%
Capital Summary	**(Included in totals above - summary information only)**				
Equipment Replacement	$ 484,000	$ 484,000	**$ 17,642**	$ 466,358	4%
Other Uses					
Transfers Out	$ 266,000	**$ 266,000**	**$ -**	266,000	0%
Total Expenditures	$ 16,605,850	**$ 16,605,850**	**$ 1,259,995**	$ 15,345,855	

Fund Balance	Original Budget	**Revised Budget**	**Year to Date**
Beginning Fund Balance	4,024,986	**4,024,986**	**4,024,986**
+ Net Increase (Decrease)	(315,201)	**(315,201)**	**(651,989)**
Ending Fund Balance	$ 3,709,785	**$ 3,709,785**	**$ 3,372,997**

Fund Balance Detail	Original Budget	**Revised Budget**	**Year to Date**
Reserve Fund Balance *(15% of Total Expenditures)*	$ 2,450,977	**$ 2,450,977**	**$ 188,999**
Restricted	11,500	**11,500**	**11,500**
Unassigned	1,247,308	**1,247,308**	**3,172,498**
Total Fund Balance	$ 3,709,785	**$ 3,709,785**	**$ 3,372,997**

General Fund Expenditure Summary
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 11,486,094	**$ 11,486,094**	**$ 745,633**	$ 10,740,462	6%
Services / Supplies	4,369,755	**4,369,755**	**496,720**	3,873,035	11%
Capital	484,000	**484,000**	**17,642**	466,358	4%
	$ 16,339,850	**$ 16,339,850**	**$ 1,259,995**	$ 15,079,855	8%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 8,416,498	**$ 8,416,498**	**$ 485,066**	$ 7,931,432	6%
Employee Benefits	3,069,597	**3,069,597**	**260,567**	2,809,029	8%
Total Personnel	$ 11,486,094	**$ 11,486,094**	**$ 745,633**	$ 10,740,462	6%
Services / Supplies					
Professional Services	$ 1,313,594	$ 1,313,594	**$ 253,791**	$ 1,059,803	19%
Employee Development	313,817	**313,817**	**4,167**	309,650	1%
Office Supplies / Equipment	1,064,876	**1,064,876**	**56,271**	1,008,605	5%
Utilities	328,432	**328,432**	**23,993**	304,439	7%
Other	1,349,037	**1,349,037**	**158,498**	1,190,539	12%
Total Services / Supplies	$ 4,369,755	**$ 4,369,755**	**$ 496,720**	$ 3,873,035	11%
Capital					
Equipment / Vehicles	$ 484,000	**$ 484,000**	**$ 17,642**	$ 466,358	4%
Total Capital	$ 484,000	**$ 484,000**	**$ 17,642**	$ 466,358	4%
Total General Fund Expenditure Summary	$ 16,339,850	**$ 16,339,850**	**$ 1,259,995**	$ 15,079,855	8%

General Fund Revenue
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired ***8.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Property Tax	$ 9,763,828	**$ 9,763,828**	**$ 46,002**	$ (9,717,826)	0%
Sales Tax	2,700,218	**2,700,218**	**-**	(2,700,218)	0%
Franchise Fees	1,714,328	**1,714,328**	**384,711**	(1,329,617)	22%
Licensing & Permits	450,833	**450,833**	**26,483**	(424,350)	6%
Park/Recreation Fees	221,070	**221,070**	**24,119**	(196,951)	11%
Public Safety Fees	39,000	**39,000**	**2,098**	(36,903)	5%
Rents	126,401	**126,401**	**5,458**	(120,943)	4%
Municipal Court	112,200	**112,200**	**5,611**	(106,589)	5%
Public Safety Charges for Svc	466,921	**466,921**	**109,968**	(356,953)	24%
Interest Income	32,000	**32,000**	**847**	(31,153)	3%
Miscellaneous	129,850	**129,850**	**2,710**	(127,140)	2%
Total Revenues	$ 15,756,649	**$ 15,756,649**	**$ 608,006**	$ (15,148,643)	4%

City Manager Office
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 382,973	**$ 382,973**	**$ 25,323**	$ 357,650	7%
Services / Supplies	263,587	**263,587**	**20,152**	243,435	8%
Capital	-	**-**	**-**	-	0%
	$ 646,560	**$ 646,560**	**$ 45,475**	$ 601,085	7%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 312,211	**$ 312,211**	**$ 20,791**	$ 291,421	7%
Employee Benefits	70,761	**70,761**	**4,532**	66,229	6%
Total Personnel	$ 382,973	**$ 382,973**	**$ 25,323**	$ 357,649	7%
Services / Supplies					
Professional Services *(City-wide legal - $120,500)*	$ 135,750	**$ 135,750**	**$ 20,120**	$ 115,630	15%
Employee Development	12,875	**12,875**	**-**	12,875	0%
Supplies / Equipment	4,710	**4,710**	**33**	4,677	1%
Utilities	-	**-**	**-**	-	0%
Other (*Contingency)*	110,252	**110,252**	**-**	110,252	0%
Total Services / Supplies	$ 263,587	**$ 263,587**	**$ 20,152**	$ 243,435	8%
Capital					
Equipment / Vehicles	-	-	-	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total City Manager	$ 646,560	**$ 646,560**	**$ 45,475**	$ 601,084	7%

Finance Department
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 928,120	**$ 928,120**	**$ 64,374**	$ 863,746	7%
Services / Supplies	555,767	**555,767**	**177,663**	378,103	32%
Capital	-	**-**	**-**	-	0%
	$ 1,483,887	**$ 1,483,887**	**$ 242,037**	$ 1,241,849	16%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 682,779	**$ 682,779**	**$ 45,251**	$ 637,528	7%
Employee Benefits	245,341	**245,341**	**19,123**	226,218	8%
Total Personnel	$ 928,120	**$ 928,120**	**$ 64,374**	$ 863,746	7%
Services / Supplies					
Professional Services *(City-wide liability insurance - $107,201 / DCAD - $74,670)*	$ 502,763	**$ 502,763**	**$ 173,902**	$ 328,861	35%
Employee Development	19,938	**19,938**	**790**	19,148	4%
Supplies / Equipment	10,176	**10,176**	**226**	9,950	2%
Utilities	-	**-**	**900**	(900)	100%
Other *(Special Events)*	22,890	**22,890**	**1,845**	21,045	8%
Total Services / Supplies	$ 555,767	**$ 555,767**	**$ 177,663**	$ 378,103	32%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Finance Department	$ 1,483,887	**$ 1,483,887**	**$ 242,037**	$ 1,241,849	16%

Human Resources
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 450,958	**$ 450,958**	**$ 32,764**	$ 418,194	7%
Services / Supplies	101,990	**101,990**	**1,179**	100,811	1%
Capital	-	**-**	**-**	-	0%
	$ 552,948	**$ 552,948**	**$ 33,942**	$ 519,006	6%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 362,545	**$ 362,545**	**$ 25,569**	$ 336,976	7%
Employee Benefits	88,413	**88,413**	**7,195**	81,218	8%
Total Personnel	$ 450,958	**$ 450,958**	**$ 32,764**	$ 418,193	7%
Services / Supplies					
Professional Services	$ 26,350	**$ 26,350**	**$ 669**	$ 25,681	3%
Employee Development	67,590	**67,590**	**480**	67,110	1%
Supplies / Equipment	2,050	**2,050**	**4**	2,046	0%
Utilities	-	**-**	**-**	-	0%
Other	6,000	**6,000**	**25**	5,975	0%
Total Services / Supplies	**$ 101,990**	**$ 101,990**	**$ 1,179**	$ 100,811	1%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Human Resources	$ 552,948	**$ 552,948**	**$ 33,942**	$ 519,005	6%

City Secretary Office
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 180,137	**$ 180,137**	**$ 10,749**	$ 169,388	6%
Services / Supplies	124,265	**124,265**	**483**	123,782	0%
Capital	-	**-**	**-**	-	-
	$ 304,402	**$ 304,402**	**$ 11,232**	$ 293,170	4%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 143,137	**$ 143,137**	**$ 8,291**	$ 134,846	6%
Employee Benefits	37,001	**37,001**	**2,458**	34,542	7%
Total Personnel	$ 180,137	**$ 180,137**	**$ 10,749**	$ 169,387	6%
Services / Supplies					
Professional Services	$ 26,650	**$ 26,650**	**$ 114**	$ 26,536	0%
Employee Development *(City Council related $31,280)*	42,560	**42,560**	**-**	42,560	0%
Supplies / Equipment	16,355	**16,355**	**369**	15,986	2%
Utilities	-	**-**	**-**	-	0%
Other	38,700	**38,700**	**-**	38,700	0%
Total Services / Supplies	$ 124,265	**$ 124,265**	**$ 483**	$ 123,782	0%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total City Secretary Office	$ 304,402	**$ 304,402**	**$ 11,232**	$ 293,169	4%

Information Services
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 565,776	**$ 565,776**	**$ 26,633**	$ 539,143	5%
Services / Supplies	319,187	**319,187**	**30,118**	289,069	9%
Capital	225,000	**225,000**	**-**	225,000	0%
	$ 1,109,963	**$ 1,109,963**	**$ 56,751**	$ 1,053,212	5%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 418,823	**$ 418,823**	**$ 19,819**	$ 399,003	5%
Employee Benefits	146,954	**146,954**	**6,814**	140,140	5%
Total Personnel	$ 565,776	**$ 565,776**	**$ 26,633**	$ 539,143	5%
Services / Supplies					
Professional Services	$ 155,020	**$ 155,020**	**$ 29,308**	$ 125,712	19%
Employee Development	24,425	**24,425**	**-**	24,425	0%
Supplies / Equipment	2,560	**2,560**	**58**	2,502	2%
Utilities	15,032	**15,032**	**457**	14,575	3%
Other (Data Processing)	122,150	**122,150**	**295**	121,855	0%
Total Services / Supplies	$ 319,187	**$ 319,187**	**$ 30,118**	$ 289,069	9%
Capital					
Equipment / Vehicles	225,000	**225,000**	**-**	225,000	0%
Total Capital	$ 225,000	**$ 225,000**	**$ -**	$ 225,000	0%
Total City Secretary Office	$ 1,109,963	**$ 1,109,963**	**$ 56,751**	$ 1,053,212	5%

Police Department
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 4,198,439	**$ 4,198,439**	**$ 261,113**	$ 3,937,326	6%
Services / Supplies	378,448	**378,448**	**28,719**	349,728	8%
Capital	100,000	**100,000**	**-**	100,000	0%
	$ 4,676,887	**$ 4,676,887**	**$ 289,832**	$ 4,387,055	6%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 3,091,914	**$ 3,091,914**	**$ 170,099**	$ 2,921,816	6%
Employee Benefits	1,106,525	**1,106,525**	**91,014**	1,015,511	8%
Total Personnel	$ 4,198,439	**$ 4,198,439**	**$ 261,113**	$ 3,937,326	6%
Services / Supplies					
Professional Services	$ 133,147	**$ 133,147**	**$ 18,819**	$ 114,328	14%
Employee Development	44,924	**44,924**	**1,370**	43,554	3%
Supplies / Equipment	135,249	**135,249**	**7,926**	127,323	6%
Utilities	-	**-**	**-**	-	0%
Other *(Animal Care - $49,420)*	65,128	**65,128**	**604**	$ 64,524	1%
Total Services / Supplies	$ 378,448	**$ 378,448**	**$ 28,719**	$ 349,728	8%
Capital					
Equipment / Vehicles	100,000	**100,000**	**-**	100,000	0%
Total Capital	$ 100,000	**$ 100,000**	**$ -**	$ 100,000	0%
Total Police Department	$ 4,676,887	**$ 4,676,887**	**$ 289,832**	$ 4,387,055	6%

