



A G E N D A

**REGULAR MEETING
OF THE HIGHLAND VILLAGE CITY COUNCIL
TUESDAY, SEPTEMBER 12, 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 Scheduling a City Council Planning Session
2. Discuss Speed Limits in Highland Village
3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of September 12, 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)

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

4. Meet and Greet with Board and Commission Applicants

**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)
 - (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, Board of Directors of the Highland Village Community Development Corporation, and Board of Directors of the Denton County Transportation Authority

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

6. Call to Order

7. Prayer to be led by Mayor Pro Tem Michelle Schwolert
8. Pledge of Allegiance to the U.S. and Texas Flags to be led by Mayor Pro Tem Michelle Schwolert
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. **City Manager/Staff Reports**
 - HVTV Update
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

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 August 22, 2017
13. Consider Ordinance 2017-1232 Authorizing a Fee to Defray Costs of Collecting Delinquent Fines, Fees, Court Costs and Other Debts Pursuant to Article 103.0031 of the Texas Code of Criminal Procedure (2nd and final read)
14. Consider Resolution 2017-2698 Adopting the City of Highland Village Investment Policy for FY 2017-18.
15. Consider Resolution 2017-2699 Authorizing an Interlocal Agreement with Texas Political Subdivisions for Purposes of Providing City Workers' Compensation Insurance
16. Consider Resolution 2017-2700 Authorizing Renewal of the Employee Health Insurance Plan Agreements with Cigna
17. Consider Resolution 2017-2703 Authorizing an Agreement for Concrete Pavement Repairs with SAZ Infrastructure through the City's Cooperative Purchasing Agreement with the City of Lewisville
18. Receive Budget Report for Period Ending July 31, 2017

ACTION AGENDA

19. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:
 - (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)
 - (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, Board of Directors of the Highland Village Community Development Corporation, and Board of Directors of the Denton County Transportation Authority
20. Conduct a Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2017-2018
21. Consider Ordinance 2017-1233 Adopting the Fiscal Year 2017-2018 Annual Budget (1st of two reads)
22. Consider Ordinance 2017-1234 Levying the Ad Valorem Taxes for the Year 2017 at a Rate of \$0.568022 per \$100 Assessed Valuation on all Taxable Property within the Corporate Limits of the City of Highland Village as of January 1, 2017 (1st of two reads)
23. Consider Resolution 2017-2701 Authorizing an Interlocal Agreement with the Region VIII Educational Service Center to Participate in The Interlocal Purchasing System (TIPS) Purchasing Cooperative
24. Consider Resolution 2017-2702 Authorizing Agreements with Duro-Last, Inc. through the City's Cooperative Purchasing Agreement with The Interlocal Purchasing System (TIPS) for Replacement of the Municipal Complex, Fire Station, and Municipal Service Center Roofs

LATE WORK SESSION

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

25. Discuss Cancelling the November 28, 2017 and December 26, 2017 Council Meetings
26. Discuss Format of the Town Hall Meeting scheduled for September 14, 2017, regarding Utility Rates and November Bond Election.
27. 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.)
28. 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 8TH DAY OF SEPTEMBER, 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: 09/12/17
SUBJECT:	Discuss Scheduling a City Council Planning Session
PREPARED BY:	Michael Leavitt, City Manager

COMMENTS

City staff will discuss scheduling a date to hold a City Council Planning Session. Annually the City Council and City staff come together to discuss future policy issues. Council is asked to please bring your personal calendars to coordinate. Early November is targeted as a potential meeting opportunity.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 2	MEETING DATE: 09/12/17
SUBJECT:	Discuss Speed Limits in Highland Village
PREPARED BY:	Michael Leavitt, City Manager

COMMENTS

City staff will discuss speed limits in Highland Village.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 8 **MEETING DATE: 09/12/17**

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# 11

MEETING DATE: 09/12/17

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.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: 09/12/17

SUBJECT: Consider Approval of Minutes of the Regular Meeting held on August 22, 2017

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

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

IDENTIFIED NEED/S:

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

OPTIONS & RESULTS:

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

PROGRESS TO DATE: (if appropriate)

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

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve the August 22, 2017 City Council meeting minutes.

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX
LOCATED AT 1000 HIGHLAND VILLAGE ROAD
TUESDAY, AUGUST 22, 2017**

The City Council of the City of Highland Village, Texas met in Early Work Session on the 22nd day of August, 2017 prior to the Regular Council Meeting.

Call to Order

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

Roll Call

Present:	Charlotte J. Wilcox Michelle Schwolert Barbara Fleming Fred Busche Daniel Jaworski	Mayor Mayor Pro Tem Deputy Mayor Pro Tem Councilmember Councilmember
Absent:	John McGee Michael Lombardo	Councilmember Councilmember
Staff Members:	Michael Leavitt Kevin Laughlin Ken Heerman Angela Miller Mark Stewart Scott Kriston Linda Cornelius Laurie Mullens Andrew Boyd Karen Bradley	City Manager City Attorney Assistant City Manager City Secretary Assistant Police Chief Public Works Director Parks and Recreation Director Public Affairs Manager Media Specialist Administrative Assistant

EARLY WORK SESSION

1. Discuss Design Manual for the Installation of Network Nodes and Node Support Poles

Public Works Director Scott Kriston reported during its 85th Regular Session, the Texas Legislature enacted Chapter 284 of the Texas Local Government Code ("Chapter 284"), which relates to the installation of equipment, specifically wireless network equipment, in public rights-of-way. Chapter 284 provides a state-wide regulatory scheme regarding the installation of such equipment and limits individual cities' abilities to further regulate the location of such equipment within public rights-of-way. Such regulations are contrary to the historical right of Texas cities to regulate the improvements that are located with its streets and alleys and to levy a reasonable and fair charge for the use of public right-of-way by private businesses.

Chapter 284 is applicable to the installation of "network nodes" (equipment that enables wireless communications between the communications network and the user's equipment) and related equipment, and applies to both the "wireless service provider" (who provides the service directly to the public) and to "network providers" (which are entities who do not provide service to the end-user, but instead build and install the equipment on behalf of a wireless service provider). Cities may require that

providers apply for a permit, and require compliance with the city's right-of-way management ordinance and design manual, but cannot apply zoning regulations to the installation of such equipment or require a license agreement. If providers desire to place equipment on city service poles (i.e. traffic lights, signage, light poles), a city can require a co-location agreement.

Cities are prohibited from enacting any type of moratorium relating to installation of equipment under Chapter 284, and there are specific time limitations which apply to the processing of applications. Chapter 284 is effective September 1, 2017, and provides that any current agreements or ordinances remain applicable to network nodes which are operational before that date.

Staff presented Ordinance 2017-1231 for consideration on August 8, 2017. First read of said Ordinance passed unanimously. During the presentation, staff notified the Council that a proposed design manual ("Manual") would be forthcoming for consideration and approval. Chapter 14 "Public Ways and Public Places" of the Code of Ordinances, Division 7 "Network Providers", Section 14.07.155 "Compliance with the Design Manual" identifies the City Council to adopt a Design Manual for the installation of Network Nodes and support poles.

The Director of Public Works, in consultation with the City Manager and City Attorney, prepared a Manual for consideration. Included in the Manual is criteria for the installation as it relates to safety communication networks, SCADA, traffic signals, water meter reading systems, impediment of pedestrian or traffic safety, designated underground and aerial areas, and designated special design districts.

2. Provide Status on Board and Commission Applications

City Secretary Angela Miller reported on the number of positions there are on each board with terms that will expire on September 30, 2017. An update on current board member preferences and new applicant preferences was also presented. On September 12th, Council will hold a Meet and Greet with current board and commission members wishing to serve again, as well as with new applicants. Appointments will be made at the September 26th City Council meeting.

3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 22, 2017

No items were discussed.

Mayor Wilcox announced Council would convene into Closed Session and read Agenda Items #4(a) and #4(b). Early Work Session ended at 6:36 p.m.

CLOSED SESSION

Council convened into Closed Session at 6:37 p.m.

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

- (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
- (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, Board of Directors of the**

**Highland Village Community Development Corporation, and Board of
Directors of the Denton County Transportation Authority**

Council concluded Closed Session at 7:17 p.m.

OPEN SESSION

5. Call to Order

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

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Michelle Schwolert	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	Daniel Jaworski	Councilmember
Absent:	John McGee	Councilmember
	Michael Lombardo	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Mark Stewart	Assistant Police Chief
	Jana Onstead	Human Resources Director
	Scott Kriston	Public Works Director
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Media Specialist

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

Mayor Charlotte J. Wilcox gave the invocation.

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

Mayor Charlotte J. Wilcox led the Pledge to the U.S. and Texas flags.

8. Visitor Comments

No one wished to speak.

9. City Manager/Staff Reports

• **HVTV Update**

Back to School Update - Officer Dave with the HV Police Department welcomed students back for the 2017-2018 school year; he reminded students to be kind to each other, both when speaking with someone and when using technology and social media; his 4 keys to success include: do the right thing, be kind to others, be humble, and be accountable & listen; Officer Dave also reminded parents about school zones and that school zone times are changing (specific times are available on the City's website); he

also reminded students if they need help to find a responsible adult or to contact the Police Department

Annual Fallen Officers Bike Race and 5K – this year marks the 10th year for this annual event that will be held at The Shops at Highland Village on Saturday, October 21st; morning festivities will kick off with a 5K and then evening activities will include the annual bike race; proceeds from the race will benefit the Texas Police Chiefs Associations’ Fallen Officer Fund; memorial t-shirts are available to purchase; visit TXFallenPD.com for locations where you can purchase a shirt

Concert in the Park – this free concert featuring Infinite Journey Band begins August 26 at 7:00 p.m. at Doubletree Ranch Park; bring the whole family, your lawn chairs and blankets for a fun-filled evening; concessions will be available for purchase

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**

Councilmember Busche reported how much he enjoyed the Lions Club Balloon Festival that was held over the previous weekend. He stated he thought the festival was very well run and was one of the best festivals they have had in a long time. On behalf of the Lions Club, Deputy Mayor Pro Tem Fleming thanked the City and Councilmembers for attending the event and for helping make their 30th year event such a success.

Councilmember Jaworski reported the Dental Depot of Highland Village will have their 4th annual Dentistry from the Heart event on Saturday, September 30 from 8:00 a.m. to 2:00 p.m. They will open their doors for a free day of dentistry for adults who are in need, to provide basic cleanings, simple extractions, fillings and limited exams.

Mayor Pro Tem Schwolert reminded everyone that with the start of school, students have a lot of expectations placed on them and encouraged everyone to show our students support and praise this school year.

Mayor Wilcox announced City Council will hold a hold a Town Hall meeting on Thursday, September 14 at 7:00 p.m. at the Municipal Complex. The purpose of the meeting is to share information regarding two specific topics - the upcoming utility rate adjustment and increase, and a November bond election for street improvements and park projects. If anyone has questions or issues they would like addressed, please send them to citysecretary@highlandvillage.org.

CONSENT AGENDA

At the request of Mayor Pro Tem Schwolert, Mayor Wilcox moved Agenda Item #20 up from the Regular Agenda to the Consent Agenda.

11. **Consider Approval of Minutes of the Regular Meeting held on August 8, 2017 and the Special Meeting held on August 14, 2017**
12. **Consider Ordinance 2017-1230 Adopting Section 1.02.017 of the Code of Ordinances Establishing Monthly and Annual Limits on the Amount of Time Spent to Produce Public Information for a Requestor (2nd and final read)**
13. **Consider Ordinance 2017-1231 adopting Article 14.07 of the Code of Ordinances Establishing Regulations for Construction, Placement and Excavation in Rights-of-Way and Public Easements, providing for the adoption of design guidelines and**

establishment of certain fees, and repealing Divisions 3 and 4 of Article 14.02 of the Code of Ordinances (2nd and final read)

14. Consider Resolution 2017-2695 Awarding a Bid and Authorizing the City Manager to Negotiate and Sign a Contract for the Pilot Knoll Park Restroom Renovation Project
20. Consider Resolution 2017-2696 Adopting a Design Manual for the Installation of Network Nodes and Node Support Poles in Public Rights-of-Way within the City

Motion by Deputy Mayor Pro Tem Fleming, seconded by Councilmember Jaworski, to approve Consent Agenda Items #11 through #14, and Agenda Item #20. Motion carried 5-0.

