



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

**REGULAR MEETING  
OF THE HIGHLAND VILLAGE CITY COUNCIL  
TUESDAY, DECEMBER 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 Options relating to the Use of Neighborhood Electric Vehicles (NEV), Low Speed Vehicles (LSV) and Golf Carts in Highland Village
2. Receive Presentation and Discuss Home Property Maintenance Code Compliance
3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of December 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)

**CLOSED SESSION  
Training Room**

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

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

5. Call to Order
6. Prayer to be led by Councilmember Dan Jaworski
7. Pledge of Allegiance to the U.S. and Texas Flags to be led by Councilmember Dan Jaworski
8. Visitor Comments *(Anyone wishing to address the City Council must complete a Speakers' Request form and return it to the City Secretary. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action on items not posted on the agenda.)*

*Action on your statement can only be taken at a future meeting. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)*

**9. City Manager/Staff Reports**

- **HVTV Update**

**10. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety**

**CONSENT AGENDA**

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

- 11. Consider Approval of Minutes of the Regular Meeting held on November 14, 2017 and Minutes of the Special Meeting held on November 17, 2017**
- 12. Consider Ordinance 2017-1237 Repealing Ordinance 02-896 Adopting Revised Financial Policies of the City of Highland Village (2<sup>nd</sup> and final read)**
- 13. Consider Resolution 2017-2719 Confirming the Selection of Market Cities and Strategy to be Utilized in Comparison Studies for the City of Highland Village**
- 14. Consider Resolution 2017-2720 Authorizing the Purchase of a Backhoe from RDO Equipment through the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard)**
- 15. Consider Resolution 2017-2721 Authorizing the City Manager to Execute a Task Order with BW2 Engineers, Inc. for Engineering and Survey Services relating to the Highland Village Road Sidewalk Project, Phase III**
- 16. Consider Resolution 2017-2722 Authorizing the Purchase and Installation of a Pre-Fabricated Restroom Building from Restroom Facilities, Ltd. for the Day Use Area at Pilot Knoll Park through the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard)**
- 17. Consider Resolution 2017-2723 Authorizing the Purchase and Installation of Lighting Improvements from Musco Lighting for Unity Park through the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard)**
- 18. Receive Budget Reports for Period Ending September 30, 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)

20. Consider Resolution 2017-2726 Authorizing the City Manager to Execute a Task Order with BW2 Engineers, Inc. for Professional Engineering and Survey Services relating to the 2018 Street Improvement Project
21. Consider Ordinance 2017-1238 Amending the Code of Ordinances Article 6.03 relating to Hours and Days of Operation for Peddlers and Solicitors (2<sup>nd</sup> and final read)
22. Consider Ordinance 2017-1239 Repealing Code of Ordinances Article 2.07 relating to Assistance to Non-Profit Organizations (1<sup>st</sup> of two reads)
23. Consider Resolution 2017-2724 Approving and Authorizing Publication of Notice of Intent to Issue Certificates of Obligation
24. Consider Resolution 2017-2728 Declaring Expectation to Reimburse Expenditures with Proceeds of Future Debt
25. Consider Resolution 2017-2725 Adopting Revised Financial Policies of the City of Highland Village
26. Consider Resolution 2017-2727 Adopting a Debt Management Policy for the City of Highland Village

**LATE WORK SESSION**

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

27. Discuss Improvements at Sunset Point Park
28. Discuss Request for Proposals for Solid Waste and Recycling Services
29. 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.)
30. 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 8<sup>TH</sup> DAY OF DECEMBER, 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: 12/12/17**

**SUBJECT: Discuss Options relating to the Use of Neighborhood Electric Vehicles (NEV), Low Speed Vehicles (LSV) and Golf Carts in Highland Village**

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

**COMMENTS**

City staff will present options for Council's consideration relating to the use of Neighborhood Electric Vehicles, Low Speed Vehicles, and Golf Cars in Highland Village.

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

**AGENDA# 2**

**MEETING DATE: 12/12/17**

**SUBJECT: Receive Presentation and Discuss Property Maintenance Code**

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

**COMMENTS**

Property Maintenance has been a topic of discussion recently. Staff will provide a presentation for discussion of our current adopted code and is seeking direction on the desires of Council as we move forward.

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

**AGENDA# 7**                      **MEETING DATE: 12/12/17**

**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# 10**

**MEETING DATE: 12/12/17**

**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# 11**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Approval of Minutes of the Regular Meeting held on November 14, 2017 and Minutes of the Special Meeting held on November 17, 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 minutes of the November 14, 2017 and the November 17, 2017 meetings.

**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, NOVEMBER 14, 2017**

The City Council of the City of Highland Village, Texas met in Early Work Session on the 14<sup>th</sup> day of November, 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	Mayor
	Michelle Schwolert	Mayor Pro Tem
	Michael Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	John McGee	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Karen Bradley	Administrative Assistant
	Doug Reim	Police Chief
	Jason Collier	Assistant Fire Chief
	Scott Kriston	Public Works Director
	Phil Lozano	Parks & Recreation Director
	Jana Onstead	Human Resources Director
	Heather Miller	Assistant Finance Director
	Laurie Mullens	Director of Marketing & Communic
	Andrew Boyd	Media Specialist

**EARLY WORK SESSION**

**1. Discuss Market Cities and Position Strategy relating to Annual Employee Compensation and Benefits Comparisons**

Director of Human Resources, Jana Onstead gave an overview of the compensation system for City of Highland Village employees. Ms. Onstead stated that the City's benefits are excellent, and the City's pay schedules are developed with careful consideration of several factors, including: essential job functions, internal equity, supervisory responsibility, and market comparison. In 2001, Ray & Associates was hired to complete and create our compensation classification system. The compensation classification system was formally updated in 2003, 2005, and 2007 and has ensured that we have met the goal of maintaining a mid-market position in regards to salaries, and offering a benefits package that ranks in the top 25% of the market. Human Resources staff verifies the market cities annually against our job profiles to ensure we are staying comparable with our area cities.

With the assistance of our GIS department, the following criteria was used to determine potential market cities:

- Population
- Growth Rate
- Full Time Employees (FTEs)
- FTEs per capita (per 1,000 citizens)
- Average Home Value
- Tax Rate
- Debt Rate
- Median Household Income
- Total Operating Budget
- % Operating Budget Dedicated to Personnel (compensation & benefits)

Ms. Onstead reported the data shows a change is needed in the market cities currently being used and that a new list of market cities will be utilized in the annual salary comparisons to be conducted in the second quarter of this year. The results will be considered in the next budget year. Current market cities used are Addison, Allen, Frisco, Rockwall, Trophy Club, Wylie, Coppell, Corinth, Flower Mound, Keller, Lewisville and Southlake.

Since the last review in 2007, Highland Village has gone through several changes including economic downturn and subsequent recovery, rising property values, population growth, and a reduction in the unemployment rate. Staff looked at other cities within a 40-mile radius and found there are 200 cities in that radius. Council voiced they are interested in maintaining a high level of customer service and that population of a city is not as big of a priority.

Staff recommended keeping Coppell, Corinth, Flower Mound, Keller, Lewisville, and Southlake as our market cities, and adding Little Elm, Colleyville, Murphy, and Sachse.

## **2. Discuss the City's Financial Policies**

Assistant City Manager Ken Heerman stated the City's financial policies provide guidelines for the financial management staff in planning and directing the City's day-to-day financial operations. The last update to the City's financial policies was in 2002, which are now in need of an update. Mr. Heerman stated that following a comprehensive review and update of the policies to conform to current practice and changes to state law, a replacement financial policy, with addition of a debt management policy, is proposed. Mr. Heerman presented the following highlights of the proposed major changes:

### **❖ Fund Balance Reserve Levels:**

- General Fund – Minimum of 20% current year operating expenditures, with target range of 20-25%
- Debt Service Fund – Equivalent to 10% of the current year debt service requirement, net of the HVCDC (4B) reimbursement related to their associated debt service
- Utility Fund – Maintain a minimum working capital balance of 55 days of operating expenses with a target of 90-days
- HVCDC (4B) – Maintain a minimum unrestricted fund balance equivalent to 20% of current year operating expenditures (net of capital expenditures other than equipment), inclusive of transfer to Debt Service Fund for debt service issued by City on behalf of the HVCDC

### **❖ Additions to Operating Budget Section:**

- Budget Shortfall – Provide budget balancing strategies in order of priority
  - *Stage 1*
    - Delay budgeted items not yet implemented - Consider delaying scheduled equipment replacement and review supplemental items
    - Revenue transfers - Consider transfer of excess revenues from various special funds, if available, to the general fund
    - Use of one-time revenues
    - Delay filling of vacancies
    - Targeted cuts
    - Program streamlining or reorganization
  - *Stage 2 – If measures available from Stage 1 strategies are not sufficient to close gap*
    - Service Level Reduction - Identify programs to be eliminated, or private sector to assume responsibility for public services
    - Fee / Tax Rate increases
    - Freeze contributions to outside agencies
    - Across the board cuts - Consider a fixed percentage cut imposed on all or most departments, programs, etc.
    - Debt Finance – Consider issuance of short-term tax anticipation notes to offset general fund deficits
    - Reduction of Staffing
- A Vehicle Replacement Schedule shall also be maintained for rolling stock/ vehicle replacement. Benchmark replacement criteria will be established (mileage, age, hours of operation, repair frequency, etc.)
- Generally Established Replacement Standards:
  - Police vehicles – 125,00 miles or 10 years
  - Operations work trucks – 100,000 miles or 10 years
  - Fire Vehicles
    - Administration – 125,000 miles or 10 years
    - Fire Engine – 15 Years
  - Ambulance – 7 years

❖ **Changes to Accounting Section:**

- Write-Off of Accounts Receivable - City staff shall make every effort to collect a receivable before determining it to be uncollectible and recommend write-off. A receivable must meet the following criteria to be eligible for write-off:
  - More than 270 days overdue
  - Standardized collection procedures have been exhausted

❖ **Additions / Changes to Procurement Section**

- Purchasing Authority
  - The City Manager shall be authorized to approve and, where necessary, negotiate and sign contracts for, the purchase of goods or services in the amount of \$50,000 or less
  - The City Manager shall also be authorized to approve change orders if the contract is for construction of public works in the amount of \$50,000 or less
- Delegate Authority
  - The City Manager may delegate purchasing authority

- In addition, the City Manager may delegate contracting authority to department directors

As the City Charter no longer requires adoption of the City's financial policies by ordinance and to be consistent with general practice of the City, City Attorney Kevin Laughlin recommends transitioning these policies to be approved by Resolution. Mr. Heerman reported proposed Ordinance 2017-1237 (Agenda Item #18) relates to the City's financial policies and is to repeal our existing policies. At the December 12<sup>th</sup> Council meeting, in conjunction with approval of the second read of the repealing ordinance, a resolution will be presented to adopt the City's revised financial policies.