Fire Department
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 2,207,017	**$ 2,207,017**	**$ 145,508**	$ 2,061,509	7%
Services / Supplies	581,888	**581,888**	**164,183**	417,705	28%
Capital	58,000	**58,000**	**17,642**	40,358	30%
	$ 2,846,905	**$ 2,846,905**	**$ 327,333**	$ 2,519,573	11%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 1,597,162	**$ 1,597,162**	**$ 89,281**	$ 1,507,881	6%
Employee Benefits	609,856	**609,856**	**56,228**	553,628	9%
Total Personnel	$ 2,207,017	**$ 2,207,017**	**$ 145,508**	$ 2,061,509	7%
Services / Supplies					
Professional Services	$ 61,676	**$ 61,676**	**$ 3,491**	$ 58,185	6%
Employee Development *(Training - $42,000)*	57,520	**57,520**	**292**	57,229	1%
Supplies / Equipment	187,692	**187,692**	**27,204**	160,488	14%
Utilities	1,800	**1,800**	**-**	1,800	0%
Other	273,200	**273,200**	**133,197**	140,003	49%
Total Services / Supplies	$ 581,888	**$ 581,888**	**$ 164,183**	$ 417,705	28%
Capital					
Equipment / Vehicles	58,000	**58,000**	**17,642**	40,358	30%
Total Capital	$ 58,000	**$ 58,000**	**$ 17,642**	$ 40,358	30%
Total Fire Department	$ 2,846,905	**$ 2,846,905**	**$ 327,333**	$ 2,519,573	11%

Community Services
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 402,319	**$ 402,319**	**$ 22,411**	$ 379,907	6%
Services / Supplies	23,193	**23,193**	**61**	23,132	0%
Capital	-	**-**	**-**	-	0%
	$ 425,512	**$ 425,512**	**$ 22,473**	$ 403,039	5%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 290,160	**$ 290,160**	**$ 15,523**	$ 274,637	5%
Employee Benefits	112,158	**112,158**	**6,888**	105,270	6%
Total Personnel	$ 402,319	**$ 402,319**	**$ 22,411**	$ 379,907	6%
Services / Supplies					
Professional Services	$ 9,200	**$ 9,200**	**$ (107)**	9,307	-1%
Employee Development	4,765	**4,765**	**50**	4,715	1%
Supplies / Equipment	7,228	**7,228**	**118**	7,110	2%
Utilities	-	**-**	**-**	-	0%
Other	2,000	**2,000**	**-**	2,000	0%
Total Services / Supplies	$ 23,193	**$ 23,193**	**$ 61**	$ 23,132	0%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Building Operations	$ 425,512	**$ 425,512**	**$ 22,473**	$ 403,039	5%

Streets Division
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 671,743	**$ 671,743**	**$ 49,262**	$ 622,482	7%
Services / Supplies	672,926	**672,926**	**28,887**	644,039	4%
Capital	30,000	**30,000**	**-**	30,000	0%
	$ 1,374,669	**$ 1,374,669**	**$ 78,149**	$ 1,296,521	6%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 452,166	**$ 452,166**	**$ 25,684**	$ 426,483	6%
Employee Benefits	219,577	**219,577**	**23,578**	195,999	11%
Total Personnel	$ 671,743	**$ 671,743**	**$ 49,262**	$ 622,482	7%
Services / Supplies					
Professional Services	$ 64,676	**$ 64,676**	**$ -**	$ 64,676	0%
Employee Development	10,150	**10,150**	**480**	9,670	5%
Supplies / Equipment	47,550	**47,550**	**4,257**	43,293	9%
Utilities	90,000	**90,000**	**6,967**	83,033	8%
Other *(Street Maintenance)*	460,550	**460,550**	**17,183**	443,367	4%
Total Services / Supplies	$ 672,926	**$ 672,926**	**$ 28,887**	$ 644,039	4%
Capital					
Equipment / Vehicles	30,000	**30,000**	**-**	30,000	0%
Total Capital	$ 30,000	**$ 30,000**	**$ -**	$ 30,000	0%
Total Streets	$ 1,374,669	**$ 1,374,669**	**$ 78,149**	$ 1,296,521	6%

Maintenance Division
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 305,832	**$ 305,832**	**$ 19,885**	$ 285,947	7%
Services / Supplies	592,627	**592,627**	**13,962**	578,665	2%
Capital	-	**-**	**-**	-	0%
	$ 898,459	**$ 898,459**	**$ 33,847**	$ 864,612	4%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 217,185	**$ 217,185**	**$ 11,939**	$ 205,246	5%
Employee Benefits	88,648	**88,648**	**7,946**	80,701	9%
Total Personnel	$ 305,832	**$ 305,832**	**$ 19,885**	$ 285,947	7%
Services / Supplies					
Professional Services	$ 64,480	**$ 64,480**	**$ -**	$ 64,480	0%
Employee Development	5,535	**5,535**	**480**	5,055	9%
Supplies / Equipment *(Fuel & Oils - $135,777, Repair Parts / Contract Repairs - $188,000)*	437,512	**437,512**	**7,990**	429,522	2%
Utilities	85,000	**85,000**	**5,492**	79,508	6%
Other	100	**100**	**-**	$ 100	0%
Total Services / Supplies	$ 592,627	**$ 592,627**	**$ 13,962**	$ 578,665	2%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Maintenance	$ 898,459	**$ 898,459**	**$ 33,847**	$ 864,612	4%

Parks Division
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 1,001,680	**$ 1,001,680**	**$ 76,070**	$ 925,610	8%
Services / Supplies	498,450	**498,450**	**26,443**	472,007	5%
Capital	71,000	**71,000**	**-**	71,000	0%
	$ 1,571,130	**$ 1,571,130**	**$ 102,513**	$ 1,468,617	7%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 708,555	**$ 708,555**	**$ 46,087**	$ 662,468	7%
Employee Benefits	293,125	**293,125**	**29,983**	263,143	10%
Total Personnel	$ 1,001,680	**$ 1,001,680**	**$ 76,070**	$ 925,610	8%
Services / Supplies					
Professional Services	$ 133,882	**$ 133,882**	**$ 7,475**	$ 126,407	6%
Employee Development	14,980	**14,980**	**225**	14,755	2%
Supplies / Equipment	212,288	**212,288**	**8,087**	204,201	4%
Utilities	136,600	**136,600**	**10,176**	126,424	7%
Other	700	**700**	**480**	220	69%
Total Services / Supplies	$ 498,450	**$ 498,450**	**$ 26,443**	$ 472,007	5%
Capital					
Equipment / Vehicles	71,000	**71,000**	**-**	71,000	0%
Total Capital	71,000	**71,000**	**-**	71,000	0%
Total Parks	$ 1,571,130	**$ 1,571,130**	**$ 102,513**	$ 1,468,617	7%

Recreation Division
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 191,099	**$ 191,099**	**$ 11,541**	$ 179,558	6%
Services / Supplies	257,428	**257,428**	**4,870**	252,558	2%
Capital	-	**-**	**-**	-	0%
	$ 448,527	**$ 448,527**	**$ 16,411**	$ 432,117	4%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 139,861	**$ 139,861**	**$ 6,733**	$ 133,128	5%
Employee Benefits	51,238	**51,238**	**4,808**	46,431	9%
Total Personnel	$ 191,099	**$ 191,099**	**$ 11,541**	$ 179,558	6%
Services / Supplies					
Professional Services	$ -	**$ -**	**$ -**	$ -	0%
Employee Development	8,555	**8,555**	**-**	8,555	0%
Supplies / Equipment	1,506	**1,506**	**-**	1,506	0%
Utilities	-	**-**	**-**	-	0%
Other *(Recreation Programs)*	247,367	**247,367**	**4,870**	242,497	2%
Total Services / Supplies	$ 257,428	**$ 257,428**	**$ 4,870**	$ 252,558	2%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Recreation	$ 448,527	**$ 448,527**	**$ 16,411**	$ 432,117	4%

Equipment Replacement / Capital Schedule
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	***8.3%***

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	225,000	**225,000**	**-**	-	0%
Police Dept Capital Outlay	100,000	**100,000**	**-**	100,000	0%
Fire Dept Capital Outlay	58,000	**58,000**	**17,642**	40,358	30%
Community Services Capital Outlay	-	**-**	**-**	-	0%
Streets Dept Capital Outlay	30,000	**30,000**	**-**	30,000	0%
Maintenance Capital Outlay	-	**-**	**-**	-	0%
City Parks Capital Outlay	71,000	**71,000**	**-**	71,000	0%
City Recreation Capital Outlay	-	**-**	**-**	-	0%
Total Expenditures	$ 484,000	**$ 484,000**	**$ 17,642**	$ 466,358	4%

Utility Fund Revenues
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired 8.3%

Fees	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Electronic Payment	$ (100,000)	**$ (100,000)**	**$ (8,120)**	$ (91,880)	8%
Charges / Penalties	81,950	**81,950**	**8,130**	73,820	10%
Total Fees	$ (18,050)	**$ (18,050)**	**$ 10**	$ (18,060)	0%
Licenses & Permits					
Construction Inspection	$ 10,000	**$ 10,000**	**$ -**	$ 10,000	0%
Total Licenses & Permits	$ 10,000	**$ 10,000**	**$ -**	$ 10,000	0%
Charges for Services					
Water Sales	$ 4,859,679	**$ 4,859,679**	**$ 433,475**	$ 4,426,204	9%
Sewer Sales	3,585,708	**3,585,708**	**312,995**	3,272,713	9%
Inspection Fees	3,300	**3,300**	**80**	3,220	2%
Total Charges for Service	$ 8,448,687	**$ 8,448,687**	**$ 746,549**	$ 7,702,138	9%
Interest					
Interest (Operations)	$ 7,000	**$ 7,000**	**$ 1,396**	$ 5,604	20%
Interest (Capital Projects)	10,000	**10,000**	**414**	9,586	4%
Total Interest	$ 17,000	**$ 17,000**	**$ 1,810**	$ 15,190	11%
Impact Fees					
Impact Fees	$ 192,000	**$ 192,000**	**$ 5,011**	$ 186,989	3%
Total Impact Fees	$ 192,000	**$ 192,000**	**$ 5,011**	$ 186,989	3%
Miscellaneous Income					
Miscellaneous Income	$ 5,000	**$ 5,000**	**$ 28**	$ 4,972	1%
Total Miscellaneous Income	$ 5,000	**$ 5,000**	**$ 28**	$ 4,972	1%
Total Utility Fund Revenues	$ 8,654,637	**$ 8,654,637**	**$ 753,408**	$ 7,901,229	9%

Utility Division
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

- - - Summary - Operations - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 1,529,725	**$ 1,529,725**	**$ 111,948**	$ 1,417,778	7%
Services / Supplies	5,569,211	**5,569,211**	**433,056**	5,136,155	8%
Capital	95,000	**95,000**	**-**	95,000	0%
Total Utility Division	$ 7,193,936	**$ 7,193,936**	**$ 545,004**	$ 6,648,933	8%