ACTION AGENDA

15. 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)
 - (c) (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, Board of Directors of the Highland Village Community Development Corporation, and Board of Directors of the Denton County Transportation Authority

NO ACTION TAKEN

16. Presentation of City Manager Recommended Budget for Fiscal Year 2017-2018

City Manager Michael Leavitt reported each year the budget is constructed in context of a five-year outlook with the purpose of adequately planning for the future. Development considerations used in preparing the budget are to provide a high level of service expected in Highland Village and to provide services in a cost-effective manner. Mr. Leavitt presented the following:

Personnel

- A 4% overall adjustment is proposed to address market adjustments, certifications, and employee increases. Public Safety will receive a higher increase to reflect adjustment for market conditions.
- Health insurance reflected a 15% increase
- TMRS rate remained flat, with rate decreasing from 13.79% to 13.71%

Public Safety

- Full implementation of the Emergency Care Attendant (ECA) program – medical emergency response by police officers trained to provide initial emergency aid, coupled with implementation of the Computer Aided Dispatch (CAD) system installed in last year are positive factors in the City's excellent emergency response time
- Upgrade to the outdoor warning siren system (\$54,000) with addition of a siren at Sunset Point (\$16,500) will provide full coverage of the City
- New equipment in the Fire Department - a second Lucas device (\$20,000) to now equip both ambulances

Economic Development

- There is \$500,000 earmarked for potential economic development incentive. With the closing of the Kroger store in the Highland Village Town Center development, the City has been diligently pursuing opportunities to facilitate reviving this center. Incentive opportunities (not limited to this development) have not yet been identified, or may not be required.

City Parks

- Shade covers for several existing playgrounds (\$64,000)
- Upgrade of ballfield lights at Unity Park, also including light shields to minimize light spillage to surrounding area (\$55,000)
- Thor Guard Lightning detection system at Brazos Park (\$11,000)

Assistant City Manager Ken Heerman reported assessed valuations for Fiscal Year 2017-2018 reflect an increase of 6% over the previous year. Included in the proposed budget is a tax rate decrease, and an increase in the exemption amount from \$50,000 to \$75,000 for disabled residents and/or residents age 65 and over. He reported the projected ending fund balance for Fiscal Year 2017-2018 will be at 26%. A bond election is proposed for November to consider street projects and park projects. A utility bond will also be considered separately. In closing, Mr. Heerman stated the City is in good financial condition, with a very positive outlook. The proposed budget is available on the City's website and has also been filed with the City Secretary.

Councilmember Busche asked Mr. Heerman to report on how funding from the Community Development Corporation (4B) can be used. Mr. Heerman reported the trail system and soccer facilities are the only approved use of 4B funds. In order to change that, it would have to be presented to voters in Highland Village. Mr. Heerman explained the bond items are for projects outside the allowed use of 4B funds.

City Manager Leavitt thanked Mr. Heerman, each of the department heads, Mayor and Council for their hard work on the budget. The Mayor and Council stated their appreciation of the conservative leadership of the staff.

17. Conduct a Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2017-2018

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

18. Consider Ordinance 2017-1232 Authorizing a Fee to Defray Costs of Collecting Delinquent Fines, Fees, Court Costs and Other Debts Pursuant to Article 103.0031 of the Texas Code of Criminal Procedure (1st of two reads)

APPROVED 1ST READ (5 – 0)

Mr. Heerman reported the City has a significant sum of uncollected fines and fees assessed by the Highland Village Municipal Court of Record (Court). The City has never engaged an attorney or other vendor to collect such fees, as authorized by Texas Code of Criminal Procedure. Mr. Heerman stated the current sum of unpaid fines and fees now warrants the use of an attorney or other vendor to collect such unpaid sums.

In order to provide funds to compensate an attorney or other vendor engaged in collecting delinquent municipal court fines and fees for a city, the Texas Code of Criminal Procedure Article 103.0031 allows a 30% collection fee to be added to all fines and fees that are 60 days delinquent, which is then paid to the collection firm. This will ensure that the offender pays the collection fee (with no cost to the City), allowing the City to collect 100% of the delinquent amount.

Motion by Councilmember Busche, seconded by Deputy Mayor Pro Tem Fleming, to approve the first read of Ordinance 2017-1232 authorizing a fee to defray costs of collecting delinquent fines, fees, court costs and other debts pursuant to Article 103.0031 of the Texas Code of Criminal Procedure. Motion carried 5-0.

19. **Consider Resolution 2017-2697 Authorizing Agreements for Collection of Delinquent Utility Accounts and Delinquent Municipal Court Fines and Fees**
APPROVED (5 – 0)

Mr. Heerman reported the City currently contracts with Perdue Bandon Fielder Collins & Mott, LLP for collection of delinquent property taxes. He stated they are one of the largest, most experienced firms in the State with respect to collection of delinquent receivables and the firm's performance on behalf of the City has been excellent. In addition to delinquent property taxes, the firm also provides collection services for delinquent Court and Utility payments. Adding these services to our contract is proposed for Council consideration.

Motion by Mayor Pro Tem Schwolert, seconded by Councilmember Busche, to approve Resolution 2017-2697 authorizing agreements for collection of delinquent utility accounts and delinquent municipal court fines and fees. Motion carried 5-0.

20. **Consider Resolution 2017-2696 Adopting a Design Manual for the Installation of Network Nodes and Node Support Poles in Public Rights-of-Way within the City**

At the request of Mayor Pro Tem Schwolert, Mayor Wilcox moved Agenda Item #20 up from the Regular Agenda to the Consent Agenda.

LATE WORK SESSION

21. **Receive a Legislative Update**

With the 85th Texas Legislative Session concluded, Mr. Leavitt provided a brief update on the following new laws that go into effect on September 1, 2017:

House Bill 62 – Prohibits drivers on public roads from using a wireless communication device to read, write or send an electronic message while operating a motor vehicle. The new law will preempt all "texting and driving" ordinances previously passed by cities, but does not preempt city ordinances which go beyond texting while driving.

House Bill 478 – States that a person who, by force or otherwise, enters a motor vehicle for the purpose of removing a vulnerable individual (i.e. child) from a vehicle is immune from civil liability for damages resulting from that entry or removal.

House Bill 590 – Shields first responders who provide roadside assistance in good faith from liability related to their care, so long as they are not grossly negligent, reckless, or commit intentional misconduct.

House Bill 1774 – Adds significant hurdles to policyholders who want to dispute weather-related property damage claims. The goal of the new law is to discourage property owners from suing insurers over weather-related claims such as hail damage to a home's roof.

House Bill 1935 – Eliminates daggers, dirks, stilettos, poniards, swords, spears, and Bowie knives' from Texas statute, effectively allowing them to be carried anywhere in the state. Blades over 5½" are now defined as "location restricted" knives. These knives may be carried throughout the state except in a narrow list of places, such as schools, colleges, correctional facilities, houses of worship, and bars. Minors under the age of 18 are also restricted from carrying these types of knives.

Senate Bill 2205 – Permits the Texas Department of Public Safety to govern the operation of automated motor vehicles, and prohibits political subdivisions and state agencies from regulating the operation of such vehicles.

Senate Bill 1187 – Will require a peace officer to attempt to verify the existence of a driver's liability insurance policy through the verification program before they are allowed to issue a citation to a driver of a motor vehicle for operating the vehicle without financial responsibility.

Senate Bill 179 – Will modify the existing definition of bullying and create a new definition for cyber bullying. The law mandates that public and private schools adopt policies relating to cyber bullying, and includes a provision that would require the reporting of potential bullying offenses to local law enforcement.

Senate Hill 693 – Under current law, a school bus and school activity bus must be equipped with a three-point seat belt for each passenger. The new law will amend current Transportation Code by including multifunction school activity buses or school-charter buses to the seat belt requirement, for newer models.

Senate Bill 16 – Drops the cost of a License to Carry from \$140 to \$40. Also waives the fee for Texas military and peace officers.

House Bill 3535 – States that a qualified landowner or landowner's agent may contract to participate as a hunter or observer in using a hot air balloon to take depredating feral hogs or coyotes under the authority of a permit.

- 22. 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.)**

35Express Project Update

Mr. Leavitt provided the following update:

AGL Constructors continues to work on the final surface paving for the northbound and southbound I-35E main lanes. There will be various nightly main lane closures along the I-35E corridor as well as exit and entrance ramp closures for this work and motorists should be prepared for short term uneven pavement conditions and rough surfaces.

An opening celebration for Phase 1 is in the works and will likely take place in mid-to-late October. More information will be provided as it is received.

- 23. Adjournment**

Mayor Wilcox adjourned the meeting at 8:28 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 13

MEETING DATE: 09/12/17

SUBJECT: Consider Ordinance 2017-1232 Authorizing a Fee to Defray Costs of Collecting Delinquent Fines, Fees, Court Costs, and Other Debts Pursuant to Article 103.0031 of the Texas Code of Criminal Procedure

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

The City has a significant sum of uncollected fines and fees assessed by the Highland Village Municipal Court of Record (Court). However, the City has never previously engaged an attorney or other vendor to collect such fees as authorized by Texas Code of Criminal Procedure art. 103.0031. The current sum of unpaid fines and fees now warrants the engagement of an attorney or other to seek to collect such unpaid sums.

IDENTIFIED NEED/S:

In order to provide funds to compensate an attorney or other vendor engaged in collecting delinquent municipal court fines and fees for a city, Texas Code of Criminal Procedure art. 103.0031 allows a 30% collection fee to be added to all fines and fees that are 60 days delinquent, which is then paid to the collection firm. This will ensure that the offender pays the collection fee (with no cost to the City), allowing the City to collect 100 percent of the delinquent amount.

PROGRESS TO DATE: (if appropriate)

Council approved the first read of Ordinance 2017-1232 at their August 22, 2017 meeting.

RECOMMENDATION:

Approve the second and final read of Ordinance 2017-1232.

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2017-1232

AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE FEE TO DEFRAY COSTS OF COLLECTING DELINQUENT FINES, FEES, COURT COSTS, AND OTHER DEBTS PURSUANT TO ARTICLE 103.0031 OF THE TEXAS CODE OF CRIMINAL PROCEDURE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Article 103.0031 of the Texas Code of Criminal Procedure authorizes the City of Highland Village to contract with a private attorney or public or private vendor for the collection of the fines or fees imposed by the City of Highland Village Municipal Court of Record ("the Court") described in Texas Code of Criminal Procedure Article 103.0031(a) and to impose an additional fee in the amount of thirty percent on each debt or account receivable that is more than sixty days past due and which has been referred to the contracted attorney or vendor for collection; and

WHEREAS, the City of Highland Village has determined that it is in the public interest to ensure the prompt payment of delinquent court-imposed fines, fees, court costs, and other debts as provided by said statute and intends to engage a private attorney or public or private vendor to collect such amounts; and

WHEREAS, the City of Highland Village finds it in public interest to authorize the collected fee described and authorized by Article 103.0031(b) of the Texas Code of Criminal Procedure;

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

SECTION 1. In accordance with Article 103.0031(b) of the Texas Code of Criminal Procedure, there is hereby imposed an additional fee of thirty percent (30%) on all debts and accounts receivable, i.e.: fines, fees, court costs, restitution, and other debts that are more than sixty (60) days past due and have been referred to a private attorney or public or private firm for collection.

SECTION 2. If any provision of this ordinance is found to be invalid for any reason by a court of competent jurisdiction, the validity of the remaining provisions shall not be affected.

SECTION 3. This ordinance shall be effective from and after its date of passage and publication as required by law or charter.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THE FIRST READING, THIS THE 22nd DAY OF AUGUST, 2017.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THE SECOND READING, THIS THE 12TH DAY OF SEPTEMBER, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl:8/17/17:89263)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14

MEETING DATE: 09/12/17

SUBJECT: Consider Resolution 2017-2698 Adopting the City's Investment Policy and Making a Record of the Council Annual Review and Any Policy Changes

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

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

IDENTIFIED NEED/S:

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

OPTIONS & RESULTS:

There were some legislative changes that necessitate a few change to the policy this year:

HB 1003

- Adds certain interest-bearing bank deposits as authorized investments. (This clause clarifies that such accounts are explicitly allowable. The previous universal interpretation had been that they were allowed as financial institution deposits).
- Amends language relating to money market mutual funds to bring the PFIA into compliance with Securities and Exchange Commission (SEC) changes that occurred in 2016. This language removes the constant dollar requirement and the explicit average maturity restriction statement. The PFIA now simply states that money market mutual funds comply with SEC requirements to allow the PFIA restrictions to mirror any current and future SEC requirements.
- Amends language and composition of mutual funds (those that are longer term than the money market funds). A no-load mutual fund may contain PFIA-allowable obligations and have a duration of longer than one year, or can contain investment-grade securities (including corporate bonds) if the duration is limited to less than one year. The mutual fund section also removes the requirement for a AAA credit rating.
- Adds the new reporting requirements to which local government investment pools must adhere.
 - Associated changes were addressed in Article V, Suitable & Authorized

Investments. Please note that the policy still maintains a requirement for a AAA rating for mutual funds despite removal of this requirement in the PFIA.