### **3. Discuss Regulations relating to Peddlers and Solicitors in Highland Village**

Mr. Leavitt stated this was discussed a few months back. Many homes in the city received damage due to hail storms that occurred earlier this year in Highland Village and homeowners were inundated by solicitors representing home repair companies. Mayor Wilcox stated she had received complaints from residents and voiced concern about the hours solicitors are allowed to operate. She asked staff to see what is allowed in other cities.

Per City ordinance, solicitors are required to register with the City and are made aware of the rules and regulations, as well as allowed hours of operation. Solicitors are allowed at a private residence from 9:00 a.m. until sunset, Monday through Saturday, with no soliciting allowed on Sunday. Mr. Leavitt stated the recommendation is to change the hours of operation to 9:00 a.m. until to 6:00 p.m. Monday through Saturday.

The current ordinance has also been reviewed by the Police Department for any additional updates. Currently, permits expire within 90-days from the date of issuance. Each permit may be renewed once for an additional 90-day term at no additional cost, unless additional solicitors are added to the permit, which requires a fee of \$50 per additional solicitor. Permits issued by Flower Mound, Lewisville, Keller and Southlake are 180-day permits. In an effort to be more cost/time effective, staff suggests going to 180-day permit.

Mr. Leavitt reported this item is provided to give Council the opportunity to discuss revising the hours of operation for solicitors in Highland Village and to discuss extending permits from 90-days to 180-days. There is an ordinance on the action agenda for tonight's meeting, which can be approved on 1<sup>st</sup> read, if Council wishes to take any action.

### **4. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of November 14, 2017**

Mr. Leavitt reported Agenda Item #20 could be moved to consent if Council has a name for recommendation. Mayor Wilcox said her recommendation would be Mr. Hassett – 35 votes. Council agreed to move to consent.

Early Work Session ended at 7:21 p.m.

### **CLOSED SESSION**

### **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 – Personnel – Follow up Discussion regarding Council Appointee Reviews**

Mayor Wilcox moved this item to the end of Late Work Session.

## **OPEN SESSION**

### **6. Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:32 p.m.

#### **Roll Call**

Present:	Charlotte J. Wilcox Michelle Schwolert Michael Lombardo Barbara Fleming Fred Busche John McGee Daniel Jaworski	Mayor Mayor Pro Tem Councilmember Deputy Mayor Pro Tem Councilmember Councilmember Councilmember
Staff Members:	Michael Leavitt Kevin Laughlin Ken Heerman Karen Bradley Doug Reim Jason Collier Scott Kriston Phil Lozano Jana Onstead Heather Miller Laurie Mullens Andrew Boyd	City Manager City Attorney Assistant City Manager Administrative Assistant Police Chief Assistant Fire Chief Public Works Director Parks & Recreation Director Human Resources Director Assistant Finance Director Director of Marketing & Communic Media Specialist

### **7. Prayer to be led by Councilmember John McGee**

Councilmember McGee gave the invocation.

### **8 Pledge of Allegiance to the U.S. and Texas Flags to be led by Webelos Den from Pack 299**

Webelos Den from Pack 299 led the Pledge of Allegiance to the U.S. and Texas Flags.

### **9. Visitor Comments**

No one wished to speak.

### **10. City Manager/Staff Reports**

City Manager Leavitt explained there is a voting process in Denton County to recognize outstanding leaders and companies in the County. This year, Highland Village Mayor Charlotte Wilcox was recognized as the Best Mayor in Denton County and Mr. Leavitt presented her with a certificate of recognition from Senator Jane Nelson honoring her for receiving the award.

Mr. Leavitt also introduced Phil Lozano to the community as our new Parks and Recreation Director. Mr. Lozano thanked everyone for the opportunity to serve the community.

- **HVTV Update**

The latest video report from HVTV News was shown:

*Our Village Glows* - will take place at The Shops at Highland Village on Saturday, November 18 beginning at 5:00 p.m.; residents were encouraged to head out to The Shops for the lighting of our 60-foot Christmas tree, enjoy carols and grab wintry treats, and see Santa Claus

*Farmers Market* - Jay Marks with Foodie Friday took residents on a tour of the Highland Village Farmers Market.

11. **Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety**

Councilmember Jaworski congratulated Judge Mary Horn on her retirement announcement.

Deputy Mayor Pro Tem Fleming stated she attended the ribbon cutting for People's Mortgage and would like to welcome them to Highland Village. She also invited everyone out to The Glow this weekend.

Councilmember Busche voiced concern and gave guidance to residents regarding pet waste on the trails and sidewalks. He wants all residents walking their pets to pick up after them.

Councilmember McGee thanked Laurie Mullens, Andrew Boyd, Crystal Babcock, and other staff for the great job with the Honor our Veterans event.

Mayor Pro Tem Schwolert Congratulated the Marcus High School Marching Band on coming in 4<sup>th</sup> place for Bands of America and with Flower Mound High School taking 5<sup>th</sup> place overall.

Mr. Leavitt thanked the residents for voting and approving the bond propositions during the November election. Council will canvass the election results at a special meeting that will be held on November 17, 2017. Projects should begin in early 2018.

## **CONSENT AGENDA**

Councilmember Jaworski requested Agenda Item #20 be moved up from the Action Agenda to the Consent Agenda, with all 35 votes from Highland Village going to Mike Hassett. Mayor Wilcox moved the item up to the Consent Agenda.

12. **Consider Approval of Minutes of the Regular Meeting held on October 24, 2017**
13. **Consider Ordinance 2017-1236 Amending the Code of Ordinances by Repealing the Composting and Household Hazardous Waste Programs Fee (2<sup>nd</sup> and final read)**
14. **Consider Resolution 2017-2716 Authorizing the Purchase of Equipment and Camera for the Public Works Department**
15. **Consider Resolution 2017-2717 Authorizing the City Manager to Enter into Interlocal Cooperation Agreements with Denton County for Fire Protection Services and Ambulance Services**
16. **Receive Investment Report for the Quarter Ending September 30, 2017**
20. **Consider Resolution 2017-2715 Casting the City of Highland Village Votes for Denton Central Appraisal District Board of Directors**

***Motion by Deputy Mayor Pro Tem Fleming, seconded by Councilmember Lombardo, to approve Consent Agenda Items #12, #13, #14, #15, #16, and #20. Motion carried 7-0.***

#### **ACTION AGENDA**

Mayor Wilcox moved this item to the end of Late Work Session.

17. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**
  - (a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
  - (b) **Section 551.074 – Personnel – Follow up Discussion regarding Council Appointee Reviews**
18. **Consider Ordinance 2017-1237 Repealing Ordinance 02-896 Adopting Revised Financial Policies of the City (1<sup>st</sup> of two reads)**  
**APPROVED 1<sup>ST</sup> READ (7 – 0)**

Assistant City Manager Heerman stated the proposed updates were presented during Early Work Session and are based on standards and best practices, with no significant changes. He further stated as the City Charter no longer requires adoption of the City's financial policies by ordinance, and to be consistent with general practice of the City, the City Attorney recommends transitioning these policies to be approved by Resolution. Proposed Ordinance 2017-1237 is to repeal our existing policies. At the December 12<sup>th</sup> Council meeting, in conjunction with approval of the second read of the repealing ordinance, a resolution will be presented to adopt the City's revised financial policies.

***Motion by Councilmember Busche, seconded by Councilmember McGee, to approve first read of Ordinance 2017-1237. Motion carried 7-0.***



**19. Consider Ordinance 2017-1238 Amending the Code of Ordinances Section 6.03.005 relating to Hours and Days of Operation for Peddlers and Solicitors (1<sup>st</sup> of two reads)**

**APPROVED 1<sup>ST</sup> READ (7 – 0)**

Mr. Leavitt reported there are two proposed updates to the ordinance. The first is to amend the time of day solicitors can operate. After the hail storm earlier this year, staff and Council received complaints from residents about the hours allowed for solicitors. Per current ordinance, the allowed hours of operation is between 9:00 a.m. to sunset, Monday through Saturday – with no solicitation on Sundays. Staff researched other cities and information was provided in the agenda packet.

The hours of 9:00 a.m. until 6:00 p.m. were recommended. Chief Reim stated having a specific time helps with enforcement.

The current ordinance has also been reviewed by the Police Department for any additional updates. Currently, permits expire within 90-days from the date of issuance. Each permit may be renewed once for an additional 90-day term at no additional cost, unless additional solicitors are added to the permit, which requires a fee of \$50 per additional solicitor. In an effort to be more cost/time effective, staff suggests going to 180-day permit.

***Motion by Councilmember Jaworski, seconded by Councilmember McGee, to approve first read of Ordinance 2017-1238, with designated hours of 9:00 a.m. until 6:00 p.m. Motion carried 7-0.***

**20. Consider Resolution 2017-2715 Casting the City of Highland Village Votes for Denton Central Appraisal District Board of Directors**

This item was moved up to the Consent Agenda.

**LATE WORK SESSION**

**21. Discuss Options relating to the Use of Neighborhood Electric Vehicles (NEV), Low Speed Vehicles (LSV) and Golf Carts in Highland Village**

Chief Reim reported recent legislative changes relating to the use of package delivery vehicles utilized by FedEx and UPS has sparked discussion and education on the subject of golf cart use on public streets in Highland Village. He stated this item is not only about golf carts, but NEVs and LSVs as well. He provided definitions for a golf cart, NEV, UTV, recreational off-highway vehicle (ROV) and an all terrain vehicle (ATV). He reported the City does not have an ordinance prohibiting or regulating golf carts or NEV/LSVs, etc on public roads, therefore state law applies.

Chief Reim advised that without Council action the following will apply:

- Current state law will prevail - golf cart operation will remain lawful inside the City's Master Planned Communities
- Prohibits city-wide use of golf carts and/or NEV/LSV's
- Authorize IAW state law and/or with restrictions/regulations

Regulation Options are as follows (to include within Master Planned/PDs):

- A City may prohibit golf carts on any or all city roads

- A City may allow golf carts on public roads (beyond state law)
  - Within the city, and
  - On roads with speed limit not exceeding 35 mph
- If City enacts an ordinance – on public roads beyond state law, it must require them to have:
  - Head lamps and tail lamps
  - Reflectors
  - Parking brake
  - Mirrors

The City may add more regulations including additional safety equipment, restricted operational areas, times, local inspection and permits, etc. Golf carts do not require the driver have insurance and are not equipped with seatbelts or VIN numbers like other vehicles mentioned. Council voiced concerns with safety, accidents, slowing down traffic, going below speed limits, and difficulty in keeping them off City trails.