- - - Detail - Operations - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 1,077,784	**$ 1,077,784**	**$ 65,936**	$ 1,011,849	6%
Employee Benefits	451,941	**451,941**	**46,012**	405,929	10%
Total Personnel	$ 1,529,725	**$ 1,529,725**	**$ 111,948**	$ 1,417,778	7%
Services / Supplies					
Professional Services	$ 255,447	**$ 255,447**	**$ 15,928**	$ 239,519	6%
Employee Development	58,379	**58,379**	**-**	58,379	0%
Supplies / Equipment	83,159	**83,159**	**2,506**	80,654	3%
Utilities	404,380	**404,380**	**32,166**	372,214	8%
Other *(Well Lot Maintenance)*	497,027	**497,027**	**1,059**	495,968	0%
Sub-Total - Operations Services / Supplies	$ 1,298,392	**$ 1,298,392**	**$ 51,658**	$ 1,246,734	4%
Wholesale Water / Wastewater (Note: UTRWD billing reflects a one month delay)					
UTRWD - Administration Fees	$ 4,955	**$ 4,955**	**$ 4,954**	$ 1	100%
UTRWD - Water Volume Cost	916,014	**916,014**	**138,714**	777,300	15%
UTRWD - Water Demand Charges	1,234,500	**1,234,500**	**102,875**	1,131,625	8%
UTRWD - Sewer Effluent Volume Rate	495,680	**495,680**	**-**	495,680	0%
UTRWD - Capital Charge Joint Facilities	1,329,595	**1,329,595**	**110,800**	1,218,795	8%
UTRWD - HV Sewer Line to UTRWD	290,075	**290,075**	**24,056**	266,019	8%
UTRWD - Wtr Transmission - Opus Develop	-	**-**	**-**	-	0%
Sub-Total - Wholesale Water / Wastewater	$ 4,270,819	**$ 4,270,819**	**$ 381,398**	$ 3,889,421	9%
Total Services / Supplies	$ 5,569,211	**$ 5,569,211**	**$ 433,056**	$ 5,136,155	8%
Capital					
Equipment / Vehicles	95,000	**95,000**	**-**	95,000	0%
Total Capital	$ 95,000	**$ 95,000**	**$ -**	$ 95,000	0%
Total Utility Division - Operations	$ 7,193,936	**$ 7,193,936**	**$ 545,004**	$ 6,648,933	8%

Utility Fund Working Capital
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Water Sales	$ 4,859,679	**$ 4,859,679**	**$ 433,475**	$ 4,426,204	9%
Sewer Sales	3,585,708	**3,585,708**	**312,995**	3,272,713	9%
Other Fees / Charges	100,250	**100,250**	**8,238**	92,012	8%
Electronic Payment Credit	(100,000)	**(100,000)**	**(8,120)**	(91,880)	8%
Interest	7,000	**7,000**	**1,396**	5,604	20%
Total Revenues	$ 8,452,637	**$ 8,452,637**	**$ 747,983**	$ 7,704,654	9%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Administration	$331,316	**$331,316**	**$ 36,473**	$ 294,844	11%
Operations	2,496,801	**2,496,801**	**127,133**	2,369,668	5%
UTRWD	4,270,819	**4,270,819**	**381,398**	3,889,421	9%
Debt Service	1,285,650	**1,285,650**	**-**	1,285,650	0%
Capital Projects	-	**-**	**-**	-	0%
Equipment Replace / Capital	95,000	**95,000**	**-**	95,000	0%
Total Expenditures	$ 8,479,586	**$ 8,479,586**	**$ 545,004**	$ 7,934,583	6%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Transfers In *(Applied Impact Fees)*	$ 150,000	**$ 150,000**	**$ 150,000**	$ -	100%
Operating Transfers Out / Utility Capital Projects	-	**-**	**-**	-	0%
Operating Transfers Out / General Fund	(470,000)	**(470,000)**	**-**	(470,000)	0%
Total Other Sources (Uses)	$ (320,000)	$ (320,000)	**$ 150,000**	$ (470,000)	-47%

Fund Balance	Original Budget	Revised Budget	Year to Date
Net Increase/Decrease	(346,949)	**(346,949)**	**352,979**
Beginning Working Capital			
Operations	1,729,103	**1,729,103**	**1,729,103**
Available Impact Fees	889,804	**889,804**	**889,804**
Total Available Working Capital	$ 2,618,907	**$ 2,618,907**	**$ 2,618,907**
Ending Working Capital			
Operations	1,382,154	**1,382,154**	**2,082,082**
Designated Capital Project	-	**-**	**-**
Available Impact Fees	931,804	**931,804**	**744,815**
Total Available Working Capital	$ 2,313,958	**$ 2,313,958**	**$ 2,826,897**

Impact Fees			
Beginning Balance	889,804	889,804	889,804
+ Collections	192,000	192,000	5,011
- Applied to offset Debt Service	(150,000)	(150,000)	(150,000)
Ending Balance	931,804	931,804	744,815

*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 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Park Entry Fees	$ 351,300	**$ 351,300**	**$ 24,579**	$ 326,721	7%
Annual Park Passes	20,000	**20,000**	**55**	19,945	0%
Concession Sales	-	**-**		-	0%
Interest	1,300	**1,300**	**68**	1,232	5%
I-35 Mitigation	50,000	**50,000**	**8,519**	41,481	17%
Total Revenues	$ 422,600	$ 422,600	**$ 33,220**	$ 389,380	8%

I-35 Mitigation Revenue is recognized as it is used and / or to replace lost revenue.
Initial total - $641,834 (Est balance as of 9/30/2016 $219,280)

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 199,564	**$ 199,564**	**$ 13,777**	$ 185,786	7%
Services / Supplies	147,171	**147,171**	**5,684**	141,487	4%
Capital	71,500	**71,500**	**17,320**	54,180	24%
Total Expenditures	$ 418,234	**$ 418,234**	**$ 36,781**	$ 381,454	9%

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

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 84,919	**$ 84,919**	**$ 84,919**
+ Net Increase (Decrease)	4,366	**4,366**	**(3,561)**
Ending Fund Balance	$ 89,285	**$ 89,285**	**$ 81,358**

Debt Service Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	***8.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Revenues	$1,761,728	**$ 1,761,728**	**$ 8,255**	$ 1,753,473	0%
Interest Income	1,400	**1,400**	**48**	1,352	3%
Total Revenues	$ 1,763,128	**$ 1,763,128**	**$ 8,303**	$ 1,754,825	0%

Expenditures	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Principal Payments	$ 2,015,000	**$ 2,015,000**	**$ -**	$ 2,015,000.00	0%
Interest Payments	625,801	**625,801**	**-**	625,801	0%
Paying Agent Fees	4,000	**4,000**	**-**	4,000	0%
Total Expenditures	$ 2,644,801	**$ 2,644,801**	**$ -**	$ 2,644,801	0%

Other Sources (Uses)	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Transfers In (Out) [To 4B]	890,071	**890,071**	**-**	-	0%
Proceeds from Refunding Debt	-	**-**	**-**	-	0%
Debt Issuance Cost	-	**-**	**-**	-	0%
Payment to Escrow Agent	-	**-**	**-**	-	0%
Total Financing Sources	$ 890,071	**$ 890,071**	**$ -**	$ -	0%

Beginning & Ending Balance	Original Budget	**Revised Budget**	**Year to Date**
Beginning Fund Balance	$ 137,811	**$ 137,811**	**$ 137,811**
+ Net Increase (Decrease)	8,398	**8,398**	**8,303**
Ending Fund Balance	$ 146,209	**$ 146,209**	**$ 146,114**

Capital Projects Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	$ -	**$ -**	**$ -**	$ -	0%
Contributions	-	**-**	**-**	-	0%
Interest Income	-	**-**	**169**	(169)	0%
Total Revenues	$ -	**$ -**	**$ 169**	$ (169)	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
2015 Tax Note (CAD, Radio System, Screening Walls, Drainage)	$ -	**$ -**	**$ -**	$ -	0%
2012 Certificate (Parks/Streets/Drainage)	-	**-**	**-**	-	0%
Total Expenditures	$ -	**$ -**	**$ -**	$ -	0%

Other Financing Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
Bond Issue Proceeds	$ -	**$ -**	**$ -**	$ -	0%
Bond Discount / Premium	-	**-**	**-**	-	0%
Debt Issuance	-	**-**	**-**	-	0%
Transfers In	-	**-**	**-**	-	0%
Transfer Out	-	**-**	**-**	-	0%
Total Financing Sources	$ -	**$ -**	**$ -**	**$ -**	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning fund balance	$ -	**$ -**	**$ -**
+Net Increase (Decrease)	-	**-**	**169**
Ending Fund Balance	$ -	**$ -**	**$ 169**

Drainage Utilities
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	***8.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Drainage Conversion Fee	$ -	**$ -**	**$ -**	$ -	0%
Drainage Fee Receipts	480,000	**480,000**	**40,447**	439,553	8%
Miscellaneous	-	**-**	**-**	-	0%
Interest	75	**75**	**62**	13	83%
Total Revenues	$ 480,075	**$ 480,075**	**$ 40,510**	$ 439,565	8%

Expenditures	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 331,943	**$ 331,943**	**$ 27,347**	$ 304,595	8%
Services / Supplies	166,355	**166,355**	**800**	165,555	0%
Capital	250,000	**250,000**	**-**	250,000	0%
Total Expenditures	$ 748,298	**$ 748,298**	**$ 28,147**	$ 720,150	4%

Other Sources/Uses	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Transfers In - City Impervious / General Fund *($250,000 transfer from GF related to purchase of Gradall)*	$ 266,000	**$ 266,000**	**$ -**	$ 266,000	0%
Operating TransfersOut / General Fund	(16,000)	**(16,000)**	**-**	(16,000)	0%
Total Other Sources (Uses)	$ 250,000	$ 250,000	$ -	$ 250,000	0%

Fund Balance	Original Budget	**Revised Budget**	**Year to Date**
Beginning Fund Balance	$ 164,197	**$ 164,197**	**$ 164,197**
+ Net Increase (Decrease)	(18,223)	**(18,223)**	**12,362**
Ending Fund Balance	$ 145,974	**$ 145,974**	**$ 176,559**

Park Development Fee Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Interest	$ -	**$ -**	**$ 56**	$ (56)	100%
Community Park Fees	684	**684**	**-**	684	0%
Linear Park Fees	-	**-**	**-**	-	0%
Neighborhood Park Fees	-	**-**	**-**	-	0%
Service Area II	-	**-**	**-**	-	0%
Service Area IV	-	**-**	**-**	-	0%
Total Revenues	$ 684	**$ 684**	**$ 56**	$ 628	8%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Unity Park	$ -	**$ -**	**$ -**	$ -	0%
Capital Outlay (Unity Park)	-	**-**	**-**	-	0%
Capital Outlay (Village Park)	-	**-**	**-**	-	0%
Capital Outlay - (St James development, Area I)	-	**-**	**-**	-	0%
Total Expenditures	$ -	**$ -**	**$ -**	$ -	0%

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

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ -	**$ -**	**$ -**
+ Net Increase (Decrease)	684	**684**	**56**
Ending Fund Balance	$ 684	**$ 684**	**$ 56**

Ending Fund Balance Detail	Original Budget	Year to Date
Community Park Fees	$ -	**29,459**
Linear Park Fees	-	**-**
Neighorhood Park Fees (Area I)	-	**-**
Neighorhood Park Fees (Area II)	-	**(6,737)**
Neighorhood Park Fees (Area IV)	-	**49,212**
Total	$ -	**$ 71,934**

Public Safety Special Revenue Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	***8.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Revenues	$ 25,600	**$ 25,600**	**$ 41,134**	$ (15,534)	161%

Expenditures	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ -	**$ -**	**$ -**	$ -	0%
Services / Supplies	3,600	**3,600**	**3,495**	105	97%
Capital	-	**-**	**-**	-	0%
Total Expenditures	$ 3,600	**$ 3,600**	**$ 3,495**	$ 105	0%

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

Beginning & Ending Balance	Original Budget	**Revised Budget**	**Year to Date**
Beginning Fund Balance	$ 17,905	**$ 17,905**	**$ 17,905**
+ Net Increase (Decrease)	-	**-**	**37,639**
Ending Fund Balance	$ 17,905	**$ 17,905**	**$ 55,544**

Municipal Court Technology Fee Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	$ 5,000	**$ 5,000**	**$ 231**	4,769	5%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Services / Supplies	$ 5,500	**$ 5,500**	**$ 4,671**	$ 829	85%
Total Expenditures	$ 5,500	**$ 5,500**	**$ 4,671**	$ 829	85%

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

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 36,256	**$ 36,256**	**$ 36,256**
+ Net Increase (Decrease)	(500)	**(500)**	**(4,440)**
Ending Fund Balance	$ 35,756	**$ 35,756**	**$ 31,816**