HB 1701

- Amends the language relating to the Investment Policy Certification requirement. Previously, the PFIA required that all broker/dealers, banks, investment pools, and investment advisors provide a Certification that the entity has received a copy of the government's Investment Policy, that they understand the requirements/restrictions of the Policy, and that they have taken measures to preclude violation of the Policy. The new language only requires local government investment pools and discretionary investment management firms to supply the Certification. (A discretionary investment management firm is an investment advisor/manager that has full control of the government's portfolio and does not require approval for each trade. They also control the movement of cash to buy/sell investment assets for the government).
- Associated changes were addressed in Article IV, IV.1

HB 2647

- Adds on to the interest-bearing bank account language that was adopted by HB 1003 to allow for those instruments to be acquired through brokered accounts. The bill establishes those broker/dealers that are authorized to provide the product to the government (must have a Texas location and must be approved as a broker/dealer by the governing body of the government). Describes the allowable custody arrangements for such accounts.
- Associated changes were addressed in Article V, V.1

HB 2928

- This bill had the intent to clarify that the Federal Home Loan Bank (FHLB) is an allowable US government agency (for direct purchase and collateral positions). A recent Attorney General Opinion had raised concerns about whether the FGLB was an agency or instrumentality of the US Government (considering the terminology in the PFIA). The Opinion did not explicitly opine that the FHLB was not an agency or instrumentality; however it raised enough concerns that the Legislative change was enacted to explicitly allow the FHLB.
- Associated change was addressed in Article V, V.1 b.

Additional changes to the policy include:

- Updating reference to the authorized investment officers, changing from Senior Accountant to Staff Accountant (to reflect current title of position). Article III, III.3
- Update name on the list of authorized brokers, adding FTN Financial (merged with Coastal Securities). Appendix B

The investment policy is provided following this briefing.

RECOMMENDATION:

Council to adopt Resolution 2017-2698 and record the annual review process.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2698

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

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

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

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

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

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

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

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THIS THE 12th DAY OF SEPTEMBER 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl: 8/30/17:89670)

RESOLUTION NO. 2017-2698
Exhibit "A"

CITY OF HIGHLAND VILLAGE, TEXAS
INVESTMENT POLICY
INTRODUCTION

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

ARTICLE I
GENERAL OBJECTIVES

- I.1 Purpose. It is the purpose of this Policy to invest in a manner which assures the safety of principal of invested funds by maintaining sufficient liquidity, diversifying investment instruments and maturities, creating accountability and internal controls, accurately reporting portfolio status, and to include the investment process as part of the annual audit.
- I.2 Objectives. The primary objectives of the City's investment activities, in order of importance are:
- a. **Safety:** Investments of the City shall be selected in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk.
1. Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
- Limiting investments to the safest types,
 - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and
 - Diversifying the investment portfolio so that potential losses from individual issuers will be minimized.
2. Interest rate risk is the risk that the market value of investments in the portfolio will fluctuate due to changes in general interest rates. Interest rate risk may be mitigated by:
- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments prior to maturity, and
 - By investing funds primarily in shorter-term investments.
- b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This shall be accomplished by projecting cash flow requirements and matching investment maturities with anticipated demands (static liquidity).

- c. **Diversification and Maturity:** The City's investment portfolio shall be diversified to minimize the risk resulting from over concentration of assets in specific maturity, market sector or issuer categories, where appropriate. Diversification strategies shall be established and reviewed periodically by the Investment Officers.
- d. **Internal Controls:** The Assistant City Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

ARTICLE II SCOPE & STRATEGY

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

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

- Component units of the City

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

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

ARTICLE III STANDARDS OF CARE

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

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

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

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

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

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

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

ARTICLE IV TRANSACTION PROCEDURES

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

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

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

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

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

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

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

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

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

- IV.2 Delivery Versus Payment. All transactions, where applicable, will be executed on a delivery versus payment (DVP) basis to ensure that securities are delivered to an eligible financial institution prior to the release of funds. An independent third party custodian authorized by the City, and evidenced by safekeeping receipts, will hold securities.
- IV.3 Investment Training. In order to ensure the quality and capability of the City's Investment Officers, the City shall provide periodic training in investments through courses and seminars offered by professional organizations and associations. Pursuant to the PFIA, designated Investment Officers, and their designees responsible for investing City funds, shall attend within twelve months of assuming duties and receive not less than ten hours of instruction and, on a continuing basis, receive not less than eight hours of instruction in a two year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, for instruction. Said instruction shall relate to investment responsibilities described in the PFIA and this Policy. The training shall be conducted by approved independent training sources: GFOA, GFOAT, GTOT, TML, COG, UNT, or AICPA.

ARTICLE V

SUITABLE & AUTHORIZED INVESTMENTS

- V.1 Suitable & Authorized Investment Types. The following instruments are considered suitable and authorized investments for the City's funds. At least quarterly, the City shall monitor issuer rating changes from independent information sources. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.
- a. Except as provided in paragraph V.2. the following are authorized investments

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

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

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

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

- d. No load money market mutual funds are authorized if the mutual fund:
- Is registered with and regulated by the Securities and Exchange Commission;
 - Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
 - Is categorized as a "Treasury" or "Government" money market fund;
 - Must maintain a AAAM, or equivalent rating, from at least one nationally recognized rating agency;
 - Includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - The City's investment shall not exceed 10% of the fund's total assets.

- e. A public funds investment pool specifically authorized by City Council, meeting the requirements of the PFIA, that is categorized as a "Treasury" or "Government" investment pool, and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

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

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

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

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

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

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

ARTICLE VI INVESTMENT PARAMETERS

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

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

ARTICLE VII REPORTING

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

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

Additionally the report will:

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

- VII.2 Performance Standards. The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio. The portfolio should seek to attain a market average rate of return, over time, during various market/economic cycles. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

- VII.3 Market Valuation. The market value of the portfolio will be calculated on a quarterly basis in compliance with the reporting requirements of Paragraph VII.1. In defining market value, sources independent of the investment provider will determine valuations and consideration will be given to GASB Statement No. 31.
- VII.4 Independent Review. As part of the annual audit, the City's independent auditor will review each of these quarterly investment reports.

ARTICLE VIII ADDITIONAL CONSIDERATIONS

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

Appendix A

INVESTMENT STRATEGY

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

A. Operating and Enterprise Funds

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

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

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

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

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

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

B. Special Revenue Funds

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

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

Marketability - Balancing short-term and long-term cash flow needs requires the short-term portion of the Funds portfolio to have investments with active and efficient secondary markets.

Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Investments with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

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

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

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

C. **Capital Improvement Funds**

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

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

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

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

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

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

D. Debt Service Funds

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

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

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

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

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

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

E. Debt Service Reserve Funds

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

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

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

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

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

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

Appendix B

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

Primary Depository Bank

Independent Bank

Public Funds Investment Pools

TexPool

TexSTAR

Authorized Broker/Dealers

FTN Financial (merged with Coastal Securities)

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

Multi-Bank Securities

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

Raymond James

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

Oppenheimer

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

Wells Fargo Securities

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

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: 09/12/17

SUBJECT: Consider Resolution 2017-2699 Authorizing the City Manager to Enter into an Interlocal Agreement with Texas Political Subdivisions for Purposes of Providing City Workers' Compensation Insurance

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

The City has utilized Texas Political Subdivisions (TPS) - a government risk pool, for its workers compensation insurance for a number of years. This pool operates through insurance brokers – the City utilizes Higginbotham and Associates as our broker.

IDENTIFIED NEED/S:

N/A

OPTIONS & RESULTS:

The renewal premium for FY 2018 from TPS is \$97,779, which is a very slight increase from last year's amount of \$97,282 – despite increased overall personnel cost. A very proactive effort by City Staff to maintain a safe work environment has resulted in not only minimal lost work-time, but lower insurance premiums as well. The City receives a substantial discount due to the excellent safety record we have maintained. An experience factor is established based on our claim experience – compared to the average of other entities in the risk pool. This factor is .70 for the premium renewal, in essence, a 30% discount.

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The premium renewal amount is within the budgeted amount for FY 2018.

RECOMMENDATION:

Council to approve Resolution 2017-2699.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2699

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH TEXAS POLITICAL SUBDIVISIONS FOR PURPOSES OF PROVIDING CITY WORKERS' COMPENSATION INSURANCE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, workers' compensation insurance is a component of the City's employee benefit package; and

WHEREAS, the City has contracted with the Texas Political Subdivisions Intergovernmental Risk Pool for a number of years for the provision of workers' compensation insurance and has historically received a high level of service as well as substantial savings in insurance premiums over other potential carriers; and

WHEREAS, City Administration recommends a continuation of the interlocal agreement providing liability insurance to the City for Fiscal Year 2017-2018; and

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

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

Section 1. The City Manager is hereby authorized to execute the necessary contract documents establishing an interlocal agreement with Texas Political Subdivisions to provide workers compensation insurance for the City and take such additional action as may be reasonable and necessary to comply with the intent of this Resolution.

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 12th DAY OF SEPTEMBER, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl 8/30/16:89662)

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 16

MEETING DATE: 09/12/17

SUBJECT: Consider Resolution 2017-2700 Authorizing the City Manager to Renew the Employee Health Insurance Plan with Cigna, Effective October 1, 2017

PREPARED BY: Jana Onstead, Human Resources Director

BACKGROUND:

The City of Highland Village requests the City's benefits consultant, Higginbotham and Associates, assess group health coverage options each year to better ensure the City is maintaining the best plan available in the marketplace that meets annual budget restraints. Throughout the summer, City Staff has worked with Higginbotham and Associates on reviewing options for the City's employee health benefit plan for the 2017-18 Fiscal Year.

The City's current carrier, Cigna, offered a renewal increase of 12.4% with no changes in plan design. Past experience with carrier bids have consistently resulted in increases of 10%+ for comparable or less attractive health plans. Representatives with Higginbotham and Associates informed staff that other clients were experiencing renewals with 10% to more than 20% increases, and advised the Cigna offer to be most favorable.

IDENTIFIED NEED/S:

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

OPTIONS & RESULTS:

The City has maintained the current self-insured plan with Cigna for the past 4 years. The Cigna offer was determined the best option for both the City and employees, resulting in no change in plan design this year, and minimal increase in premium cost for employees. All employees continue to have the opportunity for a \$25/month premium discount if they participate in wellness activities throughout the year.

PROGRESS TO DATE: (if appropriate)

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

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Premium amounts are already factored into the Fiscal Year 2017/2018 budget, including the wellness discount option.

RECOMMENDATION:

To approve Resolution 2017-2700.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2700

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO RENEW THE EMPLOYEE HEALTH INSURANCE PLAN WITH CIGNA, EFFECTIVE OCTOBER 1, 2017; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City Administration has worked with Higginbotham and Associates to negotiate a renewal for the City Employee Medical Insurance benefit plan, resulting in a reasonable offer by Cigna of a 12.4% premium increase with no plan design changes; and

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

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

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

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

SECTION 2. This Resolution shall take effect immediately upon final approval and upon passage of the City's 2017/2018 fiscal year budget.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS THIS THE 12TH DAY OF SEPTEMBER, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl:8/29/17:89622)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA#	17	MEETING DATE:	September 12, 2017
SUBJECT:	Consider Resolution 2017-2703 Authorizing an Agreement with SAZ Infrastructure through the Cooperative Purchasing Agreement with the City of Lewisville for Concrete Pavement Repairs		
PREPARED BY:	Scott Kriston, Director of Public Works		

BACKGROUND:

The City of Highland Village has a pavement management program and typically overlays identified asphalt roadways on an annual basis to maintain asphalt roadway infrastructure and increase their longevity. The City staff targets existing roadways that have shown pavement deterioration and/or pavement failures. City staff has also begun to identify several streets that are constructed of concrete that are exhibiting concrete panel failure. Staff targeted Hillside Dr. and Lakeside Dr. for several concrete panel replacement repairs. The City received favorable bids for the 2017 Asphalt Overlay Project leaving approximately \$40,000.00 left in the Project budget that can be utilized for concrete panel repairs. Staff is proposing to utilize the existing interlocal purchasing agreement with the City of Lewisville to take advantage of favorable pricing they received for their similar project.

IDENTIFIED NEED/S:

The City of Highland Village needs to make several concrete panel street repairs on Hillside Dr. and Lakeside Dr.

OPTIONS & RESULTS:

The concrete panel replacement will provide additional longevity and ride quality to the concrete pavement structures.

PROGRESS TO DATE: (if appropriate)

The City of Lewisville awarded a Contract to SAZ Infrastructure for a concrete panel replacement project. The bid proposal allowed for interlocal purchasing agreements to be utilized.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Funding through the General fund.

RECOMMENDATION:

To approve Resolution 2017-2703.

CITY OF HIGHLAND VILLAGE

RESOLUTION NO. 2017-2703

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING AGREEMENT WITH SAZ INFRASTRUCTURE THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE CITY OF LEWISVILLE FOR CONCRETE PAVEMENT REPAIRS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Director of Public Works has identified various concrete street sections that need repair; and

WHEREAS, have considered various options for quickly and efficiently engaging a contractor to perform such repairs for a reasonable cost, City Administration is recommending that the City enter a contract with SAZ Infrastructure through the City's cooperative purchasing agreement with the City of Lewisville to perform such repairs; and

WHEREAS, the City Council finds it to be in the public interest to concur in the foregoing recommendation;

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

SECTION 1. The City Manager is hereby authorized to sign an agreement on behalf of the City with SAZ Infrastructure to perform concrete pavement repairs through the City's cooperative purchasing agreement with the City of Lewisville in an amount not to exceed \$40,000.00, and, subject to City policy, state law, and, in the event of an increase in contract price, the availability of current funds, is further authorized to execute such change orders to said agreements as the City Manager determines to be in the public interest.