Further discussion will continue on this item at the next council meeting.

- 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.)**

Councilmember Jaworski asked if the lightning detector for Brazos Park was installed. Mr. Leavitt stated it has been purchased, but staff is waiting on installation while consideration is given to the nearby power lines and the substation, sound, etc.

Agenda Item #5 was moved to the end of the Late Work Session; Mayor Wilcox read the agenda for Item #5.

### **CLOSED SESSION**

Council convened into Closed Session at 8:49 p.m.

- 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)**  
**THIS ITEM WAS NOT DISCUSSED**
- (b) Section 551.074 – Personnel – Follow up Discussion regarding Council Appointee Reviews**

Council concluded Closed Session and reconvened into Open Session at 9:13 p.m.

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

**NO ACTION**

**(b) Section 551.074 – Personnel – Follow up Discussion regarding Council Appointee Reviews**

**ACTION TAKEN - SEE MOTION BELOW**

***Motion by Deputy Mayor Pro Tem Fleming to provide a 5% increase in base salary and a \$500 one-time contribution to City Secretary Angela Miller's 457 account, seconded by Councilmember McGee. Motion carried 7-0.***

**23. Adjournment**

Mayor Wilcox adjourned the meeting at 9:18 p.m.

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Charlotte J. Wilcox, Mayor

**ATTEST:**

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Angela Miller, City Secretary

**MINUTES OF THE SPECIAL MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX  
LOCATED AT 1000 HIGHLAND VILLAGE ROAD  
NOVEMBER 17, 2017**

**1. Call Meeting to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 10:00 a.m.

**Roll Call**

Present:	Charlotte Wilcox Barbara Fleming Fred Busche John McGee	Mayor Deputy Mayor Pro Tem Councilmember Councilmember
Absent:	Michelle Schwolert Mike Lombardo Daniel Jaworski	Mayor Pro Tem Councilmember Councilmember
Staff Members:	Michael Leavitt Angela Miller Andrew Boyd	City Manager City Secretary Senior A/V Technician

**2. Approve Resolution 2017-2718 Canvassing and Declaring the Results of the November 7, 2017 City of Highland Village Bond Election**  
**APPROVED (4 – 0)**

Mayor Wilcox stated on November 7, 2017 the City of Highland Village held a bond election for residents to vote “for” or “against” two (2) propositions. The results of the election are as follows:

PROPOSITIONS	FOR	AGAINST
<u>Proposition A</u> – The issuance of \$2,860,000 general obligation bonds for street improvements.	813	105
<u>Proposition B</u> – The issuance of \$4,290,000 general obligation bonds for park and recreation improvements.	695	221

Mayor Wilcox declared, having received a favorable vote of the residents, Proposition A for street improvements and Proposition B for park and recreation improvements are hereby approved.

***Motion by Councilmember Busche, seconded by Councilmember McGee, to approve Resolution 2017-2718 canvassing and declaring the results of the November 7, 2017 City of Highland Village Bond Election. Motion carried 4-0.***

### **3. Adjournment**

Mayor Wilcox adjourned the meeting at 10:02 a.m.

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Charlotte J. Wilcox, Mayor

**ATTEST:**

---

Angela Miller, City Secretary

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

**AGENDA# 12**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Ordinance 2017-1237 Repealing Ordinance 02-896  
Adopting Revised Financial Policies (2<sup>nd</sup> and final read)**

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

**BACKGROUND:**

Financial policies are a key fixture of sound fiscal administration. These policies provide guidelines for the financial management staff in planning and directing the City's day-to-day financial operations. The last update to the City's financial policies was in 2002 and was adopted by ordinance. Following a comprehensive review and update of the policies to conform to current practice and changes to state law, a replacement financial policy, with addition of a debt management policy is proposed.

**IDENTIFIED NEED/S:**

As the City Charter no longer requires adoption of the City's financial policies by ordinance, and to be consistent with general practice of the City approving policies by resolution, repealing of the ordinance is suggested. This is to be in conjunction with approval of the updated policies by resolution, concurrent with second read of the repealing ordinance.

**OPTIONS & RESULTS:**

The proposed policies were presented and discussed as a work-session item on November 14, 2017, with approval of a first read of Ordinance 2017-1237 repealing Ordinance 02-896.

The revised financial policies will be submitted to Council for approval at the December 12<sup>th</sup> Council meeting.

**RECOMMENDATION:**

Council to approve the second read of Ordinance 2017-1237 repealing Ordinance 02-896.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**ORDINANCE NO. 2017-1237**

**AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS,  
REPEALING ORDINANCE NO. 02-896 ADOPTING REVISED FINANCIAL  
POLICIES; PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City Council previously enacted Ordinance No. 02-896 adopting the revised Financial Policies of the City; and

**WHEREAS**, City Administration has reviewed the Financial Policies and is recommending that the Financial Policies be revised to conform to current practices and procedures of the City and to conform to and/or take advantages of changes in state law since the adoption of Ordinance No. 02-896; and

**WHEREAS**, the City Charter no longer requires adoption of the City's financial policies by ordinance; and

**WHEREAS**, City Administration intends to present for adoption a resolution adopting revised City Financial Policies at a future meeting, and because City policies are historically adopted by resolution unless otherwise required by law to be adopted by ordinance, the City Manager has recommended repeal of Ordinance No. 02-896 in order to prevent any conflict between the current and revised Financial Policies; and

**WHEREAS** , upon recommendation of City Administration, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to repeal Ordinance No. 02-896.

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

**SECTION 1.** Ordinance No. 02-896 is hereby repealed.

**SECTION 2.** 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 14<sup>TH</sup> DAY OF NOVEMBER, 2017.**

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THE SECOND READING, THIS THE 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:11/8/17:93160)



## **CITY OF HIGHLAND VILLAGE**

### **COUNCIL BRIEFING**

**AGENDA# 13**

**MEETING DATE: 12/12/17**

**SUBJECT: Resolution 2017-2719 Confirming the Selection of Market Cities and Strategy to be Utilized in Comparison Studies**

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

### **BACKGROUND:**

In support of the City's Organizational Values related to the City's workforce, the City of Highland Village has consistently supported a competitive and fiscally sustainable salary and benefits package. The City's benefits are top notch, and the pay schedules are developed with careful consideration of several factors, including: essential job functions, internal equity, supervisory responsibility, and market comparison.

Established in 2001, the compensation system has undergone several formal updates in 2003, 2005, and 2007. Over the years, we have done an excellent job with maintaining an attractive compensation and benefits package through annual market studies and position reviews. This has ensured that we have met the goal of maintaining a mid-market position in regards to salaries, and offering a benefits package that ranks in the top 25% of the market.

### **IDENTIFIED NEED/S:**

The current list of comparative market cities has not been reviewed since 2007. Since that time, many changes have occurred both within the City of Highland Village and throughout the area, including an economic downturn and subsequent recovery, rising property values, population growth, and a reduction in the unemployment rate.

These events have resulted in significant changes for cities, and the comparative market cities that made sense for Highland Village in 2007 are not necessarily the best benchmarks currently.

### **OPTIONS & RESULTS:**

With the assistance of the GIS Administrator and Information Systems Director, data was gathered on all area cities within a 40-mile radius utilizing NCTCOG and city budget documents. The following criteria were used to determine potential market cities:

- Population
- Growth Rate
- Full Time Employees (FTEs)
- FTEs per capita (per 1,000 citizens)
- Average Home Value
- Tax Rate
- Debt Rate
- Median Household Income
- Total Operating Budget

- % Operating Budget Dedicated to Personnel (compensation & benefits)

The data supports a change is needed in the market cities list.

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

Council received a presentation regarding proposed changes to the market cities at the November 14<sup>th</sup> Council meeting in Early Work Session. These cities will be used for comparative studies to assist with addressing a variety of issues, most importantly salaries and benefits for City employees.

The list of cities proposed are:

- Colleyville
- Coppel
- Corinth
- Flower Mound
- Keller
- Lewisville
- Little Elm
- Murphy
- Sachse
- Southlake

Council consideration is requested for the attached resolution regarding market cities and market strategy.

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

The new list of market cities will be utilized in the annual salary comparisons to be conducted in Q2 of this fiscal year, and results will be considered with the FY 2018-2019 budget process.

### **RECOMMENDATION:**

To approve Resolution 2017-2719.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2719**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS CONFIRMING THE SELECTION OF MARKET CITIES AND STRATEGY TO BE UTILIZED IN COMPARISON STUDIES FOR THE CITY OF HIGHLAND VILLAGE; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, to better ensure that the pay classifications and ranges of the City's employees, as well as the benefits packages provided, remains regionally competitive, City Administration, in consultation with City Council, establishes a list of cities within the Dallas/Fort Worth region that are considered to be comparable to and competitive with the City of Highland Village; and

**WHEREAS**, City Administration recommends that the current list of comparison cities, last adopted in 2007, be updated; and

**WHEREAS**, having review City Administrations recommended revisions, the City Council finds it to be in the public interest to approve the forgoing recommendation;

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

**SECTION 1.** The cities listed in Exhibit "A," attached hereto and incorporated by reference, shall be used for determining market comparisons as part of the City's review of City employee salary and benefits package.