Municipal Court Building Security Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	*8.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	$ 3,600	**$ 3,600**	**$ 173**	$ 3,427	5%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel (Bailiff)	$ -	**$ -**	**$ -**	$ -	0%
Services / Supplies	-	**-**	**-**	-	0%
Total Expenditures	$ -	**$ -**	**$ -**	$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 29,016	**$ 29,016**	**$ 29,016**
+ Net Increase (Decrease)	3,600	**3,600**	**173**
Ending Fund Balance	$ 32,616	**$ 32,616**	**$ 29,189**

Highland Village Community Development Corporation

Working Capital Analysis (FY 2016)

	Actual 2014-2015	*Actual (Unaudited) 2015-2016*	*Budget 2016-2017*	*YTD 2016-2017*
Beginning Fund Balance	**$ 717,764**	**$ 755,390**	**$ 401,792**	**$ 303,392**
Revenues				
4B Sales Tax	1,197,263	1,231,754	1,317,305	**-**
Park Fees (Rental)		1,063	19,240	
Linear Park Fees	11,934	287	500	**290**
Miscellaneous Income	-	-	-	**-**
Interest Income	6,112	2,601	2,000	**84**
Total	$ 1,215,309	$ 1,235,705	$ 1,339,045	**$ 374**
Expenditures				
Personnel	113,602	165,208	180,617	**12,748**
Services / Supplies	148,197	253,796	153,690	**3,393**
Reimburse GF (Support Functions)	28,000	28,000	-	**-**
Reimburse GF (Debt Service)	887,884	889,309	918,071	**-**
Total Non-Capital Expenditures	**$ 1,177,683**	**$ 1,336,313**	**$ 1,252,378**	**$ 16,142**
Capital				
Engineering	-	-	-	**-**
Projects Funded Directly	-	-	-	**-**
Transfer to 4B Capital Projects	$ -	$ 300,000	$ -	**$ -**
Equipment	-	51,390	-	**-**
Net Increase / (Decrease)	37,626	(451,998)	86,667	**(15,768)**
Working Capital Balance	**$ 755,390**	**$ 303,392**	**$ 488,459**	**$ 287,624**

Highland Village Community Development Corporation

Capital Projects

	Actual 2014-2015	Actual 2014-2015	Budget 2016-2017	YTD 2016-2017
Beginning Fund Balance	$ -	$ -	$ -	$ -
Funding				
Debt Issuance	-	-	-	-
Bond Discount	-	-	-	-
Debt Issuance Cost	-	-	-	-
Funding from Operations	-	300,000	-	-
Capital Projects (HV RR Crossing)	-	-	-	-
Denton County	-	-	-	-
I-35 Mitigation		-	-	-
Interest Earnings	-	-	-	-
Total Available Project Funding	$ -	$ 300,000	$ -	$ -
Expenditures				
Castlewood Trail				
Engineering - $131,200	-	-	-	-
Project Cost - $1.312M (Estimated)	400,236	-	-	-
Copperas Trail				
Engineering - $112,380	-	-	-	-
Project Cost - $1.5M (Estimated)	-	-	-	-
HV Rd Trail (Phase IIa - CH to Svc Cntr)				
Engineering - $25,000	-	-	-	-
Project Cost - $250,982 (Estimated)	-	-	-	-
HV Rd Trail (Phase IIb - Lions Club Park to Doubletree Ranch Park)				
Engineering (Mostly included in Copperas Trail Eng.) - $25,714 (Remain)	-	-	-	-
Project Cost - $250,000 (Estimated)	-	-	-	-
FM 2499 Sidewalk				
Engineering - $12,500	-	-	-	-
Project Cost - $117,678 (Estimated)	-	-	-	-
Pedestrian Crosswalk Enhancement				
Engineering	-	-	-	-
Project Cost - $26,000/Crossing	-	-	-	-
Marauder Park Lake Access				
Engineering - $31,000 (Estimated)	-	-	-	-
Project Cost - $58,178 (Estimated)	-	-	-	-
HV Rd RR Crossing				
Engineering - $7,200 (Estimated)	-	-	-	-
Project Cost - $48,000 (Estimated)	-	-	-	-
Lakeside Community Park (707 HV Rd Trailhead)				
Engineering - $40,000	-	-	-	-
Project Cost - $420,000	630,385	-	-	-
Misc. Small, Fill-In/Connector Sections				
Project Cost - $20,000 (Per Year)	9,375	1,875	20,000	-
Doubletree Ranch Park				
Engineering - $779,300	-	1,868,787	-	-
Project Cost - $8,500,000 (Estimated)	5,889,393	-	-	-
Total Capital Projects	$ 6,929,389	$ 1,870,662	$ 20,000	$ -
Remaining Project Funding	$ 1,593,694	$ 23,032	$ 3,032	$ 23,032

PEG Fee Fund
FY 2016/2017 Budget

YEAR TO DATE OCTOBER

Percent of Budget Year Transpired	***8.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
PEG Fee Receipts	$ 65,000	**$ 65,000**	**$ 2,191**	$ 62,809	3%
Total Revenues	$ 65,000	**$ 65,000**	**$ 2,191**	$ 62,809	3%

Expenditures	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ -	**$ -**	**$ -**	$ -	0%
Services / Supplies	21,700	**21,700**	**-**	21,700	0%
Capital	12,000	**12,000**	**-**	12,000	0%
Total Expenditures	$ 33,700	**$ 33,700**	**$ -**	$ 33,700	0%

Other Sources/Uses	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Operating Transfers In	$ -	**$ -**	**$ -**	$ -	0%
Operating TransfersOut	-	**-**	**-**	-	0%
Total Other Sources (Uses)	$ -	$ -	$ -	$ -	0%

Fund Balance	Original Budget	**Revised Budget**	**Year to Date**
Beginning fund balance	$ 2,601	**$ 2,601**	**$ 2,601**
+Net Increase (Decrease)	31,300	**31,300**	**2,191**
Ending Fund Balance	$ 33,901	**$ 33,901**	**$ 4,792**

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15 **MEETING DATE: 01/10/17**

SUBJECT: **Consider Resolution 2017-2670 regarding Proposed Legislation Relating to the Imposition of Revenue Caps on Local Governments and the Related Impact on Local Services**

PREPARED BY: **Michael Leavitt, City Manager**

COMMENTS

The 85th Texas Legislature convenes on January 10, 2017. In preparation for Denton County Days, City staff has prepared a legislative statement relating to the imposition of Revenue Caps and addressing a list of concerns and issues impacting the City of Highland Village that are likely to be addressed during this session. Highland Village City Council and City staff will present the City's legislative program to our legislators at Denton County Days on February 28-March 1, 2017.

During this Legislative session, City staff will continue to monitor TML legislative updates and advisory notices, and will provide status updates to the City Council. City staff will also prepare support and/or opposition letters for the Mayor and Councilmembers when potential legislation is being considered by our representatives. The Legislative Program is included in this packet for Council review and approval.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2670

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, OPPOSING LEGISLATION IMPOSING REVENUE CAPS ON LOCAL GOVERNMENTS AND LEGISLATIVE INTERFERENCE WITH LOCAL SERVICES; PROVIDING AN EFFECTIVE DATE

WHEREAS, under current law, if a Texas city increases the effective tax rate assessed against real property within the city by more than eight percent over the rate assessed for the previous calendar year, the qualified voters residing in the city can petition for an election to rollback the increase to eight percent; and

WHEREAS, bills have been introduced in the 85th Regular Session of the Texas Legislature to cap the amount of property tax revenue Texas cities can collect each year which, if enacted, will replace the current eight percent "rollback rate" with a hard cap of four percent and require mandatory elections on any increase over four percent; and

WHEREAS, such legislation constitutes a misguided effort to reduce the property tax burden on city homeowners and businesses and is based on disingenuous, if not outright false, claims that such caps would provide substantial property tax relief to homeowners in Texas cities; and

WHEREAS, had the proposed four percent rollback rate been in effect for the last 15 years, the savings to individual property taxpayers in Highland Village, on average, would have been approximately $6.16 per month; and

WHEREAS, furthermore, if the rollback rate had been computed at four percent for the previous 15 years, the cumulative impact would have been a loss of $6.1 million to the City of Highland Village; and

WHEREAS, such legislation will force local governments to defer critical maintenance expenses for infrastructure assets such as facilities and streets, the condition of which will decline more quickly and require reconstruction or replacement sooner than would otherwise be required; and

WHEREAS, in reality, by reducing the amount of current funds available for city operations and maintenance that would normally be used prevent the above-mentioned deterioration of critical infrastructure, cities will be forced to issue additional debt to provide funds to rebuild such infrastructure when such replacement becomes critical and necessary; and

WHEREAS, the need to collect taxes to fund debt service merely shifts the amount of taxes collected based on annual operations and maintenance to taxes collected to pay debt service, resulting in no real reduction, and possibly a real increase, in the taxes assessed and collected by cities; and

WHEREAS, long term, the issuance of debt to pay for costs that could have been delayed or avoided by having funds available to pay for on-going annual maintenance of critical public infrastructure will cost taxpayers more in the future because of the additional payment of issuance costs and interest associated with the funds cities will be required to borrow; and

WHEREAS, in addition to the issuance costs and interest, taxpayers will have to pay exponentially higher costs associated with rebuilding city streets and other infrastructure resulting from deferring maintenance expenses; and

WHEREAS, the "Texas Miracle" has relied on local governments' use of economic development incentives, which will be greatly reduced if not eradicated through the imposition of revenue caps, thus driving away the job growth and creation and expansion of businesses in Texas cities that have made Texas the economic development leader in the nation; and

WHEREAS, cities collect only 16 percent of the total property taxes levied against real property in Texas, with the vast majority of the property taxes paid by Texans (55 percent) going to school districts, which are inadequately funded by the State; and

WHEREAS, school property taxes continue to rise because the Texas legislature continues to reduce the state's share of funding for public elementary and secondary schools, forcing districts to generate more revenue from local property taxes in order to maintain the educational standards and student/teacher ratio mandated by the State and to serve the ever increasing State population; and

WHEREAS, local elected officials are the most knowledgeable about the level of local governmental services desired by the residents who elected them to office and the amount such residents are willing and able to pay for such services and should have the discretion to establish the level of funding required to provide the services demanded by its residents;

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

SECTION 1. The City Council of the City of Highland Village, Texas, is OPPOSED to the imposition through State law of any revenue cap or any other legislation that interferes with the discretion of local elected officials to establish the levels of funding necessary provide the local services and to construct, operate and maintain the public facilities desired and demanded by those who elect those local officials and finds that imposing a revenue cap on Texas cities:

A. Does not provide meaningful property tax relief;

B. Denies the duly elected city and town council members the ability to adequately provide the local public services and facilities desired and demanded by those who have elected them; and

C. Diverts attention from the real cause of higher property taxes... the Texas legislature's failure to address the problem of adequate and equitable public elementary and secondary school funding.

SECTION 2. This resolution shall take effect immediately upon passage.

PASSED AND APPROVED this the 10TH day of January, 2017.

APPROVED:

_____

Charlotte J. Wilcox, Mayor

ATTEST:

_____

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____

Kevin B. Laughlin, City Attorney
(kbl:1/5/17:82728)

City of Highland Village
2017 State Legislative Program

CITY OF
Highland Village

CITY OF HIGHLAND VILLAGE
2017 LEGISLATIVE POLICY STATEMENT

The Highland Village City Council desires to express their appreciation for the dedication of legislators serving Highland Village and the Denton County community. Because we serve and share the same constituents, we desire to partner with you for the betterment of our citizens and community.

We have prepared a list of concerns and issues impacting the City of Highland Village that are likely to be addressed during the 85th Legislative Session. Many of these items are frequent annual concerns – their redundancy speaks to their continuing importance and not our lack of creativity. We will be particularly concerned about unfunded mandates and attempts to erode our local authority to determine local spending and taxing priorities.

Local Taxing & Spending Decisions Should Be Made By Locally Elected Officials

The Highland Village City Council strongly opposes the enactment of state imposed spending or taxation controls or lids. The proposals create an arbitrary and capricious procedure for what should be an essential function of representative democracy: elected officials determining the appropriate spending and taxing policies of their community. Local tax and spending decisions should be made by locally elected officials – not by artificial limits in the state's statutes or constitution. We support the current law which requires truth in taxation and allows a rollback election if the rollback rate is exceeded.