SECTION 2. This Resolution shall be effective immediately upon its approval.

PASSED AND APPROVED this the 12th day of September, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl 9/6/17:89835)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 18

MEETING DATE: 09/12/17

SUBJECT: Receive Budget Reports for Period Ending July 31, 2017

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

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

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

IDENTIFIED NEED/S:

N/A

OPTIONS & RESULTS:

N/A

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

Council to receive the budget reports for the period ending July 31, 2017.

General Fund Summary

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget (Includes Budget Amendments)	Year to Date	Variance	% Received
Property Tax	\$ 9,763,828	\$ 9,763,828	\$ 9,811,990	\$ 48,162	100%
Sales Tax	2,700,218	2,700,218	1,700,383	(999,835)	63%
Franchise Fees	1,714,328	1,714,328	1,009,818	(704,510)	59%
Licensing & Permits	450,833	650,833	620,390	(30,443)	95%
Park/Recreation Fees	221,070	221,070	250,244	29,174	113%
Public Safety Fees	39,000	39,000	32,625	(6,375)	84%
Rents	126,401	126,401	115,832	(10,569)	92%
Municipal Court	112,200	112,200	77,160	(35,040)	69%
Public Safety Charges for Svc	466,921	466,921	440,327	(26,594)	94%
Interest Income	32,000	32,000	55,504	23,504	173%
Miscellaneous	129,850	1,229,850	1,198,800	(31,050)	97%
Total Revenues	\$ 15,756,649	\$ 17,056,649	\$ 15,313,074	\$ (1,743,575)	90%

Other Sources					
Transfers In	\$ 534,000	\$ 534,000	\$ -	\$ (534,000)	0%
Total Available Resources	\$ 16,290,649	\$ 17,590,649	\$ 15,313,074	\$ (2,277,575)	

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office	\$ 646,560	\$ 646,560	\$ 441,086	\$ 205,474	68%
Finance (includes Mun. Court)	1,483,887	1,483,887	1,198,218	285,669	81%
Human Resources	552,948	472,948	352,322	120,626	74%
City Secretary Office	304,402	324,402	251,787	72,615	78%
Information Services	1,109,963	1,204,963	623,268	581,695	52%
Police	4,676,887	4,746,887	3,527,838	1,219,049	74%
Fire	2,846,905	3,164,405	2,669,199	495,207	84%
Community Services	425,512	470,512	347,507	123,005	74%
Streets/Drainage	1,374,669	1,619,669	1,109,959	509,710	69%
Maintenance	898,459	2,046,182	580,781	1,465,401	28%
Parks	1,571,130	1,611,130	1,178,865	432,265	73%
Recreation	448,527	463,527	343,768	119,759	74%
Total Expenditures	\$ 16,339,850	\$ 18,255,073	\$ 12,624,598	\$ 5,630,475	69%

Capital Summary	(Included in totals above - summary information only)				
Equipment Replacement	\$ 484,000	\$ 1,844,223	\$ 534,708	\$ 1,309,515	29%

Other Uses					
Transfers Out	\$ 266,000	\$ 312,000	\$ -	\$ 312,000	0%
Total Expenditures	\$ 16,605,850	\$ 18,567,073	\$ 12,624,598	\$ 5,942,475	

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	4,024,986	5,456,225	5,456,225
+ Net Increase (Decrease)	(315,201)	(976,424)	2,688,476
Ending Fund Balance	\$ 3,709,785	\$ 4,479,801	\$ 8,144,701

Audited FY16

Fund Balance Detail	Original Budget	Revised Budget	Year to Date
Reserve Fund Balance (15% of Total Expenditures)	\$ 2,450,977	\$ 2,738,261	\$ 1,893,690
Restricted	11,500	11,500	11,500
Unassigned	1,247,308	1,730,041	6,239,512
Total Fund Balance	\$ 3,709,785	\$ 4,479,801	\$ 8,144,701

General Fund Expenditure Summary

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 11,486,094	\$ 11,534,734	\$ 8,959,313	\$ 2,575,421	78%
Services / Supplies	4,369,755	4,876,115	3,130,577	1,745,539	64%
Capital	484,000	1,844,223	534,708	1,309,515	29%
	\$ 16,339,850	\$ 18,255,073	\$ 12,624,598	\$ 5,630,475	69%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 8,416,498	\$ 8,465,138	\$ 6,568,968	\$ 1,896,170	78%
<i>Employee Benefits</i>	3,069,597	3,069,597	2,390,345	679,251	78%
<i>Total Personnel</i>	\$ 11,486,094	\$ 11,534,734	\$ 8,959,313	\$ 2,575,421	78%

Services / Supplies					
<i>Professional Services</i>	\$ 1,313,594	\$ 1,313,594	\$ 930,705	\$ 382,888	71%
<i>Employee Development</i>	313,817	313,817	196,842	116,975	63%
<i>Office Supplies / Equipment</i>	1,064,876	1,174,876	786,597	388,278	67%
<i>Utilities</i>	328,432	328,432	216,326	112,106	66%
<i>Other</i>	1,349,037	1,745,397	1,000,106	745,291	57%
<i>Total Services / Supplies</i>	\$ 4,369,755	\$ 4,876,115	\$ 3,130,577	\$ 1,745,539	64%

Capital					
<i>Equipment / Vehicles</i>	\$ 484,000	\$ 1,844,223	\$ 534,708	\$ 1,309,515	29%
<i>Total Capital</i>	\$ 484,000	\$ 1,844,223	\$ 534,708	\$ 1,309,515	29%

<i>Total General Fund Expenditure Summary</i>	\$ 16,339,850	\$ 18,255,073	\$ 12,624,598	\$ 5,630,475	69%
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General Fund Revenue

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Property Tax	\$ 9,763,828	\$ 9,763,828	\$ 9,811,990	\$ 48,162	100%
Sales Tax	2,700,218	2,700,218	1,700,383	(999,835)	63%
Franchise Fees	1,714,328	1,714,328	1,009,818	(704,510)	59%
Licensing & Permits	450,833	650,833	620,390	(30,443)	95%
Park/Recreation Fees	221,070	221,070	250,244	29,174	113%
Public Safety Fees	39,000	39,000	32,625	(6,375)	84%
Rents	126,401	126,401	115,832	(10,569)	92%
Municipal Court	112,200	112,200	77,160	(35,040)	69%
Public Safety Charges for Svc	466,921	466,921	440,327	(26,594)	94%
Interest Income	32,000	32,000	55,504	23,504	173%
Miscellaneous	129,850	1,229,850	1,198,800	(31,050)	97%
Total Revenues	\$ 15,756,649	\$ 17,056,649	\$ 15,313,074	\$ (1,743,575)	90%

City Manager Office

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 382,973	\$ 421,613	\$ 334,728	\$ 86,885	79%
Services / Supplies	263,587	224,947	106,358	118,589	47%
Capital	-	-	-	-	0%
	\$ 646,560	\$ 646,560	\$ 441,086	\$ 205,474	68%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

Salaries / Wages	\$ 312,211	\$ 350,851	\$ 269,404	\$ 81,448	77%
Employee Benefits	70,761	70,761	65,324	5,438	92%
Total Personnel	\$ 382,973	\$ 421,613	\$ 334,728	\$ 86,885	79%

Services / Supplies

Professional Services (City-wide legal - \$120,500)	\$ 135,750	\$ 135,750	\$ 85,426	\$ 50,324	63%
Employee Development	12,875	12,875	4,710	8,165	37%
Supplies / Equipment	4,710	4,710	3,070	1,640	65%
Utilities	-	-	-	-	0%
Other (Contingency)	110,252	71,612	13,152	58,460	18%
Total Services / Supplies	\$ 263,587	\$ 224,947	\$ 106,358	\$ 118,589	47%

Capital

Equipment / Vehicles	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total City Manager	\$ 646,560	\$ 646,560	\$ 441,086	\$ 205,474	68%
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Finance Department FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 928,120	\$ 928,120	\$ 737,374	\$ 190,746	79%
Services / Supplies	555,767	555,767	460,843	94,923	83%
Capital	-	-	-	-	0%
	\$ 1,483,887	\$ 1,483,887	\$ 1,198,218	\$ 285,669	81%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

Salaries / Wages	\$ 682,779	\$ 682,779	\$ 539,376	\$ 143,402	79%
Employee Benefits	245,341	245,341	197,998	47,343	81%
Total Personnel	\$ 928,120	\$ 928,120	\$ 737,374	\$ 190,746	79%

Services / Supplies

Professional Services (City-wide liability insurance - \$107,201 / DCAD - \$74,670)	\$ 502,763	\$ 502,763	\$ 423,647	\$ 79,116	84%
Employee Development	19,938	19,938	13,967	5,971	70%
Supplies / Equipment	10,176	10,176	4,757	5,419	47%
Utilities	-	-	1,675	(1,675)	0%
Other (Special Events)	22,890	22,890	16,798	6,092	73%
Total Services / Supplies	\$ 555,767	\$ 555,767	\$ 460,843	\$ 94,923	83%

Capital

Equipment / Vehicles	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%

Total Finance Department	\$ 1,483,887	\$ 1,483,887	\$ 1,198,218	\$ 285,669	81%
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Human Resources

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 450,958	\$ 370,958	\$ 293,251	\$ 77,707	79%
Services / Supplies	101,990	101,990	59,071	42,919	58%
Capital	-	-	-	-	0%
	\$ 552,948	\$ 472,948	\$ 352,322	\$ 120,626	74%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 362,545	\$ 282,545	\$ 223,444	\$ 59,101	79%
<i>Employee Benefits</i>	88,413	88,413	69,807	18,606	79%
Total Personnel	\$ 450,958	\$ 370,958	\$ 293,251	\$ 77,707	79%
Services / Supplies					
<i>Professional Services</i>	\$ 26,350	\$ 26,350	\$ 19,027	\$ 7,323	72%
<i>Employee Development</i>	67,590	67,590	36,174	31,416	54%
<i>Supplies / Equipment</i>	2,050	2,050	1,041	1,009	51%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	6,000	6,000	2,830	3,170	47%
Total Services / Supplies	\$ 101,990	\$ 101,990	\$ 59,071	\$ 42,919	58%
Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
Total Capital	\$ -	\$ -	\$ -	\$ -	0%
Total Human Resources	\$ 552,948	\$ 472,948	\$ 352,322	\$ 120,626	74%

City Secretary Office

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 180,137	\$ 200,137	\$ 158,880	\$ 41,257	79%
Services / Supplies	124,265	124,265	92,907	31,358	75%
Capital	-	-	-	-	-
	\$ 304,402	\$ 324,402	\$ 251,787	\$ 72,615	78%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 143,137	\$ 163,137	\$ 126,534	\$ 36,603	78%
<i>Employee Benefits</i>	37,001	37,001	32,346	4,654	87%
Total Personnel	\$ 180,137	\$ 200,137	\$ 158,880	\$ 41,257	79%

Services / Supplies

<i>Professional Services</i>	\$ 26,650	\$ 26,650	\$ 16,083	\$ 10,567	60%
<i>Employee Development</i> <i>(City Council related \$31,280)</i>	42,560	42,560	26,627	15,933	63%
<i>Supplies / Equipment</i>	16,355	16,355	11,196	5,159	68%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	38,700	38,700	39,000	(300)	101%
Total Services / Supplies	\$ 124,265	\$ 124,265	\$ 92,907	\$ 31,358	75%

Capital

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

Total City Secretary Office	\$ 304,402	\$ 324,402	\$ 251,787	\$ 72,615	78%
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Information Services

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 565,776	\$ 565,776	\$ 437,108	\$ 128,668	77%
Services / Supplies	319,187	544,187	186,160	358,027	34%
Capital	225,000	95,000	-	95,000	0%
	<u>\$ 1,109,963</u>	<u>\$ 1,204,963</u>	<u>\$ 623,268</u>	<u>\$ 581,695</u>	<u>52%</u>

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 418,823	\$ 418,823	\$ 330,094	\$ 88,729	79%
<i>Employee Benefits</i>	146,954	146,954	107,015	39,939	73%
Total Personnel	<u>\$ 565,776</u>	<u>\$ 565,776</u>	<u>\$ 437,108</u>	<u>\$ 128,668</u>	<u>77%</u>
Services / Supplies					
<i>Professional Services</i>	\$ 155,020	\$ 155,020	\$ 97,454	\$ 57,566	63%
<i>Employee Development</i>	24,425	24,425	23,116	1,309	95%
<i>Supplies / Equipment</i>	2,560	2,560	1,755	805	69%
<i>Utilities</i>	15,032	15,032	11,269	3,763	75%
<i>Other (Data Processing)</i>	122,150	347,150	52,565	294,585	15%
Total Services / Supplies	<u>\$ 319,187</u>	<u>\$ 544,187</u>	<u>\$ 186,160</u>	<u>\$ 358,027</u>	<u>34%</u>
Capital					
<i>Equipment / Vehicles</i>	225,000	95,000	-	95,000	0%
Total Capital	<u>\$ 225,000</u>	<u>\$ 95,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>0%</u>
Total City Secretary Office	<u>\$ 1,109,963</u>	<u>\$ 1,204,963</u>	<u>\$ 623,268</u>	<u>\$ 581,695</u>	<u>52%</u>