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

**PASSED AND APPROVED** this, the 12<sup>th</sup> day of December, 2017.

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:12/6/17:93864)

## Resolution No. 2017-2719

### EXHIBIT A Market Comparison Cities

City	County	1/1/17 NCTCOG estimate	NCTCOG Growth Rate*	FTEs**	FTEs per 1000 citizens	Avg Home Value	Household Median Income	Tax rate	Debt Rate	Total Oper Budget	% budget to Personnel (comp & Benefits)
<b>Highland Village***</b>	Denton	15,380	2.15%	154	10.01	\$320,159	\$133,161	\$0.5680	\$0.0710	\$39,098,547	37%
Colleyville	Tarrant	24,630	7.99%	206	8.36	\$460,461	\$166,868	\$0.3338	\$0.0178	\$41,932,127	42%
Coppell	Dallas	40,820	5.59%	421	10.31	\$340,609	\$129,432	\$0.5795	\$0.1160	\$121,000,963	33%
Corinth	Denton	20,800	4.34%	171	8.22	\$253,775	\$98,233	\$0.5500	\$0.1090	\$37,327,022	40%
Flower Mound	Denton	71,850	11.10%	607	8.45	\$381,743	\$130,994	\$0.4390	\$0.0993	\$152,728,263	35%
Keller	Tarrant	44,620	12.62%	342	7.66	\$329,840	\$131,214	\$0.4275	\$0.1085	\$84,061,525	36%
Lewisville	Denton	103,640	8.76%	781	7.54	\$224,637	\$67,146	\$0.4361	\$0.1173	\$443,000,000	35%
Little Elm	Denton	38,250	47.69%	266	6.95	\$254,244	\$100,652	\$0.6577	\$0.1725	\$77,702,158	31%
Murphy	Collin	19,980	12.83%	123	6.16	\$264,695	\$133,680	\$0.5000	\$0.1823	\$31,198,214	34%
Sachse	Dallas	23,950	17.81%	152	6.35	\$256,898	\$116,057	\$0.7473	\$0.1973	\$54,230,509	24%
Southlake	Tarrant	28,880	8.67%	406	14.06	\$520,407	\$202,361	\$0.4620	\$0.1000	\$72,672,942	37%
<b>Averages</b>		39,345	12.69%	329.91	8.55	\$327,952	\$128,163	\$0.5183	\$0.1174	\$104,995,661	35%

\*Growth rate is NCTCOG 2017 estimate compared to 2010 Census. Growth rate for year over year is approx. 12-17% in Colin County

\*\*FTEs = Full Time Employees (or Equivalents)

\*\*\*Based on internal data, Highland Village's population is at least 17,000; NCTCOG population data used to standardized across all cities

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

**AGENDA# 14**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2720 Authorizing the Purchase of a 2017 John Deere 410L Backhoe from RDO Equipment Company through the Local Government Purchasing Cooperative "BuyBoard"**

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

**BACKGROUND:**

During the budget process, the Fleet Maintenance Division works with each division in evaluating their present vehicle and equipment inventory and any new needs for the upcoming budget year. The City criteria for equipment replacement is based on the repair history, age, hours of service and increased needs for each division. The City criteria for vehicle replacement are based on a vehicle mileage of approximately 100,000 miles, repair history and age of vehicle.

**IDENTIFIED NEED/S:**

In this fiscal budget year 2017-2018, under the equipment replacement schedule, staff identified the equipment has met the City's criteria for replacement. Vehicles/Equipment being replaced will be sold at auction.

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

In the process of taking bids as required by state law, we have found that in working with the Texas Local Government Purchasing Co-Op ("BUYBOARD") and the Houston-Galveston Area Council Purchasing Co-Op ("HGACBuy"), vehicles and equipment meet or exceed all specifications and provide the best price. On the equipment identified for replacement, BUYBOARD met the City's specification. BUYBOARD fees are included in the total price. BUYBOARD obtained the needed equipment for the Utilities Department through RDO Equipment Co.

<u>Division</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost</u>
Utilities	1	2017 John Deere 410L Backhoe	<u>\$131,413.18</u>
<b>Total Purchase Cost</b>			<b>\$131,413.18</b>
			<b><u>TOTAL</u></b>
			<b>\$131,413.18</b>

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

Approved in FY 2017-2018 Vehicle/Equipment Replacement Budget.

**RECOMMENDATION:**

To approve Resolution 2017-2720.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2720**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE PURCHASE OF A 2017 JOHN DEERE 410L BACKHOE FROM RDO EQUIPMENT COMPANY THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE ("BUYBOARD"); AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to its review of the City's vehicle and equipment inventory in accordance with the City's replacement policies, City Administration has identified the need to purchase various motorized equipment and to replace existing equipment that has reached its useful age; and

**WHEREAS**, City Administration, while in the process of soliciting bids in accordance with state law, determined that the purchase of equipment complying with City specifications can be made for the lowest price from RDO Equipment Company through the City's cooperative purchasing agreement with the Texas Local Government Cooperative ("BuyBoard") and recommends the purchase of the motorized equipment to replace those items identified for replacement; and

**WHEREAS**, the City Council of the City of Highland Village finds it to be in the public interest to authorize the above-described purchase;

**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 take such action as reasonable and necessary to purchase a 2017 John Deere 410L Backhoe in the amount of \$131,413.18 from RDO Equipment Company through the City's cooperative purchasing agreement with BUYBOARD.

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

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:11/21/17:93538)



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

**AGENDA# 15**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2721 Authorizing the City Manager to Execute a Task Order with BW2 Engineers, Inc. for Engineering and Survey Services relating to the Highland Village Road Sidewalk Project, Phase 3**

**PREPARED BY: Phil Lozano, Director of Parks and Recreation**

**BACKGROUND:**

The City Council called a bond election totaling \$7,150,000.00 for Street and Park Improvements. Two propositions were placed on the November 7, 2017, ballot. Proposition 1 for Street Improvements totaling \$2.86M and Proposition 2 for Park Improvements totaling \$4.29M, both passed. Proposition 2 consists of five Park Improvement Projects, Sunset Point Park development, Unity Park Kids Kastle replacement, pond improvements, softball field addition, Brazos Park Parking Lot addition, Victoria Park trail improvements, and Highland Village Road Sidewalk Construction.

**IDENTIFIED NEED/S:**

Construct a sidewalk on Highland Village Road from the City's property located at 948 Highland Village Road to Sellmeyer Lane to increase pedestrian safety and connect residents to parks and amenities along Highland Village Road. Phase 2, project limits are from the City Municipal Complex to City Facilities at 948 Highland Village Road. Phase 3 project limits are from the City Facilities at 948 Highland Village Road to Sellmeyer Lane.

**OPTIONS & RESULTS:**

Currently residents are walking on the street because there is no safe pedestrian route from the Municipal Complex to Sellmeyer Lane. The sidewalk addition will provide a safer option for Highland Village residents.

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

A Task Order has been received from BW2 Engineers, Inc, for the provision of professional engineering and survey services for this project.

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

The funds for this project will be provided from the Bond Proceeds from the November 7, Bond Election. The cost for the engineering and survey services set forth in the proposed task order is \$54,300.00.

**RECOMMENDATION:**

To approve Resolution 2017-2721.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2721**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE A TASK ORDER WITH BW2 ENGINEERS, INC. FOR ENGINEERING AND SURVEY SERVICES FOR HIGHLAND VILLAGE ROAD SIDEWALK PROJECT PHASE 3 IN THE AMOUNT OF \$54,300.00, AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, to increase pedestrian safety and connect residents to parks and amenities along Highland Village Road, City Administration has recommended the construction of a sidewalk from the City's property at 948 Highland Village Road to Sellmeyer Lane (the "Highland Village Road Sidewalk Project Phase 3" or "the Project"); and

**WHEREAS**, City Administration has solicited and received a Task Order for engineering and survey services for the Project and recommends executing a Task Order with BW2 Engineers, Inc. in the amount of \$54,300.00 in accordance with the General Engineering Services Agreement as amended and dated August 28, 2001; and

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

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

**SECTION 1.** The City Manger is hereby authorized to execute a Task Order with BW2 Engineers, Inc. for engineering and surveying services related to the Project in the amount of \$54,300.00, and is further authorized to execute such change orders to said Task Order as he deems reasonable and necessary to the extent allowed by law and City policy and subject to the availability of current funds for said purpose.

**SECTION 2.** This resolution shall be effective immediately upon passage.

**PASSED AND APPROVED THIS THE 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:12/4/17:93712)

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

<b>AGENDA#</b>	<b>16</b>	<b>MEETING DATE:</b>	<b>12/12/17</b>
<b>SUBJECT:</b>	<b>Consider Resolution 2017-2722 Authorizing the Purchase and Installation of a Pre-Fabricated Restroom Building at Pilot Knoll Park from Restroom Facilities Ltd. through the City's Cooperative Purchasing Agreement with the Local Government Purchasing Cooperative "BuyBoard" in the amount of \$146,669.00</b>		
<b>PREPARED BY:</b>	<b>Fince Espinoza, Park Operations &amp; Project Manager</b>		

**BACKGROUND:**

In May 2015, the City hired BR Architects, Inc. to inspect the restroom facilities at Pilot Knoll Park for code compliance and overall building integrity. A formal report was received in August 2015. The report noted that the condition of the buildings was not in compliance with current state and federal standards as they apply to ADA access and construction.

During the FY 16-17 budget process the Pilot Knoll Park restrooms were identified as facilities that were in need of being renovated due to their existing deteriorating conditions and to bring them into compliance with current building code and TDLR ADA/Texas Accessibility Standards.

The City began advertising the restroom renovation project with bid closing held on August 1, 2017. There was a mandatory pre-bid meeting held on July 19, 2017 which was attended by three companies.

Only the overnight restroom was awarded to K. Tillman Construction, LLC and is currently under construction. The City opted not to award the Day Use Restroom Project as a part of this bid and go with a new pre-fabricated restroom facility with warranty.

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

A quote has been received from Restroom Facilities LTD, for construction and installation of a pre-fabricated restroom facility meeting the City's specifications using pricing from the City's cooperative purchasing agreement with the Local Government Purchasing Cooperative ("BuyBoard").

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

Funds for this project will come from the CORPS Parks budget.

**RECOMMENDATION:**

To approve Resolution 2017-2722.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2722**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING THE PURCHASE AND INSTALLATION OF A PRE-FABRICATED RESTROOM BUILDING AT PILOT KNOLL PARK FROM RESTROOM FACILITIES LTD. THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE ("BUYBOARD") IN THE AMOUNT OF \$146,669.00, AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the restrooms at Pilot Knoll Park have been determined to be significantly deteriorated and out of compliance with state and federal accessibility regulations; and

**WHEREAS**, City Administration, in accordance with state law, determined that the purchase of a pre-fabricated restroom building complying with City specifications as a replacement for the existing day use restrooms can be made for the lowest price from Restroom Facilities, Ltd. through the City's cooperative purchasing agreement with the Texas Local Government Cooperative ("BuyBoard") and recommends the purchase and installation of such building; and

**WHEREAS**, the City Council of the City of Highland Village finds it to be in the public interest to authorize the above-described purchase;

**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 take such action as reasonable and necessary to purchase and have installed a prefabricated restroom building at Pilot Knoll Park in the amount of \$146,669.00 from Restroom Facilities, Ltd. through the City's cooperative purchasing agreement with BuyBoard.