Priority: *Oppose legislation that would negatively expand appraisal caps, impose a revenue cap of any type, including a reduced rollback rate, mandatory tax rate ratification elections, lowered rollback petition requirements, limitations on overall city expenditures, exclusion of the new property adjustment in effective rate and rollback rate calculations.*

Unfunded Mandates

The City of Highland Village opposes unfunded mandates from the State of Texas. These mandates drain limited resources from needed City programs and activities. State legislators know how federal mandates hamper the state's ability to respond to problems and issues. Similarly, the state should not impose unfunded mandates on local units of government.

Priority: *Oppose any bill that would redirect, reduce or reapportion municipal revenues, whether from taxes or fees for service, collected by cities that would fund a State or Federal mandate.*

Oppose additional state fees or costs on municipal court convictions or the requirement that municipal courts collect fine revenue for the state.

Transportation Planning and Funding

We support transportation funding options for the highway infrastructure in Texas. We are committed to supporting regional efforts to address the mobility and air quality needs of our citizens now and in the future. Maintaining the aging highway infrastructure throughout Texas and expanding the highway system for statewide connectivity and maintaining urban mobility requires far greater investment in transportation infrastructure than is possible with current transportation revenues. We support the initiatives of the Denton County Transportation Authority (DCTA) to advance the development and funding of regional rail throughout the North Texas region.

Priority: *We support the discontinuation of the diversion of transportation revenues to non-transportation purposes and support appropriate revenues from highway user fees and taxes to fund transportation.*
We support providing additional funding to the Texas Department of Transportation for transportation projects that would benefit cities, so long as existing funding formulas are followed.
We support providing the funding for phase II of the reconstruction of the Interstate 35Express project.

State Limits on Land Use & Related Activities

We oppose efforts to unnecessarily restrict the City's current authority to enforce local ordinances in order to protect our citizens, their quality of life and maintain property values.

Priority: *We support legislation that would enhance the ability of cities to enforce local ordinances intended to protect the health, public safety, and quality of life of local citizens.*

Right-of-Way

Highland Village's ability to franchise utility companies and regulate its public rights-of-way must not be compromised. Private companies which use a public asset – such as locally owned right-of-way – should continue to be required to collect franchise fees for the use of public right-of-way and property. These utilities should also continue to be required to relocate in the right-of-way for public projects at their own expense – and not at the expense of local taxpayers.

Priority: *Oppose any bill that would decrease the authority of a city to be adequately compensated for the use of its rights-of-way and that would erode municipal authority over the management and control of rights-of-way.*

Ensuring Adequate Water Supplies for Our Future

Because a good water supply is essential to the welfare and growth of the Highland Village community, the City Council has taken steps to assure continued quality water resources. The City opposes federal and state regulatory changes to quality standards that are not demonstrably related to public health.

Priority: *Oppose any bill that would impose state "tap fees" or any other type of state charge on municipal water systems.*
Oppose state mandate on water conservation measures.
The Highland Village City Council supports local controls of ground water resources for domestic water use only.

Public Safety - Homeland Security

The City of Highland Village urges an active partnership between state and local governments regarding issues of Public Safety and Homeland Security. The City's police department and our City/County fire and emergency medical services department are essential resources in providing security and safety to our community. These departments rely on local funding resources that should be protected by our State legislature.

Priority: *Oppose legislation that would force a reduction in city revenue and thereby negatively impact funding for local public safety resources, programs and personnel. We oppose any legislation that would negatively expand appraisal caps, impose a revenue cap of any type, including a reduced rollback rate, mandatory tax rate ratification elections, lowered rollback petition requirements, limitations on overall city expenditures, exclusion of the new property adjustment in effective rate and rollback rate calculations.*

General Legislative Priorities

Allow a city the option of selecting either an official newspaper or an official Web site for the publication of official notes required by law.

Exempt candidate forums from the definition of a "meeting" in the Texas Open Meetings Act.

Oppose any bill that would eliminate any of the current uniform election dates.

Increase future local parks funding.

Oppose any bill that would lengthen or broaden the scope of the current sales tax holiday.

Oppose any bill that would expand election requirements for issuance of any city debt or that would impose a petition/election procedure where none currently exists.

Enhance the penalty for hacking into a government-owned computer.

Oppose any bill that would erode municipal authority to require utility companies to pay the costs of relocating their facilities in a timely manner as required by current law.

Oppose any bill that would limit city authority over employee benefits.

Oppose any bill that would, whether at the state or federal level, make "meet and confer" mandatory or expand the current "meet and confer" law.

Oppose any bill that would, whether at the state or federal level, make collective bargaining mandatory or impose expanded collective bargaining rights.

Expand the use of public, educational, and government (PEG) fees to include operational and related costs associated with PEG channels.

Enact beneficial amendments to the Texas Open Meetings Act that relate to the use of social media and the discussion of public business.

General Information

City of Highland Village Contact Information

MAYOR & CITY COUNCIL	CITY MANAGER'S OFFICE
Charlotte Wilcox, Mayor cwilcox@highlandvillage.org	**Michael Leavitt, City Manager** mleavitt@highlandvillage.org
Michelle Schwolert, Mayor Pro Tem mschwolert@highlandvillage.org	**Kevin Laughlin, City Attorney** klaughlin@njdhs.com
Bill Meek, Deputy Mayor Pro Tem wmeek@highlandvillage.org	**Laurie Mullens, Public Affairs Manager** lmullens@highlandvillage.org
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Barbara Fleming, Councilwoman, Place 4 bfleming@highlandvillage.org	
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John McGee, Councilman, Place 6 jmcgee@highlandvillage.org	

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Proposed Revenue Cap Ramifications
Highland Village Executive Summary

Local Control - It is our opinion that local government is the most accountable and effective level of government. This tenant has been expressed loud and often by Texas elected officials to the Federal Government.

- City residents are best suited to address desired level of service through local elections

Level of Taxation in Texas - If looking at only one segment of taxation, our property tax burden is indeed higher than most states. However, once all state and local taxes are included – School, City, County and State – Texas ranks 42nd in the Nation (No State Income Tax).

- The largest component of local property tax, school districts, is also the primary reason that property taxes compare unfavorably.

Likely Unintended Consequence of Undermining Fiscal Discipline - Frequent stated argument of revenue cap is growth in budget should not exceed the CPI.

- Staffing / infrastructure is not feasibly added concurrent and proportional to new growth on an annual basis.
- The nominal growth in inflation does not reflect costs associated with technology, such as increased costs for Police body cameras, and related increase in video storage cost.
- Construction costs for items such as street construction do not follow CPI indexes.
- Restricting ability to maintain tax rate to address costs over longer term, will result in more issuance of short-term debt for expenditures to meet roll-back provisions – ultimately resulting in increased costs.

Excess Regulation from State - A principle supported by Highland Village is elimination of excess regulation in government. Forcing a 4% roll-back provision on cities is an unnecessary regulation to address a problem that mostly does not exist.

- Over the past 15 years, the average annual increase in valuation for a homeowner in Highland Village is just 2.8%. However, due to year-to-year fluctuations in assessed valuation, a 4% roll-back provision would have required six elections during this time period to maintain the tax rate.
- If Council had chosen to defer to the lower roll-back rate each time, needed additions to public safety would have been compromised, with accompanying decrease in service levels. Ultimately, this would indeed reduce taxes by decreasing residents' home values.

Take-Away Message- One size does not fit all. Considerable information and notices are already required and provided regarding tax rate that enable residents to make informed decisions.

- Accountability at local level will best address balance of desired services and related cost – rather than being dictated at State level.
- Current parameters for roll-back are sufficient. The 8% level provides a needed check and balance, while still allowing leeway for cities to responsibly address expenditures in longer time-frame.

Highland Village

Proposed Revenue Cap Ramifications

CITY OF HIGHLAND VILLAGE

General Overview

Purpose of Today's Presentation: Tell Story of Highland Village

One Size Does Not Fit All…

Primary Conservative Government Tenant : ***Local Control***

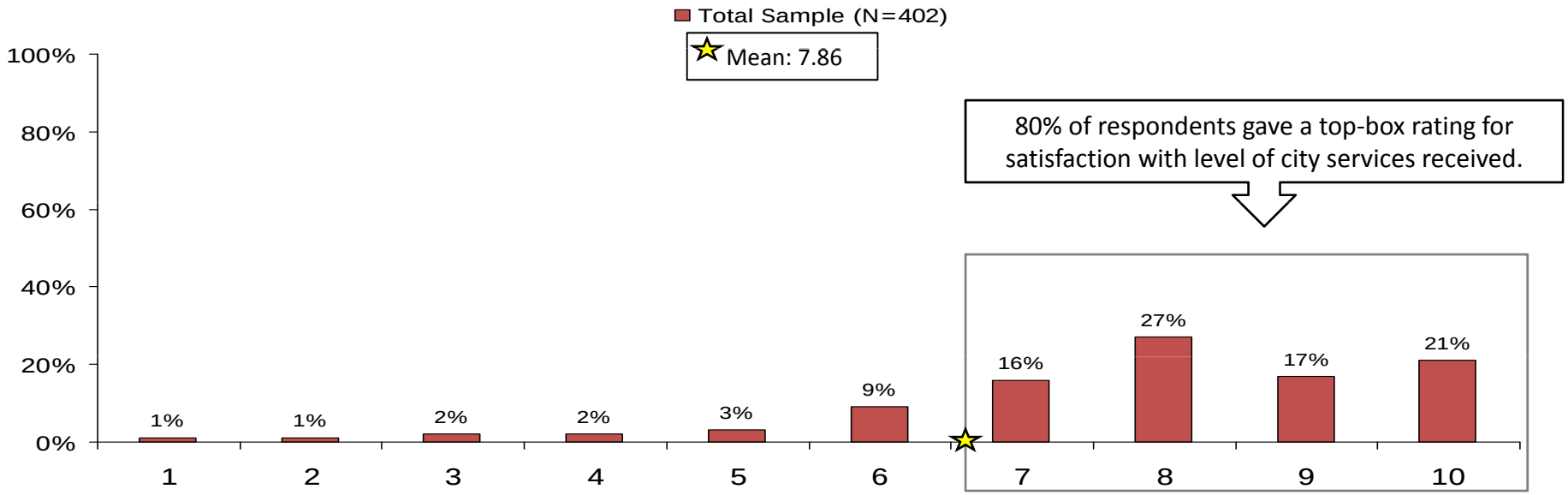
- Residents at local level best suited to address desired level of service.
- City managers / mayors, council-members are considerably more accessible and accountable than at any level of government.
  - Residents have repeatedly expressed desire for higher level of service and quality of life amenities.
  - Texans pay the sixth-highest property tax in the Nation
  - Once all state and local taxes are included – School, City, County and State – Texas ranks 42nd in the Nation (No State Income Tax)

Highland Village Resident Satisfaction Survey Key Findings – May 2016

- More than half of the respondents (**80%)** are satisfied with the level of City services received in return for what residents are paying for property and taxes.
  Note: Residents Notice of Appraised Value and estimated Property Tax Bill received May 2016
- Overall, the residents in the City of Highland Village have appreciation and satisfaction towards the many aspects the City has to offer.
  - The most attractive aspects of the City are its appearance, available activities, and the safety of the community.
- Respondents expressed high levels of satisfaction with the service provided by different departments especially from the Police Department, Parks and Recreation, and the Fire Department.
  - Elements that motivate residents' satisfaction come from the high-quality interaction with staff members and the positive outcome of call results.

Ratings: Satisfaction with Level of City Services in Return for Property and Sales Taxes Paid

Scale: 1 (Very dissatisfied) to 10 (Very satisfied)



Q31. Considering all the services mentioned in this survey, how satisfied are you with the level of City services you receive in return for what you pay in property and sales taxes?