Police Department

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 4,198,439	\$ 4,128,439	\$ 3,128,761	\$ 999,679	76%
Services / Supplies	378,448	378,448	234,234	144,214	62%
Capital	<u>100,000</u>	<u>240,000</u>	<u>164,843</u>	<u>75,157</u>	<u>69%</u>
	\$ 4,676,887	\$ 4,746,887	\$ 3,527,838	\$ 1,219,049	74%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

Salaries / Wages	\$ 3,091,914	\$ 3,021,914	\$ 2,322,853	\$ 699,061	77%
Employee Benefits	<u>1,106,525</u>	<u>1,106,525</u>	<u>805,907</u>	<u>300,618</u>	<u>73%</u>
Total Personnel	\$ 4,198,439	\$ 4,128,439	\$ 3,128,761	\$ 999,679	76%

Services / Supplies

Professional Services	\$ 133,147	\$ 133,147	\$ 79,658	\$ 53,489	60%
Employee Development	44,924	44,924	21,694	23,230	48%
Supplies / Equipment	135,249	135,249	84,489	50,760	62%
Utilities	-	-	-	-	0%
Other (Animal Care - \$52,028)	<u>65,128</u>	<u>65,128</u>	<u>48,394</u>	<u>\$ 16,734</u>	<u>74%</u>
Total Services / Supplies	\$ 378,448	\$ 378,448	\$ 234,234	\$ 144,214	62%

Capital

Equipment / Vehicles	100,000	240,000	164,843	75,157	69%
Total Capital	\$ 100,000	\$ 240,000	\$ 164,843	\$ 75,157	69%

Total Police Department	\$ 4,676,887	\$ 4,746,887	\$ 3,527,838	\$ 1,219,049	74%
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Fire Department FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

--- Summary ---

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 2,207,017	\$ 2,257,017	\$ 1,794,896	\$ 462,121	80%
Services / Supplies	581,888	581,888	579,008	2,880	100%
Capital	58,000	325,500	295,294	30,206	91%
	\$ 2,846,905	\$ 3,164,405	\$ 2,669,199	\$ 495,207	84%

--- Detail ---

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

Salaries / Wages	\$ 1,597,162	\$ 1,647,162	\$ 1,283,092	\$ 364,070	78%
Employee Benefits	609,856	609,856	511,805	98,051	84%
Total Personnel	\$ 2,207,017	\$ 2,257,017	\$ 1,794,896	\$ 462,121	80%

Services / Supplies

Professional Services	\$ 61,676	\$ 61,676	\$ 58,441	\$ 3,235	95%
Employee Development (Training - \$42,900)	57,520	57,520	44,500	13,020	77%
Supplies / Equipment	187,692	187,692	206,006	(18,314)	110%
Utilities	1,800	1,800	1,296	504	72%
Other	273,200	273,200	268,766	4,434	98%
Total Services / Supplies	\$ 581,888	\$ 581,888	\$ 579,008	\$ 2,880	100%

Capital

Equipment / Vehicles	58,000	325,500	295,294	30,206	91%
Total Capital	\$ 58,000	\$ 325,500	\$ 295,294	\$ 30,206	91%

Total Fire Department	\$ 2,846,905	\$ 3,164,405	\$ 2,669,199	\$ 495,207	84%
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New ambulance received
that was budgeted in FY
2016 (\$250,780)

Community Services

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 402,319	\$ 447,319	\$ 343,288	\$ 104,030	77%
Services / Supplies	23,193	23,193	4,219	18,974	18%
Capital	-	-	-	-	0%
	\$ 425,512	\$ 470,512	\$ 347,507	\$ 123,005	74%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
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Personnel

<i>Salaries / Wages</i>	\$ 290,160	\$ 335,160	\$ 244,666	\$ 90,495	73%
<i>Employee Benefits</i>	112,158	112,158	98,623	13,536	88%
Total Personnel	\$ 402,319	\$ 447,319	\$ 343,288	\$ 104,030	77%

Services / Supplies

<i>Professional Services</i>	\$ 9,200	\$ 9,200	\$ 483	8,717	5%
<i>Employee Development</i>	4,765	4,765	1,361	3,404	29%
<i>Supplies / Equipment</i>	7,228	7,228	2,375	4,853	33%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	2,000	2,000	-	2,000	0%
Total Services / Supplies	\$ 23,193	\$ 23,193	\$ 4,219	\$ 18,974	18%

Capital

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

Total Building Operations	\$ 425,512	\$ 470,512	\$ 347,507	\$ 123,005	74%
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Streets Division

FY 2016/2017 Budget

YEAR TO DATE JULY

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

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 671,743	\$ 671,743	\$ 530,420	\$ 141,323	79%
Services / Supplies	672,926	872,926	504,969	367,957	58%
Capital	<u>30,000</u>	<u>75,000</u>	<u>74,571</u>	<u>429</u>	<u>99%</u>
	\$ 1,374,669	\$ 1,619,669	\$ 1,109,959	\$ 509,710	69%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 452,166	\$ 452,166	\$ 372,518	\$ 79,648	82%
<i>Employee Benefits</i>	<u>219,577</u>	<u>219,577</u>	<u>157,902</u>	<u>61,676</u>	<u>72%</u>
Total Personnel	\$ 671,743	\$ 671,743	\$ 530,420	\$ 141,323	79%
Services / Supplies					
<i>Professional Services</i>	\$ 64,676	\$ 64,676	\$ 18,625	\$ 46,051	29%
<i>Employee Development</i>	10,150	10,150	7,353	2,797	72%
<i>Supplies / Equipment</i>	47,550	47,550	34,467	13,083	72%
<i>Utilities</i>	90,000	90,000	69,842	20,158	78%
<i>Other (Street Maintenance)</i>	<u>460,550</u>	<u>660,550</u>	<u>374,681</u>	<u>285,869</u>	<u>57%</u>
Total Services / Supplies	\$ 672,926	\$ 872,926	\$ 504,969	\$ 367,957	58%
Capital					
<i>Equipment / Vehicles</i>	30,000	75,000	74,571	429	99%
Total Capital	\$ 30,000	\$ 75,000	\$ 74,571	\$ 429	99%
Total Streets	\$ 1,374,669	\$ 1,619,669	\$ 1,109,959	\$ 509,710	69%

Maintenance Division

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 305,832	\$ 305,832	\$ 208,813	\$ 97,019	68%
Services / Supplies	592,627	702,627	371,968	330,659	53%
Capital	-	1,037,723	-	1,037,723	0%
	\$ 898,459	\$ 2,046,182	\$ 580,781	\$ 1,465,401	28%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 217,185	\$ 217,185	\$ 149,106	\$ 68,079	69%
<i>Employee Benefits</i>	88,648	88,648	59,707	28,940	67%
Total Personnel	\$ 305,832	\$ 305,832	\$ 208,813	\$ 97,019	68%

Services / Supplies					
<i>Professional Services</i>	\$ 64,480	\$ 64,480	\$ 35,167	\$ 29,313	55%
<i>Employee Development</i>	5,535	5,535	990	4,545	18%
<i>Supplies / Equipment (Fuel & Oils - \$135,777, Repair Parts / Contract Repairs - \$298,000)</i>	437,512	547,512	285,727	261,785	52%
<i>Utilities</i>	85,000	85,000	50,085	34,915	59%
<i>Other</i>	100	100	-	100	0%
Total Services / Supplies	\$ 592,627	\$ 702,627	\$ 371,968	\$ 330,659	53%

Capital					
<i>Equipment / Vehicles</i>	-	1,037,723	-	1,037,723	0%
Total Capital	\$ -	\$ 1,037,723	\$ -	\$ 1,037,723	0%

Total Maintenance	\$ 898,459	\$ 2,046,182	\$ 580,781	\$ 1,465,401	28%
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Parks Division FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,001,680	\$ 1,041,680	\$ 836,771	\$ 204,909	80%
Services / Supplies	498,450	498,450	342,095	156,355	69%
Capital	<u>71,000</u>	<u>71,000</u>	<u>-</u>	<u>71,000</u>	<u>0%</u>
	\$ 1,571,130	\$ 1,611,130	\$ 1,178,865	\$ 432,265	73%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 708,555	\$ 748,555	\$ 590,739	\$ 157,816	79%
<i>Employee Benefits</i>	<u>293,125</u>	<u>293,125</u>	<u>246,032</u>	<u>47,093</u>	<u>84%</u>
Total Personnel	\$ 1,001,680	\$ 1,041,680	\$ 836,771	\$ 204,909	80%
Services / Supplies					
<i>Professional Services</i>	\$ 133,882	\$ 133,882	\$ 96,695	\$ 37,187	72%
<i>Employee Development</i>	14,980	14,980	11,336	3,644	76%
<i>Supplies / Equipment</i>	212,288	212,288	151,391	60,897	71%
<i>Utilities</i>	136,600	136,600	82,159	54,441	60%
<i>Other</i>	<u>700</u>	<u>700</u>	<u>513</u>	<u>187</u>	<u>73%</u>
Total Services / Supplies	\$ 498,450	\$ 498,450	\$ 342,095	\$ 156,355	69%
Capital					
<i>Equipment / Vehicles</i>	71,000	71,000	-	71,000	0%
Total Capital	71,000	71,000	-	71,000	0%
Total Parks	\$ 1,571,130	\$ 1,611,130	\$ 1,178,865	\$ 432,265	73%

Recreation Division FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 191,099	\$ 196,099	\$ 155,022	\$ 41,077	79%
Services / Supplies	257,428	267,428	188,746	78,682	71%
Capital	-	-	-	-	0%
	\$ 448,527	\$ 463,527	\$ 343,768	\$ 119,759	74%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 139,861	\$ 144,861	\$ 117,142	\$ 27,719	81%
<i>Employee Benefits</i>	51,238	51,238	37,881	13,358	74%
<i>Total Personnel</i>	\$ 191,099	\$ 196,099	\$ 155,022	\$ 41,077	79%
Services / Supplies					
<i>Professional Services</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Employee Development</i>	8,555	8,555	5,015	3,540	59%
<i>Supplies / Equipment</i>	1,506	1,506	324	1,182	22%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Recreation Programs)</i>	247,367	257,367	183,406	73,961	71%
<i>Total Services / Supplies</i>	\$ 257,428	\$ 267,428	\$ 188,746	\$ 78,682	71%
Capital					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<i>Total Capital</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Total Recreation</i>	\$ 448,527	\$ 463,527	\$ 343,768	\$ 119,759	74%

Equipment Replacement / Capital Schedule

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

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	95,000	-	-	0%
Police Dept Capital Outlay	100,000	240,000	164,843	75,157	69%
Fire Dept Capital Outlay	58,000	325,500	295,294	30,206	91%
Community Services Capital Outlay	-	-	-	-	0%
Streets Dept Capital Outlay	30,000	75,000	74,571	429	99%
Maintenance Capital Outlay	-	1,037,723	-	1,037,723	0%
City Parks Capital Outlay	71,000	71,000	-	71,000	0%
City Recreation Capital Outlay	-	-	-	-	0%
Total Expenditures	\$ 484,000	\$ 1,844,223	\$ 534,708	\$ 1,309,515	29%

Utility Fund Revenues

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%
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Fees	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Electronic Payment</i>	\$ (100,000)	\$ (100,000)	\$ (77,505)	\$ (22,495)	78%
<i>Charges / Penalties</i>	81,950	81,950	62,853	19,097	77%
Total Fees	\$ (18,050)	\$ (18,050)	\$ (14,652)	\$ (3,398)	81%

Licenses & Permits

<i>Construction Inspection</i>	\$ 10,000	\$ 10,000	\$ 6,875	\$ 3,125	69%
Total Licenses & Permits	\$ 10,000	\$ 10,000	\$ 6,875	\$ 3,125	69%

Charges for Services

<i>Water Sales</i>	\$ 4,859,679	\$ 4,859,679	\$ 3,087,503	\$ 1,772,176	64%
<i>Sewer Sales</i>	3,585,708	3,585,708	2,914,300	671,408	81%
<i>Inspection Fees</i>	3,300	3,300	1,930	1,370	58%
Total Charges for Service	\$ 8,448,687	\$ 8,448,687	\$ 6,003,734	\$ 2,444,953	71%

Interest

<i>Interest (Operations)</i>	\$ 7,000	\$ 7,000	\$ 15,204	\$ (8,204)	217%
<i>Interest (Capital Projects)</i>	10,000	10,000	5,165	4,835	52%
Total Interest	\$ 17,000	\$ 17,000	\$ 20,369	\$ (3,369)	120%