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

**PASSED AND APPROVED THIS THE 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:12/4/17:93736)

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

<b>AGENDA#:</b>	<b>17</b>	<b>MEETING DATE:</b>	<b>12/12/17</b>
<b>SUBJECT:</b>	<b>Consider Resolution 2017-2723 Authorizing the Purchase of Ball Field Light Visors and a Control Link Light Management System for Unity Park in the Amount of \$57,120.00 from Musco Lighting through the City's Cooperative Purchasing Agreement with the Local Government Purchasing Cooperative (BuyBoard)</b>		
<b>PREPARED BY:</b>	<b>Fince Espinoza, Park Operations &amp; Project Manager</b>		

**BACKGROUND:**

Unity Park is open to the Highland Village Baseball and Softball Association (HVABSA) via facility agreement with the city which allows access to the baseball and softball fields for games and practices for their spring and fall seasons along with hosting tournaments. Unity Park is also accessible to patrons for rental of the soccer fields, tennis courts and use of the dog park. Currently, city staff gives the light codes to HVABSA and whoever else rents a particular facility located at Unity Park. They have to physically open a cage that's attached to the side of the restroom building to access the timers. After the cage is opened, the lights are turned on and when the games or practices are over, more often than not, the lights are left on. City staff wants to eliminate this from happening.

**IDENTIFIED NEED/S:**

City staff has identified the need to add a control link system that operates online and is supported by Musco Lighting. This system will allow staff to schedule the lights only when they're needed. Staff has also identified the need to have visors installed on each Musco light to eliminate the light pollution created that not only bleeds into the skyline but into the adjacent neighbors' homes.

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

The proposed purchase can be made from Musco Lighting in the amount of \$57,120 through the City's cooperative purchasing agreement with The Local Government Purchasing Cooperative "BuyBoard". The funding for the purchase of the control link system and light visors will come out of the General Fund.

**RECOMMENDATION:**

To approve Resolution 2017-2723.



**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2723**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING THE PURCHASE AND INSTALLTION AT UNITY PARK OF LIGHT VISORS AND A CONTROL LINK LIGHT MANAGEMENT SYSTEM FROM MUSCO LIGHTING IN THE AMOUNT OF \$57,120.00 THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE ("BUYBOARD"); AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, City Administration is recommending improvements to the field lighting at Unity Park ("the Park") to include the installation of light visors to reduce light pollution onto adjacent properties and a control link light management system to allow automated and remote-control management of the park's lighting system; and

**WHEREAS**, City Administration has determined such lighting improvements that are compatible with the Park's existing lighting system and in compliance with the City's specifications and needs can be purchased from and installed through Musco Lighting through the City's cooperative purchasing agreement with the Local Government Purchasing Cooperative ("BuyBoard"); and

**WHEREAS**, the City Council of the City of Highland Village find it to be in the public interest to authorize the above-described purchase;

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

**SECTION 1.** The City Manager is herby authorized to take such action as reasonable and necessary to purchase and have installed light visors and a control link system from Musco Lighting in the amount of \$57,120.00 through the City's cooperative purchase agreement with BuyBoard.

**SECTION 2.** That this Resolution shall take effect immediately upon passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THIS 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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**Charlotte J. Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:12/4/17:93753)

## **CITY OF HIGHLAND VILLAGE**

### **COUNCIL BRIEFING**

**AGENDA# 18**

**MEETING DATE: 12/12/17**

**SUBJECT: Receive Budget Reports for Period Ending September 30, 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 September represents the final report of the Fiscal Year.

### **IDENTIFIED NEED/S:**

N/A

### **OPTIONS & RESULTS:**

Please note that this report is un-audited. We are still in the process of closing the books for Fiscal Year 2016-2017 – not all invoices / payments have been received that pertain to this year. Thus, there will likely be further adjustments until final numbers are obtained. However, in total, the budget reports do fairly represent the financial position of the City.

The totals for year-end reflect a favorable position for the City. In general, the actual ending fund balance totals for FY 2016-2017 exceed the projections provided in the budget process.

Actual revenues were just below the original budget amount, and expenditures for all departments except for Fire were within the revised budget appropriation. Expenditures in total are expected to be below projections determined during the FY 2018 Budget process.

Following is actual expenditures (unaudited) compared to the year-end estimated identified in the budget process.

Significant variances from Year-end estimate:

Revenues:

- Miscellaneous (\$182,454)
  - Insurance proceeds from Spring hail storm \$117,315
  - Auction Revenue \$55,789

Expenditures

- Information Services (\$-384,996)
  - Security Cameras delayed to FY 2018 (\$-175,000)
  - Office Suite Upgrade delayed to FY 2018 (\$-72,500)
  - Delay of Core Servers upgrade (\$-82,075)

- Streets (\$-285,952) Overlay program carried over to FY 2018
- Maintenance (-1,218,413) – Expenditures for repairs associated with hail storm carried over to FY 2018.

Summary Descriptions	2016-17 Year-End Estimate	2016-17 Year-End Actuals	2016-17 \$Increase/ (Decrease)
	(Includes Budget Amendments)	(Unaudited)	
<b>Revenues:</b>			
Property Tax	9,769,711	9,832,964	63,253
Sales Tax	2,603,620	2,588,039	(15,581)
Franchise Fees	1,671,138	1,597,538	(73,600)
Licenses and Permits	711,800	770,576	58,776
Public Safety Fees	491,804	514,814	23,010
Park/Recreation Fees	234,228	298,550	64,322
Municipal Court	89,174	96,044	6,870
Interest Income	48,000	74,414	26,414
Miscellaneous	1,347,909	1,530,363	182,454
<b>Total Revenues</b>	<b>\$ 16,967,384</b>	<b>\$ 17,303,302</b>	<b>\$ 335,918</b>
<b>Other Sources:</b>			
Capital Lease Proceeds		-	-
Operating Transfers In	534,000	504,339	(29,661)
<b>Total Other Sources</b>	<b>\$ 534,000</b>	<b>\$ 504,339</b>	<b>\$ (29,661)</b>
<b>Expenditures:</b>			
City Manager Office	615,583	544,527	(71,056)
Finance	1,465,136	1,428,407	(36,729)
Human Resources	447,726	425,259	(22,467)
City Secretary Office	313,122	302,566	(10,556)
Information Services	1,184,768	799,772	(384,996)
Police	4,549,644	4,386,094	(163,550)
Fire	3,099,663	3,198,634	98,971
Community Services	455,127	455,265	138
Streets	1,588,617	1,302,665	(285,952)
Building/Fleet Maintenance	2,000,144	781,731	(1,218,413)
Parks	1,542,610	1,513,174	(29,436)
Recreation	446,007	452,315	6,308
<b>Total Operating Expenditures</b>	<b>\$ 17,708,147</b>	<b>\$ 15,590,409</b>	<b>\$ (2,117,738)</b>
<b>Other Uses:</b>			
Operating Transfers Out	311,179	266,000	(45,179)
<b>Net Increase (Decrease)</b>	<b>\$ (517,942)</b>	<b>\$ 1,951,232</b>	
<b>Fund Balance</b>			
Beginning Fund Balance	5,456,225	5,456,225	
+ Net Increase (Decrease)	(517,942)	1,951,232	
<b>Ending Fund Balance</b>	<b>4,938,283</b>	<b>7,407,457</b>	<b>2,469,174</b>

**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 September 30, 2017.

# General Fund Summary

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget (Includes Budget Amendments)	Year to Date	Variance	% Received
Property Tax	\$ 9,763,828	\$ 9,763,828	\$ 9,832,964	\$ 69,136	101%
Sales Tax	2,700,218	2,700,218	2,588,039	(112,179)	96%
Franchise Fees	1,714,328	1,714,328	1,597,538	(116,790)	93%
Licensing & Permits	450,833	650,833	770,576	119,743	118%
Park/Recreation Fees	221,070	221,070	298,550	77,480	135%
Public Safety Fees	39,000	39,000	35,566	(3,434)	91%
Rents	126,401	126,401	126,898	497	100%
Municipal Court	112,200	112,200	96,044	(16,156)	86%
Public Safety Charges for Svc	466,921	466,921	479,248	12,327	103%
Interest Income	32,000	32,000	74,414	42,414	233%
Miscellaneous	129,850	1,229,850	1,403,467	173,617	114%
<b>Total Revenues</b>	<b>\$ 15,756,649</b>	<b>\$ 17,056,649</b>	<b>\$ 17,303,302</b>	<b>\$ 246,653</b>	<b>101%</b>

Other Sources					
Transfers In	\$ 534,000	\$ 534,000	\$ 504,339	\$ (29,661)	94%
<b>Total Available Resources</b>	<b>\$ 16,290,649</b>	<b>\$ 17,590,649</b>	<b>\$ 17,807,641</b>	<b>\$ 216,992</b>	

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office	\$ 646,560	\$ 646,560	\$ 544,527	\$ 102,033	84%
Finance (includes Mun. Court)	1,483,887	1,483,887	1,428,407	55,479	96%
Human Resources	552,948	472,948	425,259	47,689	90%
City Secretary Office	304,402	324,402	302,566	21,837	93%
Information Services	1,109,963	1,204,963	799,772	405,191	66%
Police	4,676,887	4,746,887	4,386,094	360,792	92%
Fire	2,846,905	3,164,405	3,198,634	(34,228)	101%
Community Services	425,512	470,512	455,265	15,247	97%
Streets/Drainage	1,374,669	1,619,669	1,302,665	317,004	80%
Maintenance	898,459	2,046,182	781,731	1,264,451	38%
Parks	1,571,130	1,611,130	1,513,174	97,956	94%
Recreation	448,527	463,527	452,315	11,212	98%
<b>Total Expenditures</b>	<b>\$ 16,339,850</b>	<b>\$ 18,255,073</b>	<b>\$ 15,590,411</b>	<b>\$ 2,664,662</b>	<b>85%</b>

Capital Summary	(Included in totals above - summary information only)				
Equipment Replacement	\$ 484,000	\$ 1,844,223	\$ 591,222	\$ 1,253,001	32%

Other Uses					
Transfers Out	\$ 266,000	\$ 312,000	\$ 266,000	46,000	85%
<b>Total Expenditures</b>	<b>\$ 16,605,850</b>	<b>\$ 18,567,073</b>	<b>\$ 15,856,411</b>	<b>\$ 2,710,662</b>	

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)	1,951,231
Ending Fund Balance	\$ 3,709,785	\$ 4,479,801	\$ 7,407,456