Top Mentioned:
Comments, Recommendations, and Suggestions

- *"Great job, satisfied, keep doing a good job, love it here."*
- *"Increase amenities, community center, etc."*
- *"More businesses, shopping, and restaurants are needed for economic development."*
- *"More sidewalks are needed."*

Survey Executive Summary:
- Focus on maintaining high-quality customer service with current City staff members by continuing education and training.
- Consider the idea of expansion on infrastructure due to residents' recommendations and current high levels of satisfaction for existing amenities and services provided by the City.
- Overall, residents are satisfied with services provided by the City and encourage the City to maintain course.

Discipline in Budgeting

Important to Note:

- Even with expressed needs from residents for amenities, Councils have evaluated these in context of overall affordability in relation to responsible fiscal discipline.
    - A number of residents petitioned for a library, however when evaluating effect on tax rate, and considering available options for Highland Village residents for libraries in Lewisville and Flower Mound, Council did not pursue.
- A survey in 2007, residents were asked for input regarding desired capital programs and amenities.
    - For responses requesting amenities, survey was purposely structured to have associated cost and tax rate impact for each project and solicit whether they would be willing to approve the needed increase.

Rollback Rate Example

The preliminary tax roll reflects a 10% increase, including roughly $14.5M in new improvements.

Preliminary new assessed valuation amount -	$2,113,369,290
Less: New improvements	- 14,500,000
Adjusted Tax Roll	$2,098,869,290

Prior Year M&O Tax Levy - $9,175,616

Adjusted M&O Rate (with new tax roll amount)

9,175,616 / 2,098,869,290 = .4372

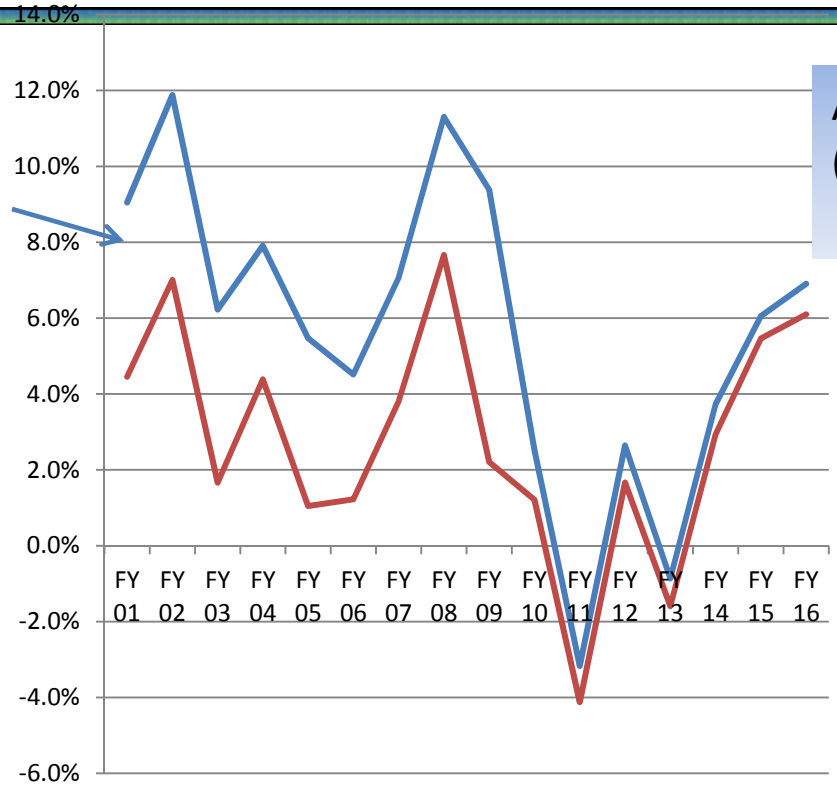
M&O Rate x rollback factor (8%)

.4372 x 1.08 = .4722

Current Year Debt rate	.0830
Rollback Rate	.5552

Annual Change in Assessed Values

New Growth



Average Chg in Existing Properties (Net of New Improvements)
2.8%

Change in Taxable Value
Net of New Improvements

Property Tax is the largest revenue item for Highland Village, comprising 62% of the General Fund Revenues. Given our small size, there is limited capacity for further growth in sales tax. Thus, we are reliant on property tax to fund ongoing City services.

Approved Tax Rate Compared to Effective

STOP THE HIDDEN PROPERTY TAX

HiddenPropertyTax.com

@hiddenproptax HiddenPropertyTax

What is the Hidden Property Tax?

The Hidden Property Tax is defined as higher annual property tax bills when appraisal values increase but the property tax rate stays the same (or is only lowered slightly).

Here's an example

Let's say your property valued at $200,000 last year is appraised at $220,000 this year. And suppose the tax rate of $0.48 per $100 valuation from last year remains the same this year. Your property tax bill from last year would have been $960, and the tax bill for this year would be $1,056. That's a $96 difference. . . even though the rate stayed the same. **This is the Hidden Property Tax.**

How does this happen?

Texas law says local taxing entities can't raise more than 8% in tax revenue from one year to the next. So when property appraisals increase annually, local officials must either keep property tax rates the same or slightly lower them to not run afoul of the 8% tax limit law. That's why you hear local officials say *"I'm cutting the tax rate"* or *"We are keeping the tax rate the same,"* which leads to confusion; ultimately leading to a **hidden property tax**!

What's the fix?

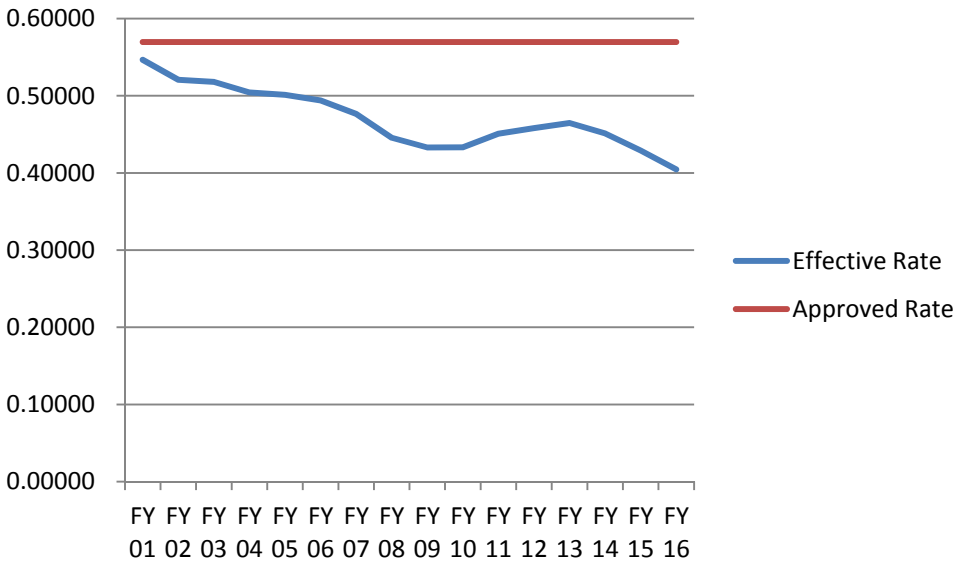
We believe property tax increases should be **derived from the rate side of the equation**—not the appraisal side. In other words, local taxing entities (school districts, cities, counties, MUDs) shouldn't get an "**automatic raise**" on the backs of property owners' unrealized gain in property value solely based on the actions of an appraisal district.

We need to **strengthen our "truth in taxation" laws** to ensure property tax rates are compared correctly and no confusion exists about how much additional tax revenue is being generated from higher appraisal values.

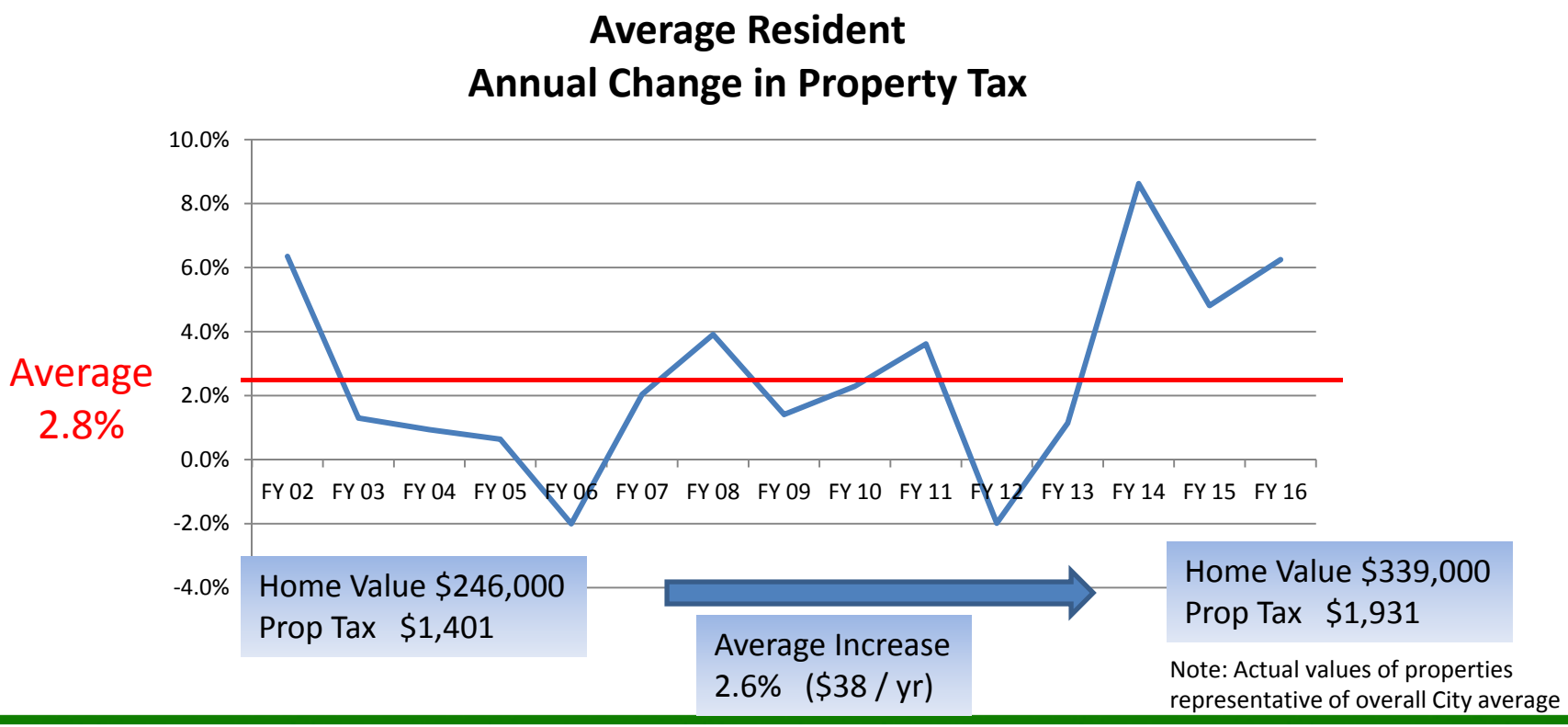
How can I get involved?

Get involved at the local level and demand your local elected officials have an honest and transparent conversation about why more property tax revenue is needed.

Also sign up at **HiddenPropertyTax.com** to learn more about potential solutions to ensure more transparency in our property tax system and to be kept up-to-date on our progress!