Impact Fees

<i>Impact Fees</i>	\$ 192,000	\$ 192,000	\$ 100,997	\$ 91,003	53%
Total Impact Fees	\$ 192,000	\$ 192,000	\$ 100,997	\$ 91,003	53%

Miscellaneous Income

<i>Miscellaneous Income</i>	\$ 5,000	\$ 5,000	\$ 25,962	\$ (20,962)	519%
Total Miscellaneous Income	\$ 5,000	\$ 5,000	\$ 25,962	\$ (20,962)	519%

Total Utility Fund Revenues	\$ 8,654,637	\$ 8,654,637	\$ 6,143,285	\$ 2,511,352	71%
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Utility Division

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

--- Summary - Operations ---

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,599,725	\$ 1,599,725	\$ 1,281,433	\$ 318,293	80%
Services / Supplies	5,699,211	5,799,211	4,253,298	1,545,913	73%
Capital	95,000	95,000	252,514	(157,514)	266%
Total Utility Division	\$ 7,393,936	\$ 7,493,936	\$ 5,787,245	\$ 1,706,692	77%

--- Detail - Operations ---

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
<i>Salaries / Wages</i>	\$ 1,087,784	\$ 1,087,784	\$ 876,609	\$ 211,175	81%
<i>Employee Benefits</i>	511,941	511,941	404,823	107,118	79%
Total Personnel	\$ 1,599,725	\$ 1,599,725	\$ 1,281,433	\$ 318,293	80%
Services / Supplies					
<i>Professional Services</i>	\$ 255,447	\$ 255,447	\$ 163,015	\$ 92,431	64%
<i>Employee Development</i>	58,379	58,379	42,014	16,365	72%
<i>Supplies / Equipment</i>	83,159	83,159	51,894	31,266	62%
<i>Utilities</i>	404,380	404,380	249,447	154,933	62%
<i>Other (Well Lot Maintenance)</i>	627,027	627,027	196,803	430,224	31%
Sub-Total - Operations Services / Supplies	\$ 1,428,392	\$ 1,428,392	\$ 703,173	\$ 725,219	49%
Wholesale Water / Wastewater					
Note: UTRWD billing reflects a one month delay					
<i>UTRWD - Administration Fees</i>	\$ 4,955	\$ 4,955	\$ 4,954	\$ 1	100%
<i>UTRWD - Water Volume Cost</i>	916,014	966,014	762,403	203,611	79%
<i>UTRWD - Water Demand Charges</i>	1,234,500	1,234,500	1,028,750	205,750	83%
<i>UTRWD - Sewer Effluent Volume Rate</i>	495,680	545,680	405,464	140,216	74%
<i>UTRWD - Capital Charge Joint Facilities</i>	1,329,595	1,329,595	1,107,996	221,599	83%
<i>UTRWD - HV Sewer Line to UTRWD</i>	290,075	290,075	240,558	49,517	83%
<i>UTRWD - Wtr Transmission - Opus Develop</i>	-	-	-	-	0%
Sub-Total - Wholesale Water / Wastewater	\$ 4,270,819	\$ 4,370,819	\$ 3,550,125	\$ 820,694	81%
Total Services / Supplies	\$ 5,699,211	\$ 5,799,211	\$ 4,253,298	\$ 1,545,913	73%
Capital					
<i>Equipment / Vehicles</i>	95,000	95,000	252,514	(157,514)	266%
Total Capital	\$ 95,000	\$ 95,000	\$ 252,514	\$ (157,514)	266%
Total Utility Division - Operations	\$ 7,393,936	\$ 7,493,936	\$ 5,787,245	\$ 1,706,692	77%

Utility Fund Working Capital FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Water Sales</i>	\$ 4,859,679	\$ 4,859,679	\$ 3,087,503	\$ 1,772,176	64%
<i>Sewer Sales</i>	3,585,708	3,585,708	2,914,300	671,408	81%
<i>Other Fees / Charges</i>	100,250	100,250	97,620	2,630	97%
<i>Electronic Payment Credit</i>	(100,000)	(100,000)	(77,505)	(22,495)	78%
<i>Interest</i>	7,000	7,000	15,204	(8,204)	217%
Total Revenues	\$ 8,452,637	\$ 8,452,637	\$ 6,037,123	\$ 2,415,514	71%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Administration</i>	\$331,316	\$331,316	\$ 273,459	\$ 57,857	83%
<i>Operations</i>	2,496,801	2,496,801	1,711,147	785,655	69%
<i>UTRWD</i>	4,270,819	4,370,819	3,550,125	820,694	81%
<i>Debt Service</i>	1,285,650	1,285,650	1,154,434	131,216	90%
<i>Capital Projects</i>	-	-	-	-	0%
<i>Equipment Replace / Capital</i>	95,000	95,000	252,514	(157,514)	266%
Total Expenditures	\$ 8,479,586	\$ 8,579,586	\$ 6,941,679	\$ 1,637,908	81%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Transfers In (Applied Impact Fees)</i>	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	100%
<i>Operating Transfers Out / Utility Capital Projects</i>	-	-	-	-	0%
<i>Operating Transfers Out / General Fund</i>	(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
<i>Net Increase/Decrease</i>	(346,949)	(446,949)	(754,556)
Beginning Working Capital			
<i>Operations</i>	1,729,103	1,729,103	1,729,103
<i>Available Impact Fees</i>	889,804	889,804	889,804
Total Available Working Capital	\$ 2,618,907	\$ 2,618,907	\$ 2,618,907
Ending Working Capital			
<i>Operations</i>	1,382,154	1,282,154	974,547
<i>Designated Capital Project</i>	-	-	-
<i>Available Impact Fees</i>	931,804	931,804	840,801
Total Available Working Capital	\$ 2,313,958	\$ 2,213,958	\$ 1,815,348

<i>Impact Fees</i>			
<i>Beginning Balance</i>	889,804	889,804	889,804
+ <i>Collections</i>	192,000	192,000	100,997
- <i>Applied to offset Debt Service</i>	(150,000)	(150,000)	(150,000)
<i>Ending Balance</i>	931,804	931,804	840,801

*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 JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Park Entry Fees</i>	\$ 351,300	\$ 351,300	\$ 341,963	\$ 9,337	97%
<i>Annual Park Passes</i>	20,000	20,000	26,645	(6,645)	133%
<i>Concession Sales</i>	-	-	-	-	0%
<i>Interest</i>	1,300	1,300	655	645	50%
<i>I-35 Mitigation</i>	50,000	50,000	24,622	25,378	49%
Total Revenues	\$ 422,600	\$ 422,600	\$ 393,885	\$ 28,715	93%

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
<i>Personnel</i>	\$ 199,564	\$ 199,564	\$ 140,217	\$ 59,346	70%
<i>Services / Supplies</i>	147,171	157,171	88,879	68,292	57%
<i>Capital</i>	71,500	111,500	34,375	77,125	31%
Total Expenditures	\$ 418,234	\$ 468,234	\$ 263,471	\$ 204,763	56%

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

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 84,919	\$ 252,198	\$ 252,198
<i>+ Net Increase (Decrease)</i>	4,366	(45,634)	130,414
Ending Fund Balance	\$ 89,285	\$ 206,564	\$ 382,612

Audited FY16

Debt Service Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Revenues</i>	\$1,761,728	\$ 1,761,728	\$ 1,765,888	\$ (4,160)	100%
<i>Interest Income</i>	1,400	1,400	2,020	(620)	144%
<i>Total Revenues</i>	\$ 1,763,128	\$ 1,763,128	\$ 1,767,908	\$ (4,780)	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Principal Payments</i>	\$ 2,015,000	\$ 2,015,000	\$ 2,015,000	\$ -	100%
<i>Interest Payments</i>	625,801	625,801	338,115	287,686	54%
<i>Paying Agent Fees</i>	4,000	4,000	2,846	1,154	71%
<i>Total Expenditures</i>	\$ 2,644,801	\$ 2,644,801	\$ 2,355,960	\$ 288,841	89%

Other Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Transfers In (Out) [To 4B]</i>	890,071	890,071	747,429	\$ 142,642	84%
<i>Proceeds from Refunding Debt</i>	-	-	2,435,000	(2,435,000)	0%
<i>Debt Issuance Cost</i>	-	-	(25,154)	25,154	0%
<i>Payment to Escrow Agent</i>	-	-	(2,405,000)	2,405,000	0%
<i>Total Financing Sources</i>	\$ 890,071	\$ 890,071	\$ 752,275	\$ 137,796	85%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 137,811	\$ 141,058	\$ 141,058
<i>+ Net Increase (Decrease)</i>	8,398	8,398	164,223
<i>Ending Fund Balance</i>	\$ 146,209	\$ 149,456	\$ 305,281

Audited FY16

Capital Projects Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	\$ -	\$ -	\$ -	\$ -	0%
Contributions	-	-	-	-	0%
Interest Income	-	-	1,236	(1,236)	0%
Total Revenues	\$ -	\$ -	\$ 1,236	\$ (1,236)	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
2015 Tax Note (CAD, Radio System, Screening Walls, Drainage)	\$ -	\$ 214,000	\$ 168,249	\$ 45,751	79%
2012 Certificate (Parks/Streets/Drainage)	-	48,000	47,433	567	99%
Total Expenditures	\$ -	\$ 262,000	\$ 215,683	\$ 46,317	100%

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	-	14,000	-	14,000	0%
Transfer Out	-	(195,000)	-	(195,000)	0%
Total Financing Sources	\$ -	\$ (181,000)	\$ -	\$ (181,000)	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning fund balance</i>	\$ -	\$ 438,834	\$ 438,834
<i>+Net Increase (Decrease)</i>	-	(443,000)	(214,447)
<i>Ending Fund Balance</i>	\$ -	\$ (4,166)	\$ 224,387

Audited FY16

Drainage Utilities

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Drainage Conversion Fee</i>	\$ -	\$ -	\$ 7,320	\$ (7,320)	0%
<i>Drainage Fee Receipts</i>	480,000	480,000	383,912	96,088	80%
<i>Miscellaneous</i>	-	-	-	-	0%
<i>Interest</i>	75	75	1,010	(935)	1347%
Total Revenues	\$ 480,075	\$ 480,075	\$ 392,242	\$ 87,833	82%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 331,943	\$ 356,943	\$ 280,780	\$ 76,162	79%
<i>Services / Supplies</i>	166,355	166,355	85,308	81,047	51%
<i>Capital</i>	250,000	525,000	520,290	4,710	99%
Total Expenditures	\$ 748,298	\$ 1,048,298	\$ 886,379	\$ 161,919	85%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Transfers In - City Impervious / General Fund (\$250,000 transfer from GF related to purchase of Gradall)</i>	\$ 266,000	\$ 461,000	\$ -	\$ 461,000	0%
<i>Operating Transfers Out / General Fund</i>	(16,000)	(16,000)	-	(16,000)	0%
Total Other Sources (Uses)	\$ 250,000	\$ 445,000	\$ -	\$ 445,000	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ 164,197	\$ 240,467	\$ 240,467
<i>+ Net Increase (Decrease)</i>	(18,223)	(123,223)	(494,137)
Ending Fund Balance	\$ 145,974	\$ 117,244	\$ (253,670)

Audited FY16

Park Development Fee Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Interest</i>	\$ -	\$ -	\$ 229	\$ (229)	0%
<i>Community Park Fees</i>	684	60,684	684	60,000	1%
<i>Linear Park Fees</i>	-	-	-	-	0%
<i>Neighborhood Park Fees</i>	-	-	-	-	0%
<i>Service Area II</i>	-	-	-	-	0%
<i>Service Area IV</i>	-	-	-	-	0%
Total Revenues	\$ 684	\$ 60,684	\$ 913	\$ 59,771	2%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Unity Park</i>	\$ -	\$ 115,000	\$ 104,209	\$ 10,791	91%
<i>Capital Outlay (Unity Park)</i>	-	-	-	-	0%
<i>Capital Outlay (Village Park)</i>	-	-	-	-	0%
<i>Capital Outlay - (St James development, Area I)</i>	-	-	-	-	0%
Total Expenditures	\$ -	\$ 115,000	\$ 104,209	\$ 10,791	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Operating Transfers In</i>	\$ -	\$ 31,334	\$ -	\$ -	0%
<i>Operating Transfers Out (Funding for projects at Unity Park with FY2012 bond)</i>	-	-	-	-	0%
Total Other Sources (Uses)	\$ -	\$ 31,334	\$ -	\$ 31,334	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning Fund Balance</i>	\$ -	\$ 10,026	\$ 10,026
<i>+ Net Increase (Decrease)</i>	684	(22,982)	(103,296)
Ending Fund Balance	\$ 684	\$ (12,956)	\$ (93,270)

Audited FY16

Ending Fund Balance Detail	Original Budget	Year to Date
<i>Community Park Fees</i>	\$ 684	(93,270)
<i>Linear Park Fees</i>	-	-
<i>Neighborhood Park Fees (Area I)</i>	-	-
<i>Neighborhood Park Fees (Area II)</i>	-	-
<i>Neighborhood Park Fees (Area IV)</i>	-	-
Total	\$ 684	\$ (93,270)