**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	\$ 2,338,562
Restricted	11,500	11,500	11,500
Unassigned	1,247,308	1,730,041	5,057,394
<b>Total Fund Balance</b>	<b>\$ 3,709,785</b>	<b>\$ 4,479,801</b>	<b>\$ 7,407,456</b>

# General Fund Expenditure Summary

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 11,486,094	\$ 11,534,734	\$ 11,211,932	\$ 322,803	97%
Services / Supplies	4,369,755	4,876,115	3,787,257	1,088,859	78%
Capital	484,000	1,844,223	591,222	1,253,001	32%
	\$ 16,339,850	\$ 18,255,073	\$ 15,590,411	\$ 2,664,662	85%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 8,416,498	\$ 8,465,138	\$ 8,287,538	\$ 177,599	98%
<i>Employee Benefits</i>	3,069,597	3,069,597	2,924,393	145,203	95%
<i>Total Personnel</i>	\$ 11,486,094	\$ 11,534,734	\$ 11,211,932	\$ 322,803	97%

<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 1,313,594	\$ 1,313,594	\$ 1,132,146	\$ 181,447	86%
<i>Employee Development</i>	313,817	313,817	261,790	52,027	83%
<i>Office Supplies / Equipment</i>	1,064,876	1,174,876	1,009,774	165,101	86%
<i>Utilities</i>	328,432	328,432	257,482	70,950	78%
<i>Other</i>	1,349,037	1,745,397	1,126,064	619,333	65%
<i>Total Services / Supplies</i>	\$ 4,369,755	\$ 4,876,115	\$ 3,787,257	\$ 1,088,859	78%

<b>Capital</b>					
<i>Equipment / Vehicles</i>	\$ 484,000	\$ 1,844,223	\$ 591,222	\$ 1,253,001	32%
<i>Total Capital</i>	\$ 484,000	\$ 1,844,223	\$ 591,222	\$ 1,253,001	32%

<i>Total General Fund Expenditure Summary</i>	\$ 16,339,850	\$ 18,255,073	\$ 15,590,411	\$ 2,664,662	85%
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# General Fund Revenue

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Property Tax	\$ 9,763,828	\$ 9,763,828	\$ 9,832,964	\$ 69,136	101%
Sales Tax	2,700,218	2,700,218	2,588,039	(112,179)	96%
Franchise Fees	1,714,328	1,714,328	1,597,538	(116,790)	93%
Licensing & Permits	450,833	650,833	770,576	119,743	118%
Park/Recreation Fees	221,070	221,070	298,550	77,480	135%
Public Safety Fees	39,000	39,000	35,566	(3,434)	91%
Rents	126,401	126,401	126,898	497	100%
Municipal Court	112,200	112,200	96,044	(16,156)	86%
Public Safety Charges for Svc	466,921	466,921	479,248	12,327	103%
Interest Income	32,000	32,000	74,414	42,414	233%
Miscellaneous	129,850	1,229,850	1,403,467	173,617	114%
<b>Total Revenues</b>	<b>\$ 15,756,649</b>	<b>\$ 17,056,649</b>	<b>\$ 17,303,302</b>	<b>\$ 246,653</b>	<b>101%</b>

# City Manager Office

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 382,973	\$ 421,613	\$ 406,876	\$ 14,737	97%
Services / Supplies	263,587	224,947	137,651	87,296	61%
Capital	-	-	-	-	0%
	\$ 646,560	\$ 646,560	\$ 544,527	\$ 102,033	84%

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

<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 312,211	\$ 350,851	\$ 327,474	\$ 23,377	93%
<i>Employee Benefits</i>	70,761	70,761	79,402	(8,641)	112%
<b>Total Personnel</b>	\$ 382,973	\$ 421,613	\$ 406,876	\$ 14,737	97%

<b>Services / Supplies</b>					
<i>Professional Services</i> (City-wide legal - \$120,500)	\$ 135,750	\$ 135,750	\$ 116,525	\$ 19,225	86%
<i>Employee Development</i>	12,875	12,875	4,878	7,997	38%
<i>Supplies / Equipment</i>	4,710	4,710	3,096	1,614	66%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Contingency)</i>	110,252	71,612	13,152	58,460	18%
<b>Total Services / Supplies</b>	\$ 263,587	\$ 224,947	\$ 137,651	\$ 87,296	61%

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

<b>Total City Manager</b>	\$ 646,560	\$ 646,560	\$ 544,527	\$ 102,033	84%
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# Finance Department FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 928,120	\$ 928,120	\$ 921,127	\$ 6,993	99%
Services / Supplies	555,767	555,767	507,281	48,486	91%
Capital	-	-	-	-	0%
	\$ 1,483,887	\$ 1,483,887	\$ 1,428,407	\$ 55,479	96%

  

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 682,779	\$ 682,779	\$ 679,292	\$ 3,487	99%
<i>Employee Benefits</i>	245,341	245,341	241,835	3,506	99%
<b>Total Personnel</b>	\$ 928,120	\$ 928,120	\$ 921,127	\$ 6,993	99%
<b>Services / Supplies</b>					
<i>Professional Services</i> <i>(City-wide liability insurance - \$107,201 / DCAD - \$74,670)</i>	\$ 502,763	\$ 502,763	\$ 463,688	\$ 39,074	92%
<i>Employee Development</i>	19,938	19,938	17,729	2,209	89%
<i>Supplies / Equipment</i>	10,176	10,176	5,455	4,721	54%
<i>Utilities</i>	-	-	1,675	(1,675)	0%
<i>Other (Special Events)</i>	22,890	22,890	18,733	4,157	82%
<b>Total Services / Supplies</b>	\$ 555,767	\$ 555,767	\$ 507,281	\$ 48,486	91%
<b>Capital</b>					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%
<b>Total Finance Department</b>	\$ 1,483,887	\$ 1,483,887	\$ 1,428,407	\$ 55,479	96%

# Human Resources

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 450,958	\$ 370,958	\$ 349,674	\$ 21,284	94%
Services / Supplies	101,990	101,990	75,585	26,405	74%
Capital	-	-	-	-	0%
	\$ 552,948	\$ 472,948	\$ 425,259	\$ 47,689	90%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 362,545	\$ 282,545	\$ 265,893	\$ 16,652	94%
<i>Employee Benefits</i>	88,413	88,413	83,781	4,632	95%
<b>Total Personnel</b>	\$ 450,958	\$ 370,958	\$ 349,674	\$ 21,284	94%
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 26,350	\$ 26,350	\$ 25,918	\$ 432	98%
<i>Employee Development</i>	67,590	67,590	42,718	24,872	63%
<i>Supplies / Equipment</i>	2,050	2,050	1,334	716	65%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	6,000	6,000	5,615	385	94%
<b>Total Services / Supplies</b>	\$ 101,990	\$ 101,990	\$ 75,585	\$ 26,405	74%
<b>Capital</b>					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%
<b>Total Human Resources</b>	\$ 552,948	\$ 472,948	\$ 425,259	\$ 47,689	90%

# City Secretary Office

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 180,137	\$ 200,137	\$ 196,442	\$ 3,696	98%
Services / Supplies	124,265	124,265	106,124	18,141	85%
Capital	-	-	-	-	-
	\$ 304,402	\$ 324,402	\$ 302,566	\$ 21,837	93%

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

### Personnel

<b>Salaries / Wages</b>	\$ 143,137	\$ 163,137	\$ 156,823	\$ 6,314	96%
<b>Employee Benefits</b>	37,001	37,001	39,619	(2,618)	107%
<b>Total Personnel</b>	\$ 180,137	\$ 200,137	\$ 196,442	\$ 3,696	98%

### Services / Supplies

<b>Professional Services</b>	\$ 26,650	\$ 26,650	\$ 18,997	\$ 7,653	71%
<b>Employee Development</b> (City Council related \$31,280)	42,560	42,560	33,158	9,402	78%
<b>Supplies / Equipment</b>	16,355	16,355	14,969	1,386	92%
<b>Utilities</b>	-	-	-	-	0%
<b>Other</b>	38,700	38,700	39,000	(300)	101%
<b>Total Services / Supplies</b>	\$ 124,265	\$ 124,265	\$ 106,124	\$ 18,141	85%

### Capital

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

<b>Total City Secretary Office</b>	\$ 304,402	\$ 324,402	\$ 302,566	\$ 21,837	93%
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# Information Services

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 565,776	\$ 565,776	\$ 562,539	\$ 3,238	99%
Services / Supplies	319,187	544,187	234,309	309,878	43%
Capital	225,000	95,000	2,925	92,075	3%
	<u>\$ 1,109,963</u>	<u>\$ 1,204,963</u>	<u>\$ 799,772</u>	<u>\$ 405,191</u>	<u>66%</u>

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 418,823	\$ 418,823	\$ 428,147	\$ (9,324)	102%
<i>Employee Benefits</i>	146,954	146,954	134,392	12,562	91%
<b>Total Personnel</b>	<b>\$ 565,776</b>	<b>\$ 565,776</b>	<b>\$ 562,539</b>	<b>\$ 3,238</b>	<b>99%</b>
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 155,020	\$ 155,020	\$ 120,689	\$ 34,331	78%
<i>Employee Development</i>	24,425	24,425	27,677	(3,252)	113%
<i>Supplies / Equipment</i>	2,560	2,560	3,008	(448)	118%
<i>Utilities</i>	15,032	15,032	12,517	2,515	83%
<i>Other (Data Processing)</i>	122,150	347,150	70,418	276,732	20%
<b>Total Services / Supplies</b>	<b>\$ 319,187</b>	<b>\$ 544,187</b>	<b>\$ 234,309</b>	<b>\$ 309,878</b>	<b>43%</b>
<b>Capital</b>					
<i>Equipment / Vehicles</i>	225,000	95,000	2,925	92,075	3%
<b>Total Capital</b>	<b>\$ 225,000</b>	<b>\$ 95,000</b>	<b>\$ 2,925</b>	<b>\$ 92,075</b>	<b>3%</b>
<b>Total City Secretary Office</b>	<b>\$ 1,109,963</b>	<b>\$ 1,204,963</b>	<b>\$ 799,772</b>	<b>\$ 405,191</b>	<b>66%</b>