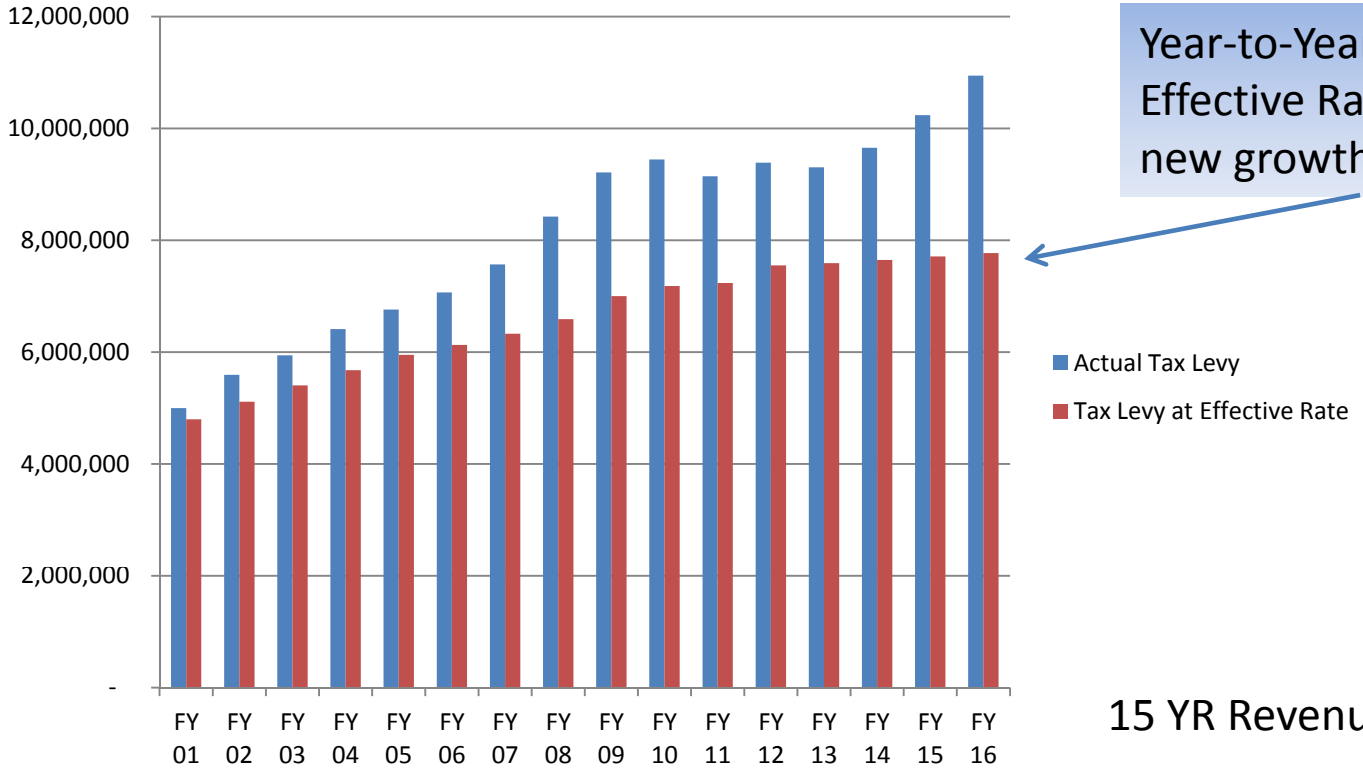
"Hidden Property Tax"



Note: Actual values of properties representative of overall City average

CITY OF HIGHLAND VILLAGE

Approved Tax Rate Compared to Effective Rate



Year-to-Year increase for Effective Rate associated with new growth only.

15 YR Revenue Difference - $24.4M

Approved Tax Rate Compared to Effective

- Example of funding implications had City maintained effective rate.

	FY 2001		FY 2016		Effective Rate
Personnel	4,014,146	69%	10,989,906	69%	8,786,699
Svs Supplies	1,519,417	26%	4,475,120	28%	3,577,968
Capital	286,090	5%	356,500	2%	285,030
Total	5,819,653		15,821,526		12,649,698
Employees	113		154		???

Assume same proportion of expenditures for personnel

Reduced by corresponding reduction in revenues had effective rate been maintained

	Positions	
	2001	2016
PD	30	46
Fire	4	22
Total	34	68
$	1,502,796	6,102,100

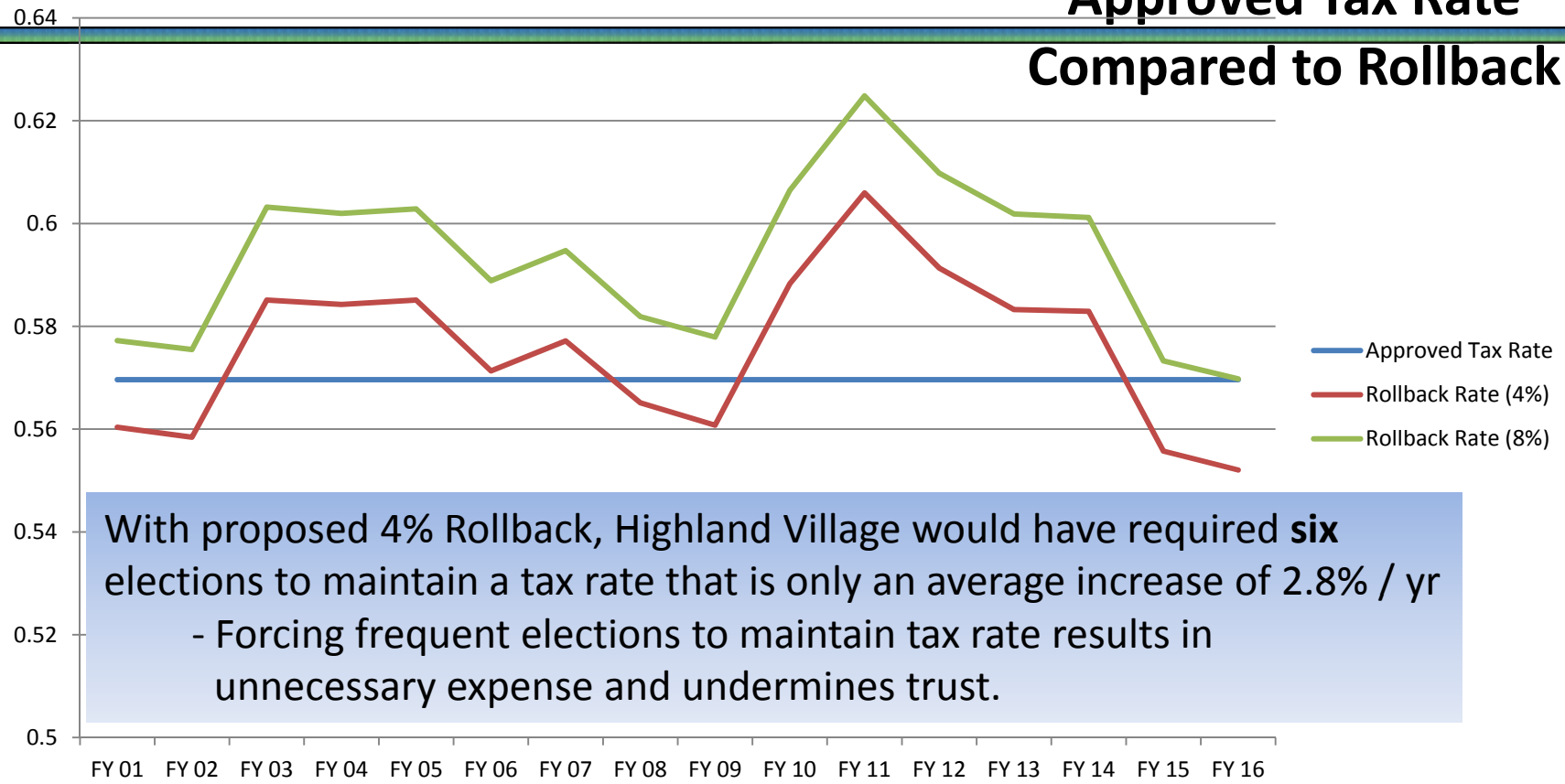
Increase
4,599,304

Majority of increase in positions related to Public Safety

Shortfall Funding
(2,203,207)

Roughly ½ of the Public Safety positions added could not have been funded

Approved Tax Rate Compared to Rollback

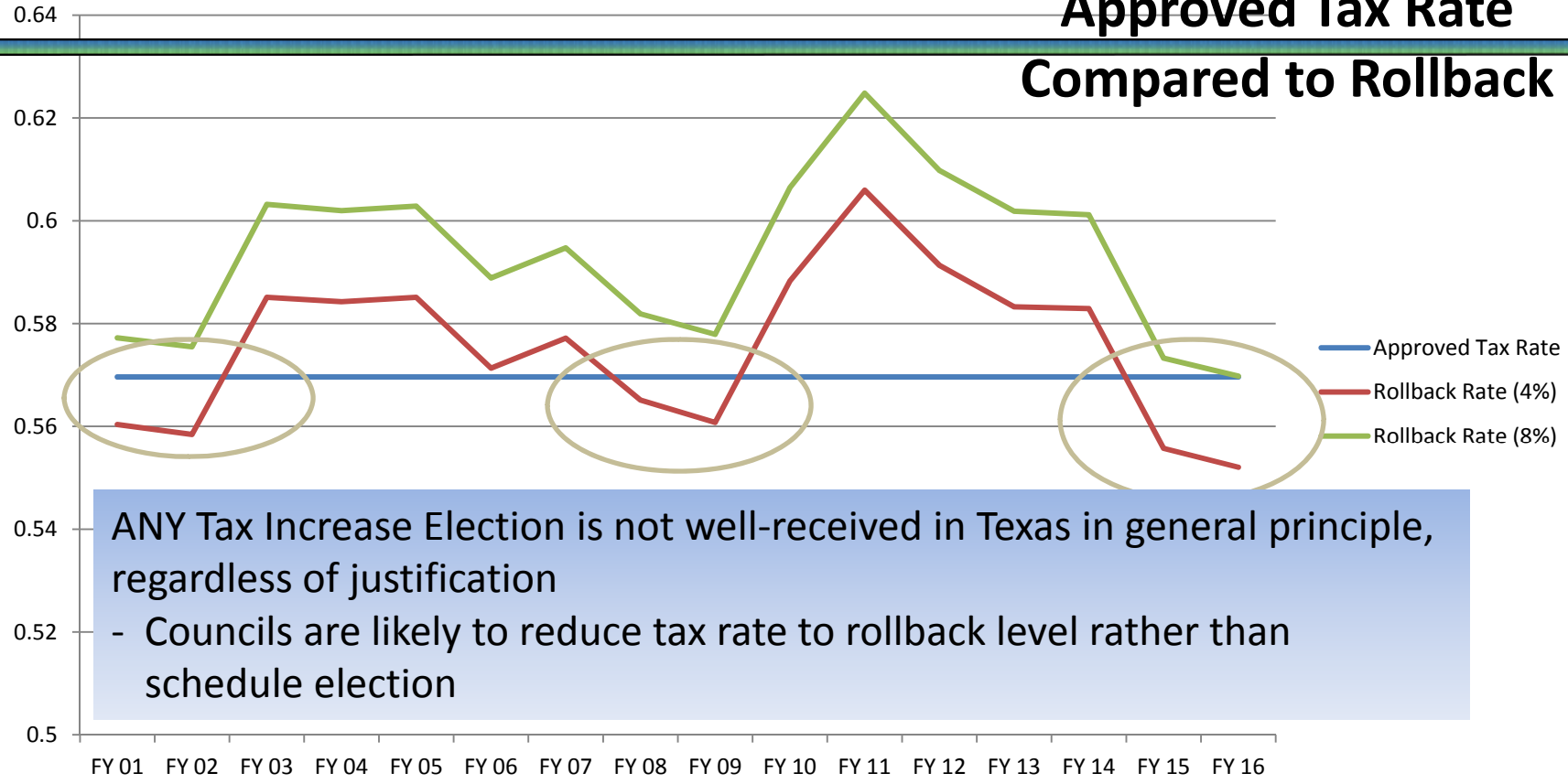


With proposed 4% Rollback, Highland Village would have required **six** elections to maintain a tax rate that is only an average increase of 2.8% / yr

- Forcing frequent elections to maintain tax rate results in unnecessary expense and undermines trust.