Public Safety Special Revenue Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 25,600	\$ 80,600	\$ 75,775	\$ 4,825	94%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ -	\$ -	\$ -	\$ -	0%
Services / Supplies	3,600	9,600	6,661	2,939	69%
Capital	-	35,000	34,896	104	100%
Total Expenditures	\$ 3,600	\$ 44,600	\$ 41,556	\$ 3,044	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	\$ 13,522	\$ 13,522
+ Net Increase (Decrease)	-	14,000	34,219
Ending Fund Balance	\$ 17,905	\$ 27,522	\$ 47,741

Audited FY16

Municipal Court Technology Fee Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 5,000	\$ 5,000	\$ 2,731	2,269	55%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Services / Supplies	\$ 5,500	\$ 5,500	\$ 5,253	\$ 247	96%
Total Expenditures	\$ 5,500	\$ 5,500	\$ 5,253	\$ 247	96%

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	\$ 36,298	\$ 36,298
+ Net Increase (Decrease)	(500)	(500)	(2,521)
Ending Fund Balance	\$ 35,756	\$ 35,798	\$ 33,777

Audited FY16

Municipal Court Building Security Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	\$ 3,600	\$ 3,600	\$ 2,049	\$ 1,551	57%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel (Bailiff)	\$ -	\$ -	\$ 1,014	\$ (1,014)	0%
Services / Supplies	-	-	-	-	0%
Total Expenditures	\$ -	\$ -	\$ 1,014	\$ (1,014)	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 29,016	\$ 28,675	\$ 28,675
+ Net Increase (Decrease)	3,600	3,600	1,034
Ending Fund Balance	\$ 32,616	\$ 32,275	\$ 29,709

Audited FY16

Highland Village Community Development Corporation
Working Capital Analysis (FY 2016)

	<i>Actual 2014-2015</i>	<i>Actual 2015-2016</i>	<i>Budget 2016-2017</i>	<i>YTD 2016-2017</i>
Beginning Fund Balance	\$ 717,764	\$ 755,390	\$ 401,792	\$ 304,663
Revenues				
4B Sales Tax	1,197,263	1,231,754	1,317,305	812,337
Park Fees (Rental)		1,263	19,240	23,327
Linear Park Fees	11,934	287	500	287
Miscellaneous Income	-	-	-	-
Interest Income	6,112	2,601	2,000	498
Total	\$ 1,215,309	\$ 1,235,905	\$ 1,339,045	\$ 836,449
Expenditures				
Personnel	113,602	164,137	205,617	163,187
Services / Supplies	148,197	261,960	188,690	114,473
Reimburse GF (Support Functions)	28,000	28,000	-	-
Reimburse GF (Debt Service)	887,884	889,309	918,071	747,429
Total Non-Capital Expenditures	\$ 1,177,683	\$ 1,343,406	\$ 1,312,378	\$ 1,025,090
Capital				
Engineering	-	-	-	-
Projects Funded Directly	-	-	-	-
Transfer to 4B Capital Projects	\$ -	\$ 300,000	\$ -	\$ -
Equipment	-	43,226	42,680	-
Net Increase / (Decrease)	37,626	(450,727)	(16,013)	(188,641)
Working Capital Balance	\$ 755,390	\$ 304,663	\$ 385,779	\$ 116,022

Highland Village Community Development Corporation
Capital Projects

	<i>Actual</i> 2014-2015	<i>Actual</i> 2014-2015
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

[illegible]

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
Doubletree Ranch Park		
Engineering - \$779,300	-	1,444,637
Project Cost - \$8,500,000 (Estimated)	5,889,393	

[illegible]

Total Capital Projects	\$ 6,929,389	\$ 1,446,512
Remaining Project Funding	\$ 1,593,694	\$ 447,182

\$	480,000	\$	553,914
\$	(32,818)	\$	(106,732)

PEG Fee Fund

FY 2016/2017 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired

83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>PEG Fee Receipts</i>	\$ 65,000	\$ 65,000	\$ 27,890	\$ 37,110	43%
<i>Total Revenues</i>	\$ 65,000	\$ 65,000	\$ 27,890	\$ 37,110	43%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	21,700	17,700	6,367	11,333	36%
<i>Capital</i>	12,000	15,500	15,191	309	98%
<i>Total Expenditures</i>	\$ 33,700	\$ 33,200	\$ 21,558	\$ 11,642	65%

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

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Beginning fund balance</i>	\$ 2,601	\$ 36,094	\$ 36,094
<i>+Net Increase (Decrease)</i>	31,300	31,800	6,332
<i>Ending Fund Balance</i>	\$ 33,901	\$ 67,894	\$ 42,426

Audited FY16

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 20

MEETING DATE: 09/12/17

SUBJECT: Conduct Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2017/2018

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

Truth in Taxation requires two public hearings before implementing a tax rate if a rate is **considered** which will exceed the lower of the rollback or effective rate. The effective rate is generally equal to the prior year's taxes divided by the current taxable value of properties that were also on the tax roll in the prior year. The current tax rate of \$.56963, in place since 2000 exceeded the roll-back rate this year. At the July 25th Meeting, Council voted to consider the lower rollback rate of \$.568022 for this year's budget. But as this still exceeds the effective rate of \$.54305, the public hearings are required. The first public hearing was conducted at the August 22nd meeting.

IDENTIFIED NEED/S:

The proposed tax rate of \$.568022 is reduced from last year.

The proposed budget can be viewed on the City website at <https://tx-highlandvillage2.civicplus.com/DocumentCenter/View/4304>

OPTIONS & RESULTS:

Budget calendar:

- August 18th
 - City Manager Recommended Budget posted on City Website
- August 22nd (Regular Council Meeting)
 - Public Hearing on tax rate and budget
- September 12th (Regular Council Meeting)
 - Public Hearing on tax rate and budget
 - 1st read on tax rate and budget
- September 26th (Regular Council Meeting)
 - 2nd read on tax rate and budget

PROGRESS TO DATE: (if appropriate)

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

RECOMMENDATION:

Council to conduct a public hearing on the proposed tax rate and budget for FY 2017-2018.

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 21

MEETING DATE: 09/12/17

SUBJECT: Consider Ordinance 2017-1233 Adopting the FY 2017-2018 Annual Budget

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

City Staff initiated the FY 2018 Budget process in May of this year with departments reviewing programs and related costs in their respective areas. The budget was developed with Council in a series of workshops: the Capital Improvement Program was presented, followed by the General Fund Budget, Special Revenue Funds, and the Utility Fund. The proposed budget has been available on the City Web Site for review by residents. The final document presented is a joint product of Staff and Council to reflect priorities established by Council in the initial stages of this budget process. The second of two public hearings will be conducted at this meeting (the previous public hearing at the August 22nd meeting).

IDENTIFIED NEED/S:

The FY 2017/18 Budget is presented for Council approval. The presented budget mirrors the expressed consensus of Council from the budget work sessions.

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

Additionally, adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of council to ratify the property tax increase reflected in the budget. As this budget does indeed raise more revenue, this is to be presented as a separate companion agenda item with the 2nd read.

OPTIONS & RESULTS:

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

<https://tx-highlandvillage2.civicplus.com/DocumentCenter/View/4304>

PROGRESS TO DATE: (if appropriate)

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

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

RECOMMENDATION:

Council to take a record vote to approve the first read of Ordinance 2017-1233 adopting the FY 2017 / 2018 Budget.

CITY OF HIGHLAND VILLAGE

ORDINANCE NO. 2017-1233

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017, AND ENDING SEPTEMBER 30, 2018, AND CATEGORY APPROPRIATIONS FOR EACH FUND AND DEPARTMENT, PROJECT AND ACCOUNT; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR INTER-FUND TRANSFERS; PROVIDING FOR INVESTMENT OF CERTAIN FUNDS; PROVIDING FOR FISCAL AND BUDGETARY POLICY GUIDELINES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as required by Article VI of the City Charter, the City Manager has prepared and submitted to the City Council a Budget Estimate of expenditures and revenues of all city departments, activities and offices for the fiscal year beginning October 1, 2017 and ending September 30, 2018, and

WHEREAS, said 2017-2018 budget has been filed with the City Secretary of the City of Highland Village as required by law; and

WHEREAS, notices of public hearings upon said 2017-18 budget have been duly and legally posted or published as required by law; and,

WHEREAS, said public hearings were held on August 22, 2017 and September 12, 2017, and whereon full and final consideration was given said budget; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that the proposed FY 2017-18 budget will be sufficient to provide the needed services to Highland Village residents;

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

Section 1. For the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Highland Village for the fiscal year beginning October 1, 2017 and ending September 30, 2018, the Budget heretofore prepared by the City Manager and submitted to the City Council for its consideration and approval, said Budget for the different funds of the City of Highland Village are hereby fixed as follows:

General Fund	\$17,598,059
Debt Service Fund	\$2,390,567
Corps Leased Parks Fund	\$613,667
HV Drainage Utility Fund	\$538,462
Capital Projects Fund	\$6,982,931
Public Safety Special Revenue Fund	\$3,600
Park Development Fee Fund	\$0
PEG Fee Fund	\$3,000
Municipal Court Technology Fee Fund	\$5,500

Municipal Court Building Security Fund	\$0
Utility Fund	\$10,479,621
HV Community Development Fund	\$483,141
Total Funds	\$39,098,548

The above said budget is hereby approved for a total of \$39,098,548 and the available resources and revenues of the City of Highland Village for said fiscal year be and the same are hereby appropriated and set aside for the maintenance and operation of the various departments of the Government of the City of Highland Village, together with the various activities and improvements as set forth in said Budget, and expenditures under these appropriations shall not exceed the enumerated line items unless and until the line item(s) shall be amended by a Council-approved budget amendment, and further the expenditures shall be in accordance with the uses and purposes of the respective departments, as such are more specifically identified by the line items, and activities as provided for in said Budget. Amendments to the budget, including appropriations and expenditures which deviate from this budget shall be approved by the City Council by presentation of the item on a form in substantial conformity to that attached hereto as Exhibit A. Notwithstanding the foregoing, the City Manager is hereby authorized to make expenditures under this budget, without budget amendment, which exceed specific line items within expenditure categories, these categories being Personnel, Services/Supplies, and Capital. In no event shall expenditures for any department, expended under the City Manager's authority, exceed the departmental appropriation for said department.

Section 2. The Budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018, approved herein, is on file in the City Secretary Office.

Section 3. The expenditures during the fiscal year beginning October 1, 2017 and ending September 30, 2018 shall be made in accordance with the Budget approved by this ordinance unless otherwise authorized by duly enacted ordinance of the City of Highland Village.

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

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

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

Section 7. The administration and execution of said budget for fiscal year beginning October 1, 2017 and ending September 30, 2018 shall be subject to certain fiscal and budgetary policies as adopted by the City Council.

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

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Michelle Schwolert, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Fred Busche, Councilmember – Place 5		
John McGee, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2017-1233 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 12th DAY OF SEPTEMBER, 2017.

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

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Michelle Schwolert, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Fred Busche, Councilmember – Place 5		
John McGee, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2017-1233 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE ____ DAY OF _____, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:8/30/17:89685)

EXHBIT A

Budget Amendment Request Worksheet Expenditure Line Item for Proposed Change:

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

Reason for Request

FUND BALANCE

☐ GENERAL FUND BALANCE

Details:

Net Change \$ -

☐ UTILITY FUND WORKING CAPITAL BALANCE

Details:

Net Change \$

☒ **COUNCIL APPROVAL
REQUIRED**

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

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA#	22	MEETING DATE:	09/12/17
SUBJECT:	Consider Ordinance 2017-1234 Levying the Ad Valorem Taxes for the Year 2017 at a Rate of \$.568022 Per \$100 Assessed Valuation on all Property Within the Corporate Limits of the City of Highland Village as of January 1, 2017		
PREPARED BY:	Ken Heerman, Assistant City Manager		

BACKGROUND:

Texas Tax Code §26.05 requires a tax rate be adopted by official action following passage of a budget. The tax rate must be adopted in two separate components – Maintenance and Operations (M&O), and Interest and Sinking (I&S). The total tax rate of \$.568022/\$100 is slightly decreased from last year. However, because the current M&O rate, if adopted for FY 2017-18 will result in raising more funds from property taxes than the current fiscal year, state law requires two public hearings be held regarding the proposed tax rate, as well as placement of associated notices in the city's official newspaper, posting to the City Website, also broadcast on HVTV. State law also requires a public hearing be held prior to adoption of the city's annual budget.