# Police Department

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

<i>Percent of Budget Year Transpired</i>	<b>100.0%</b>
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- - - Summary - - -					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 4,198,439	<b>\$ 4,128,439</b>	<b>\$ 3,922,671</b>	\$ 205,769	95%
Services / Supplies	378,448	<b>378,448</b>	<b>285,248</b>	93,200	75%
Capital	<u>100,000</u>	<b><u>240,000</u></b>	<b><u>178,176</u></b>	<u>61,824</u>	<u>74%</u>
	<b>\$ 4,676,887</b>	<b>\$ 4,746,887</b>	<b>\$ 4,386,094</b>	<b>\$ 360,792</b>	<b>92%</b>

- - - Detail - - -					
Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 3,091,914	<b>\$ 3,021,914</b>	<b>\$ 2,935,808</b>	\$ 86,106	97%
<i>Employee Benefits</i>	<u>1,106,525</u>	<b><u>1,106,525</u></b>	<b><u>986,863</u></b>	<u>119,662</u>	<u>89%</u>
<b>Total Personnel</b>	<b>\$ 4,198,439</b>	<b>\$ 4,128,439</b>	<b>\$ 3,922,671</b>	<b>\$ 205,769</b>	<b>95%</b>
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 133,147	<b>\$ 133,147</b>	<b>\$ 82,041</b>	\$ 51,106	62%
<i>Employee Development</i>	44,924	<b>44,924</b>	<b>39,903</b>	5,021	89%
<i>Supplies / Equipment</i>	135,249	<b>135,249</b>	<b>105,593</b>	29,655	78%
<i>Utilities</i>	-	<b>-</b>	<b>-</b>	-	0%
<i>Other (Animal Care - \$52,028)</i>	<u>65,128</u>	<b><u>65,128</u></b>	<b><u>57,711</u></b>	<u>\$ 7,417</u>	<u>89%</u>
<b>Total Services / Supplies</b>	<b>\$ 378,448</b>	<b>\$ 378,448</b>	<b>\$ 285,248</b>	<b>\$ 93,200</b>	<b>75%</b>
<b>Capital</b>					
<i>Equipment / Vehicles</i>	100,000	<b>240,000</b>	<b>178,176</b>	61,824	74%
<b>Total Capital</b>	<b>\$ 100,000</b>	<b>\$ 240,000</b>	<b>\$ 178,176</b>	<b>\$ 61,824</b>	<b>74%</b>
<b>Total Police Department</b>	<b>\$ 4,676,887</b>	<b>\$ 4,746,887</b>	<b>\$ 4,386,094</b>	<b>\$ 360,792</b>	<b>92%</b>

# Fire Department FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

<i>Percent of Budget Year Transpired</i>	<b>100.0%</b>
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--- Summary ---					
	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 2,207,017	\$ 2,257,017	\$ 2,249,165	\$ 7,853	100%
Services / Supplies	581,888	581,888	654,175	(72,287)	112%
Capital	58,000	325,500	295,294	30,206	91%
	<u>\$ 2,846,905</u>	<u>\$ 3,164,405</u>	<u>\$ 3,198,634</u>	<u>\$ (34,228)</u>	<u>101%</u>

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

<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 1,597,162	\$ 1,647,162	\$ 1,625,365	\$ 21,797	99%
<i>Employee Benefits</i>	609,856	609,856	623,800	(13,944)	102%
<i>Total Personnel</i>	<u>\$ 2,207,017</u>	<u>\$ 2,257,017</u>	<u>\$ 2,249,165</u>	<u>\$ 7,853</u>	<u>100%</u>

<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 61,676	\$ 61,676	\$ 69,678	\$ (8,002)	113%
<i>Employee Development</i> <i>(Training - \$42,900)</i>	57,520	57,520	56,625	895	98%
<i>Supplies / Equipment</i>	187,692	187,692	240,600	(52,908)	128%
<i>Utilities</i>	1,800	1,800	1,558	242	87%
<i>Other</i>	273,200	273,200	285,713	(12,513)	105%
<i>Total Services / Supplies</i>	<u>\$ 581,888</u>	<u>\$ 581,888</u>	<u>\$ 654,175</u>	<u>\$ (72,287)</u>	<u>112%</u>

<b>Capital</b>					
<i>Equipment / Vehicles</i>	58,000	325,500	295,294	30,206	91%
<i>Total Capital</i>	<u>\$ 58,000</u>	<u>\$ 325,500</u>	<u>\$ 295,294</u>	<u>\$ 30,206</u>	<u>91%</u>

<i>Total Fire Department</i>	<u>\$ 2,846,905</u>	<u>\$ 3,164,405</u>	<u>\$ 3,198,634</u>	<u>\$ (34,228)</u>	<u>101%</u>
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New ambulance received  
that was budgeted in FY  
2016 (\$250,780)



# Community Services

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 402,319	\$ 447,319	\$ 443,706	\$ 3,613	99%
Services / Supplies	23,193	23,193	11,559	11,634	50%
Capital	-	-	-	-	0%
	\$ 425,512	\$ 470,512	\$ 455,265	\$ 15,247	97%

### - - - Detail - - -

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

<i>Salaries / Wages</i>	\$ 290,160	\$ 335,160	\$ 319,460	\$ 15,701	95%
<i>Employee Benefits</i>	112,158	112,158	124,246	(12,088)	111%
<i>Total Personnel</i>	\$ 402,319	\$ 447,319	\$ 443,706	\$ 3,613	99%

#### Services / Supplies

<i>Professional Services</i>	\$ 9,200	\$ 9,200	\$ 4,212	4,988	46%
<i>Employee Development</i>	4,765	4,765	2,094	2,671	44%
<i>Supplies / Equipment</i>	7,228	7,228	5,253	1,975	73%
<i>Utilities</i>	-	-	-	-	0%
<i>Other</i>	2,000	2,000	-	2,000	0%
<i>Total Services / Supplies</i>	\$ 23,193	\$ 23,193	\$ 11,559	\$ 11,634	50%

#### Capital

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

<i>Total Building Operations</i>	\$ 425,512	\$ 470,512	\$ 455,265	\$ 15,247	97%
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# Streets Division

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

<i>Percent of Budget Year Transpired</i>	<b>100.0%</b>
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### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 671,743	\$ 671,743	\$ 646,693	\$ 25,050	96%
Services / Supplies	672,926	872,926	581,401	291,525	67%
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	\$ 1,302,665	\$ 317,004	80%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 452,166	\$ 452,166	\$ 460,468	\$ (8,301)	102%
<i>Employee Benefits</i>	<u>219,577</u>	<u>219,577</u>	<u>186,226</u>	<u>33,352</u>	<u>85%</u>
<i>Total Personnel</i>	\$ 671,743	\$ 671,743	\$ 646,693	\$ 25,050	96%
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 64,676	\$ 64,676	\$ 47,045	\$ 17,631	73%
<i>Employee Development</i>	10,150	10,150	10,433	(283)	103%
<i>Supplies / Equipment</i>	47,550	47,550	43,250	4,300	91%
<i>Utilities</i>	90,000	90,000	84,110	5,890	93%
<i>Other (Street Maintenance)</i>	<u>460,550</u>	<u>660,550</u>	<u>396,563</u>	<u>263,987</u>	<u>60%</u>
<i>Total Services / Supplies</i>	\$ 672,926	\$ 872,926	\$ 581,401	\$ 291,525	67%
<b>Capital</b>					
<i>Equipment / Vehicles</i>	30,000	75,000	74,571	429	99%
<i>Total Capital</i>	\$ 30,000	\$ 75,000	\$ 74,571	\$ 429	99%
<b>Total Streets</b>	\$ 1,374,669	\$ 1,619,669	\$ 1,302,665	\$ 317,004	80%

# Maintenance Division

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 305,832	\$ 305,832	\$ 269,130	\$ 36,703	88%
Services / Supplies	592,627	702,627	512,601	190,026	73%
Capital	-	1,037,723	-	1,037,723	0%
	\$ 898,459	\$ 2,046,182	\$ 781,731	\$ 1,264,451	38%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 217,185	\$ 217,185	\$ 194,009	\$ 23,176	89%
<i>Employee Benefits</i>	88,648	88,648	75,121	13,527	85%
<b>Total Personnel</b>	\$ 305,832	\$ 305,832	\$ 269,130	\$ 36,703	88%

<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 64,480	\$ 64,480	\$ 52,024	\$ 12,456	81%
<i>Employee Development</i>	5,535	5,535	1,425	4,110	26%
<i>Supplies / Equipment (Fuel &amp; Oils - \$135,777, Repair Parts / Contract Repairs - \$298,000)</i>	437,512	547,512	396,268	151,244	72%
<i>Utilities</i>	85,000	85,000	62,885	22,115	74%
<i>Other</i>	100	100	-	100	0%
<b>Total Services / Supplies</b>	\$ 592,627	\$ 702,627	\$ 512,601	\$ 190,026	73%

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

<b>Total Maintenance</b>	\$ 898,459	\$ 2,046,182	\$ 781,731	\$ 1,264,451	38%
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# Parks Division

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,001,680	<b>\$ 1,041,680</b>	<b>\$ 1,040,174</b>	\$ 1,506	100%
Services / Supplies	498,450	<b>498,450</b>	<b>432,744</b>	65,706	87%
Capital	<u>71,000</u>	<b><u>71,000</u></b>	<b><u>40,256</u></b>	<u>30,744</u>	<u>57%</u>
	<b>\$ 1,571,130</b>	<b>\$ 1,611,130</b>	<b>\$ 1,513,174</b>	<b>\$ 97,956</b>	<b>94%</b>

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 708,555	<b>\$ 748,555</b>	<b>\$ 736,550</b>	\$ 12,004	98%
<i>Employee Benefits</i>	<u>293,125</u>	<b><u>293,125</u></b>	<b><u>303,624</u></b>	<u>(10,498)</u>	<u>104%</u>
<b>Total Personnel</b>	<b>\$ 1,001,680</b>	<b>\$ 1,041,680</b>	<b>\$ 1,040,174</b>	<b>\$ 1,506</b>	<b>100%</b>
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ 133,882	<b>\$ 133,882</b>	<b>\$ 131,093</b>	\$ 2,789	98%
<i>Employee Development</i>	14,980	<b>14,980</b>	<b>15,904</b>	(924)	106%
<i>Supplies / Equipment</i>	212,288	<b>212,288</b>	<b>190,349</b>	21,939	90%
<i>Utilities</i>	136,600	<b>136,600</b>	<b>94,737</b>	41,863	69%
<i>Other</i>	<u>700</u>	<b><u>700</u></b>	<b><u>661</u></b>	<u>39</u>	<u>94%</u>
<b>Total Services / Supplies</b>	<b>\$ 498,450</b>	<b>\$ 498,450</b>	<b>\$ 432,744</b>	<b>\$ 65,706</b>	<b>87%</b>
<b>Capital</b>					
<i>Equipment / Vehicles</i>	71,000	<b>71,000</b>	<b>40,256</b>	30,744	57%
<b>Total Capital</b>	<b>71,000</b>	<b>71,000</b>	<b>40,256</b>	<b>30,744</b>	<b>57%</b>
<b>Total Parks</b>	<b>\$ 1,571,130</b>	<b>\$ 1,611,130</b>	<b>\$ 1,513,174</b>	<b>\$ 97,956</b>	<b>94%</b>