CITY OF HIGHLAND VILLAGE

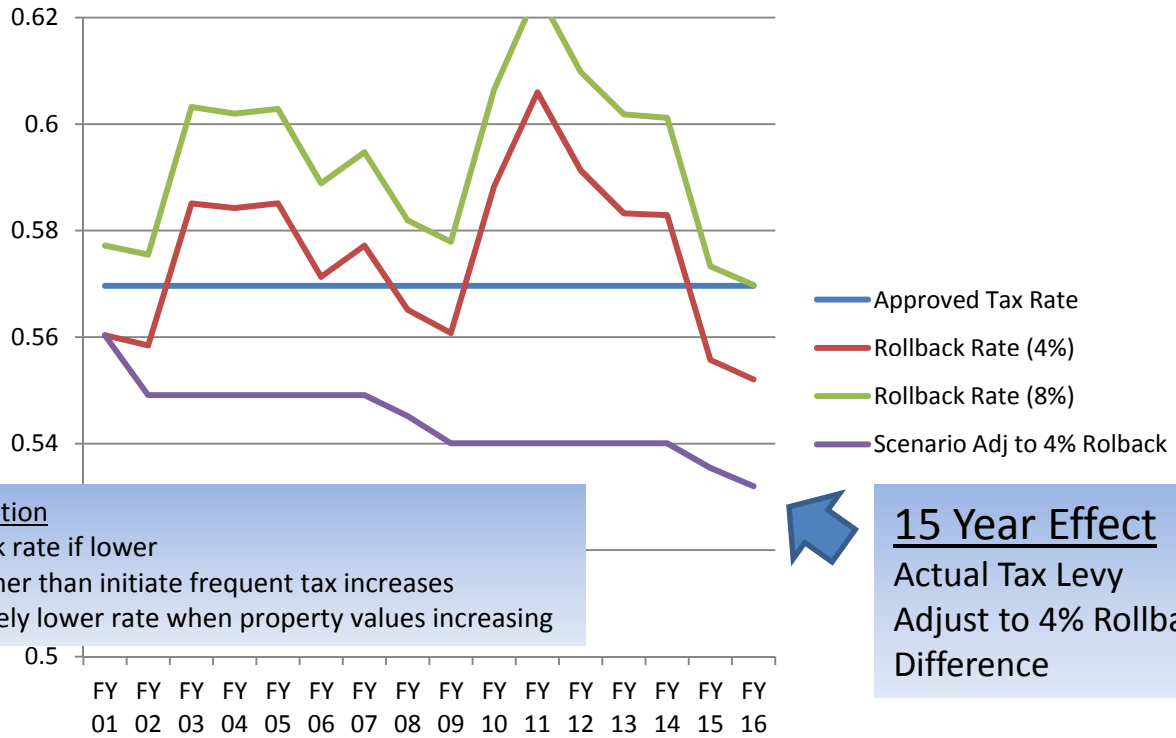
Approved Tax Rate Compared to Rollback



ANY Tax Increase Election is not well-received in Texas in general principle, regardless of justification

- Councils are likely to reduce tax rate to rollback level rather than schedule election

Retroactively Applying 4% Rollback Scenario



Average Homeowner would have paid $74 / yr less in this scenario

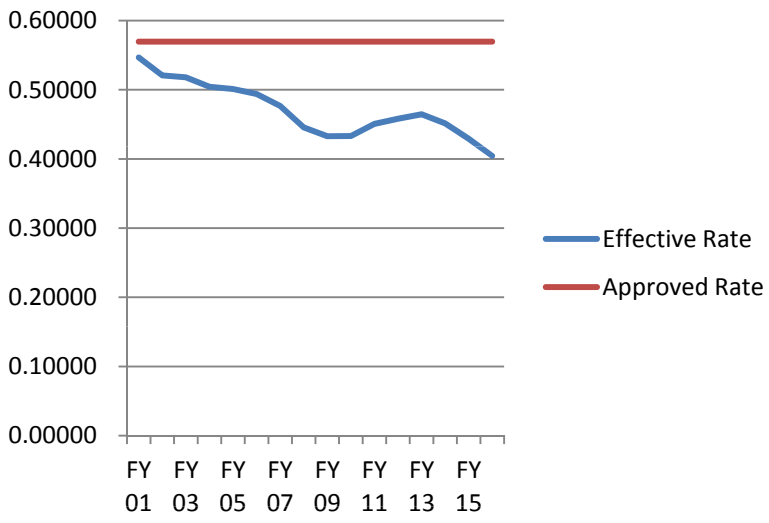
In turn, the reduced funding is equal to cost associated with 14 Public Safety positions added since 2011.

Underlying assumption
- Revert to Rollback rate if lower
- Maintain rate rather than initiate frequent tax increases
- Forces progressively lower rate when property values increasing

15 Year Effect

Actual Tax Levy	$130,097,781
Adjust to 4% Rollback	123,984,806
Difference	$ -6,112,975

Approved Tax Rate Compared to Effective



Avg Home	2001			2016		
Assessed Value	246,000			339,000		
Approved Rate	0.56963	$	1,401	0.56963	$	1,931
Effective Rate	0.54659	$	1,345	0.40454	$	1,371

Cities are not exempt from inflation. Over time, costs increase for every organization.

- Yes, as appraised values increase, associated property tax does indeed increase. It would be unreasonable to expect cost of services to remain fixed.

How much does it cost to run a city?

Arguments cited by revenue cap proponents

- **Additional tax levy related to new growth is sufficient to address needed increase in City Services.**
- **Any additional increase should never exceed inflation.**

- Staffing / infrastructure is not feasibly added concurrent and proportional to new growth on an annual basis
- The nominal growth in inflation does not reflect costs associated with technology
  - Example: Police body cameras, and significant related increase in video storage costs
- Annual Inflation indexes do not reflect construction cost changes
  - City infrastructure – streets, drainage, water / wastewater have ongoing maintenance / replacement that can have significant swings in cost
- Restricting ability to maintain tax rate will result in more issuance of debt for capital expenditures – ultimately resulting in increased costs.

Communication with Residents

What is real objective of revenue cap legislation?

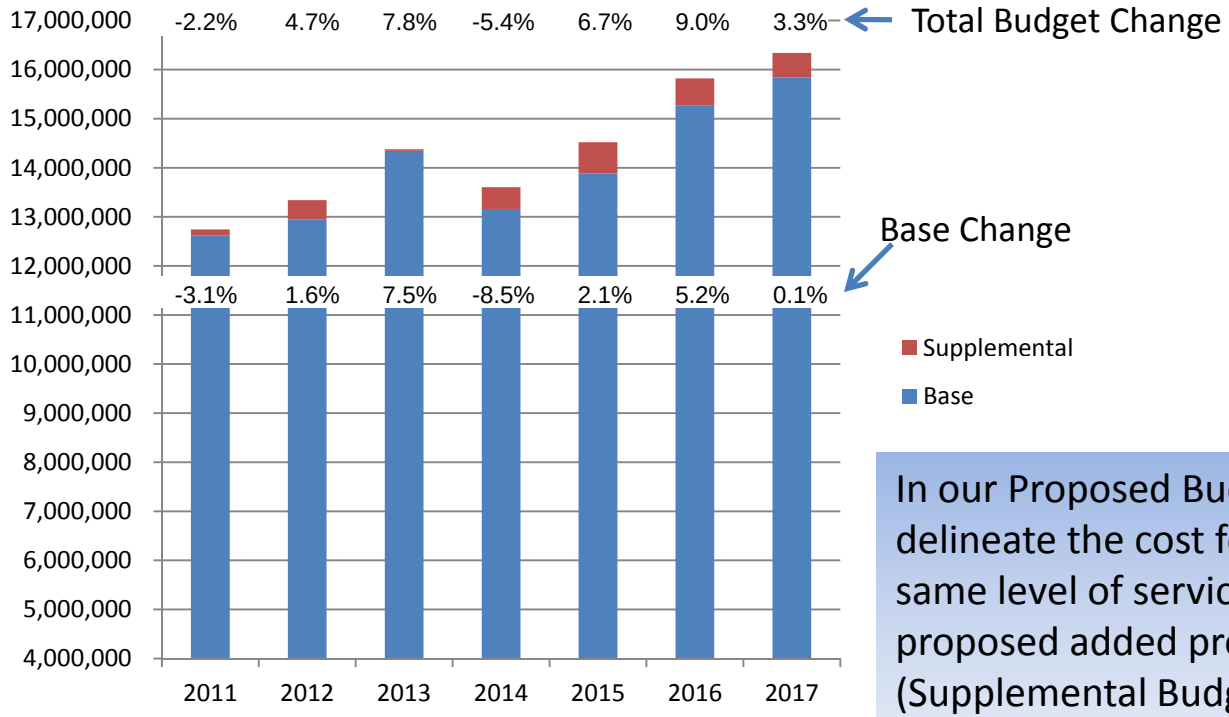
- Hold cities accountable for "out of control and unnecessary spending"
  - Is there underlying assumption that cities have somehow deceived residents and can in reality provide services at fraction of cost?
- Citizens do indeed understand that taxes increase over time, as with all costs.
  - The primary objective should be to ensure that residents understand how tax dollars are spent, matching realistic expectation of service levels desired with related cost to provide

-Truth in Taxation requires that residents are notified of the:

- Proposed Rate
- Last Year's Rate
- Effective Rate
- Rollback Rate

We have not heard an outcry from residents to reduce services to maintain constant property tax level.

Communication with Residents - Budget



In our Proposed Budget each year, we delineate the cost for continuing the same level of service (Base Budget) and proposed added programs / equipment (Supplemental Budget).

Take-Away Message

- ONE SIZE DOES NOT FIT ALL

  Residents are quite capable of determining and addressing their desired level of service and accompanying level of taxes in each city.

  - Considerable information is provided already regarding tax rate that enables residents to make informed decisions.
  - Accountability at local level will best address balance of desired services and related cost – rather than being dictated at State level.

- Current parameters for roll-back are sufficient

  - Provides structure for appropriate check and balance for large increase proposed in a particular year
  - Allows cities leeway to provide consistent revenue stream and manage expenditures over several years – especially cities in growth stages

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 16 **MEETING DATE: 01/10/17**

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

PREPARED BY: **Angela Miller, 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

Expected Absences: None

January 10, 2017	**Regular City Council Mtg. 7:30 pm**
January 12, 2017	**Park Board Mtg. 6:00 pm (Rescheduled from January 16th)**
January 16, 2017	**City Offices Closed in Observance of MLK Holiday**
January 17, 2017	**Planning & Zoning Commission Mtg. 7:00 pm (if needed)**
January 19, 2017	**Public Art Advisory Board Mtg. 7:00 pm (if needed)**
January 24, 2017	**Regular City Council Mtg. 7:30 pm**
February 2, 2017	**Zoning Board of Adjustment Mtg. 7:00 pm (if needed)**
February 14, 2017	**Regular City Council Mtg. 7:30 pm**
February 16, 2017	**Public Art Advisory Board Mtg. 7:00 pm (if needed)**
February 20, 2016	**Park Board Mtg. 6:00 pm (if needed)**
February 21, 2017	**Planning & Zoning Commission Mtg. 7:00 pm (if needed)**
February 28, 2017	**Regular City Council Mtg. 7:30 pm**
March 2, 2017	**Zoning Board of Adjustment Mtg. 7:00 pm (if needed)**
March 14, 2017	**Regular City Council Mtg. 7:30 pm**
March 16, 2017	**Public Art Advisory Board Mtg. 7:00 pm (if needed)**
March 20, 2016	**Park Board Mtg. 6:00 pm (if needed)**
March 21, 2017	**Planning & Zoning Commission Mtg. 7:00 pm (if needed)**
March 28, 2017	**Regular City Council Mtg. 7:30 pm**

*****Please visit www.highlandvillage.org or the City Hall bulletin board for latest additions, updates and changes*****

By: Karen Bradley, Administrative Assistant - City Secretary Office