IDENTIFIED NEED/S:

Ordinance No. 2017-1234 provides for the adoption of the City's official budget for Fiscal Year 2017-18. Pursuant to the direction of the City Council, the City Manager has prepared the FY 2017-18 budget based on anticipated revenues to the City from various sources, including the assessment of taxes on real and business personal property located within the City. In order to provide for sufficient revenues to pay the City's operation and maintenance obligations as well as the City's outstanding debt obligations, the FY 2017-18 budget requires the City receive property tax revenues that would be generated through the adoption of the proposed tax rate. Staff has prepared for consideration, Ordinance No. 2017-1234 which provides for the adoption of a total tax rate of \$.568022 per \$100 valuation (composed of a Maintenance and Operation rate of \$.497060 per \$100 valuation and a debt service rate of \$.070962 per \$100 valuation) to fund the FY 2017-2018 budget. Because the proposed tax rate will exceed the effective tax rate of \$.54305 per \$100 valuation (which is the rate that would provide the same amount of funds raised from property taxes for the current fiscal year), state law requires certain language in larger font be included in the ordinance adopting the tax rate for the next fiscal year (see Section 2 of Ordinance No. 2017-1234). In addition, as the proposed tax rate exceeds the effective tax rate, at least 60 percent of the governing body must vote in favor of the ordinance by a record vote. State law also requires that the motion approving an ordinance adopting a tax rate that is greater than the effective tax rate include specific language (see **Recommendation** section below).

PROGRESS TO DATE: (if appropriate)

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The ordinance adopting the tax rate follows this briefing.

RECOMMENDATION:

Staff recommends approval of Ordinance No. 2017-1234 on first reading. State law requires the motion to approve Ordinance No. 2017-1234 on first reading be made in the following form:

“I move that the property tax rate be increased by the adoption of a tax rate of \$.568022, which is effectively a 4.6 percent increase in the tax rate and, therefore, I further move that Ordinance No. 2017-1234 be approved on first reading.”

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2017-1234

AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2017 AT A RATE OF \$0.568022 PER \$100 ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF HIGHLAND VILLAGE AS OF JANUARY 1, 2017; TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF HIGHLAND VILLAGE; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; APPROVING THE 2017 TAX ROLL CERTIFIED BY THE CHIEF APPRAISER OF THE DENTON CENTRAL APPRAISAL DISTRICT AND PROVIDING AN EFFECTIVE DATE

WHEREAS, assessments and renditions of all taxable property in the City of Highland Village have been made for the year 2017 by the Denton Central Appraisal District; and

WHEREAS, the City Council has approved Ordinance No. 2017-1233 adopting the City's annual budget for fiscal year 2017-2018; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that a total tax rate of \$0.568022 per \$100 assessed valuation should be adopted in order to provide funds necessary for the operations and maintenance obligations of the City and to fund required debt payments; and

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

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

Section 1. There should be and is hereby levied for the year 2017 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Highland Village, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.568022 on each \$100 assessed value of taxable property, which tax shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current operational and maintenance expenses of the municipal government of the City, a tax of \$0.497060 on each one hundred dollars (\$100.00) assessed value of all taxable property within the City of Highland Village.
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Highland Village, not otherwise provided for, a tax of \$0.070962 on each one hundred dollars (\$100.00) of assessed value of taxable property within the City of Highland Village and shall be applied to the payment of interest and maturities of all such outstanding debt, including paying agent fees.

Section 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$36.82.

Section 3. All ad valorem taxes shall become due and payable on October 1, 2017, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2018. There shall be no discount for payment of taxes prior to February 1, 2018. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent on the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2018, incurs a total penalty of twelve percent of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent for each month or portion of a month the tax remains unpaid. Taxes for the year 2015 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2014 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2015 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

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

Section 5. The assessments and renditions for the year 2017 on all taxable property and the Tax Roll certified by the Chief Appraiser of the Denton Central Appraisal District as presented to the City Council are hereby approved.

Section 6. The fact that it is necessary that this Ordinance be enacted in order to authorize the collection of ad valorem taxes for the fiscal year 2017-2018 requires that this Ordinance shall take effect immediately from and after its passage on second reading, as the law in such cases provides.

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

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Michelle Schwolert, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Fred Busche, Councilmember – Place 5		
John McGee, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2017-1234 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 12th DAY OF SEPTEMBER, 2017.

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

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Michelle Schwolert, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Fred Busche, Councilmember – Place 5		
John McGee, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2017-1234 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE ____ DAY OF _____, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:8/30/17:89684)

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 23

MEETING DATE: 09/12/17

SUBJECT: Consider Resolution 2017-2701 Authorizing an Interlocal Cooperative Purchasing Agreement with Region VIII Education Service Center

PREPARED BY: Scott Kriston, Director of Public Works

BACKGROUND:

The Chapter 791 of the Texas Government Code (also known as the “Interlocal Cooperation Act”) allows local governments to enter into cooperative purchasing agreements with each other in order to allow them to take advantage of volume purchasing and other favorable terms for goods and services that a single entity may not otherwise be able to obtain if bidding as a single purchaser. The City has entered into interlocal agreements with the City of Lewisville in 2007 and the Town of Flower Mound in 2016 and has utilized them for several commodity purchases and contractor services.

Texas Education Code §8.002 permits regional education service centers, at the direction of the Commissioner of Education, to provide services to assist school districts, colleges and Universities in improving student performance and increasing the efficiency and effectiveness of school, college and university operations. Authority for such services is granted under Texas Government Code §§ 791.001 *et seq* as amended. Cooperative Purchasing Services are extended to all Texas State, City and County Government Agencies.

City Administration is now recommending that the City enter into an interlocal agreement with the Region VIII Education Service Center. With this agreement, the City will be able to utilize The Interlocal Purchasing System (TIPS) for needed roof replacements resulting from the March 2017 storm event.

IDENTIFIED NEED/S:

The City of Highland Village wishes to enter into this interlocal agreement to set forth the terms and conditions through TIPS upon which the City may obtain substantial savings for participating School Districts, Universities, Colleges, Community Colleges, Cities, Counties or Other Public Agencies through cooperative purchasing.

OPTIONS & RESULTS:

In order to receive the best possible pricing for the City’s roof replacements, TML hired a consultant to manage the scope of work. The consultant has determined that the TIPS program will be the most effective method of contracting services that is in the public’s best interest.

PROGRESS TO DATE: (if appropriate)

The Region VIII Education Service Center has approved a cooperative purchasing agreement, the form of which has been reviewed and approved by the City Attorney.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

None

RECOMMENDATION:

To approve Resolution 2017-2701.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2701

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING AN INTERLOCAL AGREEMENT WITH THE REGION VIII EDUCATIONAL SERVICE CENTER TO PARTICIPATE IN THE INTERLOCAL PURCHASING SYSTEM (TIPS) PURCHASING COOPERATIVE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Highland Village, Texas, pursuant to the authority granted by Tex. Gov't Code § 791.001, et seq, desires to participate in The Interlocal Purchasing System ("TIPS") Purchasing Cooperative offered by the Region VIII Education Service Center, and finds that participating in this program will be highly beneficial to the City's taxpayers through the anticipated savings to be realized;

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

SECTION 1. The City Manager is hereby authorized to sign on behalf of the City an interlocal cooperation agreement with the Region VIII Education Service Center for the purpose of participating in the TIPS Purchasing Cooperative and to sign and deliver any and all necessary requests and documents in connection therewith for and on behalf of the City.

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

PASSED AND APPROVED THIS THE 12TH DAY OF SEPTEMBER, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl: 8/30/17:89688)

CITY OF HIGHLAND VILLAGE

COUNCIL BRIEFING

AGENDA# 24

MEETING DATE: 09/12/17

SUBJECT: Consider Resolution 2017-2702 Authorizing Agreements with Duro-Last, Inc. through the City's Cooperative Purchasing Agreement with The Interlocal Purchasing System ("TIPS") for Replacement of the Municipal Complex, Fire Station and Municipal Service Center Roofs

PREPARED BY: Scott Kriston, Director of Public Works

BACKGROUND:

During the storm event in March 2017, the Municipal Complex, Fire Station and Municipal Service Center roofs sustained hail damage. The City filed a claim with the TML Intergovernmental Risk Pool ("the Risk Pool") for the damages. The Risk Pool assigned an adjuster to review all City owned facilities. The roofs, both standing metal seam and flat, on the Municipal Complex, Police Station, Fire Station Public Works and the DuVall Center buildings were identified by the Risk Pool adjuster for a total roof replacement. At no cost to the City, the Risk Pool hired 4T Partnership. LLC., a building envelope consultant, to manage the scope of work for the entire damage zone. The consultant determined that engaging a commercial roofing contract, Duro-Last, Inc., which is under contract with The Interlocal Purchasing System ("TIPS") program will be the most cost effective method of contracting the standing metal seam roof replacement services and is in the public's best interest.

Highland Village has Real and Personal Property Coverage with the Replacement Cost Option. Under the coverage provisions, an initial Actual Cash Value payment is made until the loss or damaged property is actually repaired or replaced. Once the repairs are completed and the costs exceed the payment, staff will submit the final receipts to the Risk Pool for review of any supplemental payments due under the Replacement Cost Coverage.

IDENTIFIED NEED/S:

The roofs on the Municipal Complex, Police Station, Fire Station Public Works and the DuVall Center buildings were identified for a total roof replacement by the Risk Pool adjuster. The standing metal seam roof sections are recommended to be replaced first prior to replacing the flat roofs as to not damage the new flat roofs.

PROGRESS TO DATE: (if appropriate)

The Risk Pool consultant worked with the roof material manufacturer to achieve the best possible pricing for the standing seam metal roof replacement. They recommended that the City utilize a contract with Duro-Last, Inc, through the TIPS program offered through the Region VIII Education Service Center. The consultant delivered three agreements for execution (one for each site). The following pricing is for the standing metal seam roof

component only. The quotes for the flat roof sections have not been provided to the City.

The City received a claim payment from the Risk Pool in the amount of \$937,723.34 (less \$2,500.00 deductible).

Municipal Complex (City Hall / HVPD)	\$294,967.46
Fire Station	\$181,135.84
Municipal Service Center (all 4 buildings)	\$682,255.98

Total = \$1,158,359.28

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

City is responsible for a \$2,500.00 deductible. The City is granted an additional \$67,011.26 of recoverable depreciation from the Risk Pool, thus leaving a total of \$153,624.68 to seek from the Risk Pool under supplemental payment for Replacement Cost Coverage.

RECOMMENDATION:

To approve Resolution 2017-2702.

CITY OF HIGHLAND VILLAGE

RESOLUTION NO. 2017-2702

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING AGREEMENTS WITH DURO-LAST, INC. THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE INTERLOCAL PURCHASING SYSTEM (TIPS) FOR REPLACEMENT OF THE MUNICIPAL COMPLEX, FIRE STATION, AND MUNICIPAL SERVICE CENTER ROOFS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, following the severe hail storm that impacted the City of Highland Village in March 2017, an assessment by an adjuster for the Texas Municipal League Intergovernmental Risk Pool ("the Risk Pool") determined that the roofs on the Municipal Complex, Fire Station, and Municipal Service Center buildings were damaged to the extent to require replacement; and

WHEREAS, in consultation with the Risk Pool and its consultant, City Administration is recommending the City enter into an agreement for performing such roof replacements with Duro-Last, Inc. through the City's cooperative purchasing agreement with The Interlocal Purchasing System ("TIPS") operated by the Region VIII Education Service Center; and

WHEREAS, the City Council finds it to be in the public interest to concur in the foregoing recommendation;

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

SECTION 1. The City Manager is hereby authorized to negotiate and sign one or more agreements on behalf of the City with Duro-Last, Inc. for replacement of the Municipal Complex, Fire Station, and Municipal Service Center roofs through the City's cooperative purchasing agreement with TIPS in the amount of \$1,158,359.28, and, subject to City policy, state law, and, in the event of an increase in contract price, the availability of current funds, is further authorized to execute such change orders to said agreements as the City Manager determines to be in the public interest.

SECTION 2. This Resolution shall be effective immediately upon its approval.

PASSED AND APPROVED this the 12th day of September, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl 9/6/17:89833)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA#	27	MEETING DATE:	09/12/17
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

September 12, 2017 **Regular City Council Mtg. 7:30 pm**

September 14, 2017 **City Council Town Hall Mtg. 7:00 pm**

September 18, 2017 Park Board Mtg. 6:00 pm (if needed)

September 19, 2017 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

September 21, 2017 Public Art Advisory Board Mtg. 7:00 pm (if needed)

September 26, 2017 **Regular City Council Mtg. 7:30 pm**

October 5, 2017 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

October 10, 2017 **Regular City Council Mtg. 7:30 pm**

October 16, 2017 Park Board Mtg. 6:00 pm (if needed)

October 17, 2017 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

October 19, 2017 Public Art Advisory Board Mtg. 7:00 pm (if needed)

October 24, 2017 **Regular City Council Mtg. 7:30 pm**

November 2, 2017 Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

November 14, 2017 **Regular City Council Mtg. 7:30 pm**

November 16, 2017 Public Art Advisory Board Mtg. 7:00 pm (if needed)

November 20, 2017 Park Board Mtg. 6:00 pm (if needed)

November 21, 2017 Planning & Zoning Commission Mtg. 7:00 pm (if needed)

November 23 - 24, 2017 **Thanksgiving Holiday (City Offices Closed)**

November 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