# Recreation Division

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

### - - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 191,099	\$ 196,099	\$ 203,737	\$ (7,638)	104%
Services / Supplies	257,428	267,428	248,579	18,849	93%
Capital	-	-	-	-	0%
	\$ 448,527	\$ 463,527	\$ 452,315	\$ 11,212	98%

### - - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>Personnel</b>					
<i>Salaries / Wages</i>	\$ 139,861	\$ 144,861	\$ 158,250	\$ (13,389)	109%
<i>Employee Benefits</i>	51,238	51,238	45,486	5,752	89%
<b>Total Personnel</b>	\$ 191,099	\$ 196,099	\$ 203,737	\$ (7,638)	104%
<b>Services / Supplies</b>					
<i>Professional Services</i>	\$ -	\$ -	\$ 237	\$ (237)	0%
<i>Employee Development</i>	8,555	8,555	9,247	(692)	108%
<i>Supplies / Equipment</i>	1,506	1,506	598	908	40%
<i>Utilities</i>	-	-	-	-	0%
<i>Other (Recreation Programs )</i>	247,367	257,367	238,498	18,869	93%
<b>Total Services / Supplies</b>	\$ 257,428	\$ 267,428	\$ 248,579	\$ 18,849	93%
<b>Capital</b>					
<i>Equipment / Vehicles</i>	-	-	-	-	0%
<b>Total Capital</b>	\$ -	\$ -	\$ -	\$ -	0%
<b>Total Recreation</b>	\$ 448,527	\$ 463,527	\$ 452,315	\$ 11,212	98%

# Equipment Replacement / Capital Schedule

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

<b>Expenditures</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year to Date</b>	<b>Variance</b>	<b>% Used</b>
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	2,925	-	3%
Police Dept Capital Outlay	100,000	240,000	178,176	61,824	74%
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	40,256	30,744	57%
City Recreation Capital Outlay	-	-	-	-	0%
<b>Total Expenditures</b>	<b>\$ 484,000</b>	<b>\$ 1,844,223</b>	<b>\$ 591,222</b>	<b>\$ 1,253,001</b>	<b>32%</b>

# Utility Fund Revenues

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

<b>Percent of Budget Year Transpired</b>	<b>100.0%</b>
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<b>Fees</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year to Date</b>	<b>Variance</b>	<b>% Received</b>
<i>Electronic Payment</i>	\$ (100,000)	\$ (100,000)	\$ (94,170)	\$ (5,830)	94%
<i>Charges / Penalties</i>	81,950	81,950	78,549	3,401	96%
<b>Total Fees</b>	\$ (18,050)	\$ (18,050)	\$ (15,621)	\$ (2,429)	87%

### Licenses & Permits

<i>Construction Inspection</i>	\$ 10,000	\$ 10,000	\$ 12,650	\$ (2,650)	127%
<b>Total Licenses &amp; Permits</b>	\$ 10,000	\$ 10,000	\$ 12,650	\$ (2,650)	127%

### Charges for Services

<i>Water Sales</i>	\$ 4,859,679	\$ 4,859,679	\$ 4,168,673	\$ 691,006	86%
<i>Sewer Sales</i>	3,585,708	3,585,708	3,579,670	6,038	100%
<i>Inspection Fees</i>	3,300	3,300	2,980	320	90%
<b>Total Charges for Service</b>	\$ 8,448,687	\$ 8,448,687	\$ 7,751,323	\$ 697,364	92%

### Interest

<i>Interest (Operations)</i>	\$ 7,000	\$ 7,000	\$ 19,134	\$ (12,134)	273%
<i>Interest (Capital Projects)</i>	10,000	10,000	6,717	3,283	67%
<b>Total Interest</b>	\$ 17,000	\$ 17,000	\$ 25,851	\$ (8,851)	152%

### Impact Fees

<i>Impact Fees</i>	\$ 192,000	\$ 192,000	\$ 141,554	\$ 50,446	74%
<b>Total Impact Fees</b>	\$ 192,000	\$ 192,000	\$ 141,554	\$ 50,446	74%

### Miscellaneous Income

<i>Miscellaneous Income</i>	\$ 5,000	\$ 5,000	\$ 26,412	\$ (21,412)	528%
<b>Total Miscellaneous Income</b>	\$ 5,000	\$ 5,000	\$ 26,412	\$ (21,412)	528%

<b>Total Utility Fund Revenues</b>	\$ 8,654,637	\$ 8,654,637	\$ 7,942,170	\$ 712,467	92%
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# Utility Division

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

### - - - Summary - Operations - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 1,599,725	\$ 1,599,725	\$ 1,599,350	\$ 376	100%
Services / Supplies	5,699,211	5,799,211	5,373,689	425,522	93%
Capital	95,000	95,000	251,874	(156,874)	265%
Total Utility Division	\$ 7,393,936	\$ 7,493,936	\$ 7,224,913	\$ 269,023	96%

### - - - Detail - Operations - - -

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

Salaries / Wages	\$ 1,087,784	\$ 1,087,784	\$ 1,107,669	\$ (19,885)	102%
Employee Benefits	511,941	511,941	491,681	20,260	96%
Total Personnel	\$ 1,599,725	\$ 1,599,725	\$ 1,599,350	\$ 376	100%

#### Services / Supplies

Professional Services	\$ 255,447	\$ 255,447	\$ 225,187	\$ 30,259	88%
Employee Development	58,379	58,379	48,350	10,029	83%
Supplies / Equipment	83,159	83,159	72,740	10,419	87%
Utilities	404,380	404,380	325,096	79,284	80%
Other (Well Lot Maintenance)	627,027	627,027	427,439	199,588	68%
Sub-Total - Operations Services / Supplies	\$ 1,428,392	\$ 1,428,392	\$ 1,098,813	\$ 329,579	77%

#### Wholesale Water / Wastewater

Note: UTRWD billing reflects a one month delay

UTRWD - Administration Fees	\$ 4,955	\$ 4,955	\$ 4,954	\$ 1	100%
UTRWD - Water Volume Cost	916,014	966,014	930,539	35,475	96%
UTRWD - Water Demand Charges	1,234,500	1,234,500	1,234,500	-	100%
UTRWD - Sewer Effluent Volume Rate	495,680	545,680	486,618	59,062	89%
UTRWD - Capital Charge Joint Facilities	1,329,595	1,329,595	1,329,595	0	100%
UTRWD - HV Sewer Line to UTRWD	290,075	290,075	288,670	1,405	100%
UTRWD - Wtr Transmission - Opus Develop	-	-	-	-	0%
Sub-Total - Wholesale Water / Wastewater	\$ 4,270,819	\$ 4,370,819	\$ 4,274,876	\$ 95,943	98%

#### Total Services / Supplies

	\$ 5,699,211	\$ 5,799,211	\$ 5,373,689	\$ 425,522	93%
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#### Capital

Equipment / Vehicles	95,000	95,000	251,874	(156,874)	265%
Total Capital	\$ 95,000	\$ 95,000	\$ 251,874	\$ (156,874)	265%

Total Utility Division - Operations	\$ 7,393,936	\$ 7,493,936	\$ 7,224,913	\$ 269,023	96%
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# Utility Fund Working Capital FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Water Sales</i>	\$ 4,859,679	\$ 4,859,679	\$ 4,168,673	\$ 691,006	86%
<i>Sewer Sales</i>	3,585,708	3,585,708	3,579,670	6,038	100%
<i>Other Fees / Charges</i>	100,250	100,250	120,591	(20,341)	120%
<i>Electronic Payment Credit</i>	(100,000)	(100,000)	(94,170)	(5,830)	94%
<i>Interest</i>	7,000	7,000	19,134	(12,134)	273%
<b>Total Revenues</b>	<b>\$ 8,452,637</b>	<b>\$ 8,452,637</b>	<b>\$ 7,793,899</b>	<b>\$ 658,738</b>	<b>92%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Administration</i>	\$331,316	\$331,316	\$ 335,517	\$ (4,201)	101%
<i>Operations</i>	2,496,801	2,496,801	2,362,646	134,156	95%
<i>UTRWD</i>	4,270,819	4,370,819	4,274,876	95,943	98%
<i>Debt Service</i>	1,285,650	1,285,650	1,300,705	(15,055)	101%
<i>Capital Projects</i>	-	-	-	-	0%
<i>Equipment Replace / Capital</i>	95,000	95,000	251,874	(156,874)	265%
<b>Total Expenditures</b>	<b>\$ 8,479,586</b>	<b>\$ 8,579,586</b>	<b>\$ 8,525,618</b>	<b>\$ 53,968</b>	<b>99%</b>

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

Fund Balance	Original Budget	Revised Budget	Year to Date
<i>Net Increase/Decrease</i>	(346,949)	(446,949)	(1,051,719)
<i>Beginning Working Capital</i>			
<i>Operations</i>	1,729,103	1,729,103	1,729,103
<i>Available Impact Fees</i>	889,804	889,804	889,804
<b>Total Available Working Capital</b>	<b>\$ 2,618,907</b>	<b>\$ 2,618,907</b>	<b>\$ 2,618,907</b>
<i>Ending Working Capital</i>			
<i>Operations</i>	1,382,154	1,282,154	677,384
<i>Designated Capital Project</i>	-	-	-
<i>Available Impact Fees</i>	931,804	931,804	881,358
<b>Total Available Working Capital</b>	<b>\$ 2,313,958</b>	<b>\$ 2,213,958</b>	<b>\$ 1,558,742</b>

<i>Impact Fees</i>			
<i>Beginning Balance</i>	889,804	889,804	889,804
+ <i>Collections</i>	192,000	192,000	141,554
- <i>Applied to offset Debt Service</i>	(150,000)	(150,000)	(150,000)
<i>Ending Balance</i>	931,804	931,804	881,358

\*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 SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Park Entry Fees	\$ 351,300	\$ 351,300	\$ 425,051	\$ (73,751)	121%
Annual Park Passes	20,000	20,000	30,470	(10,470)	152%
Concession Sales	-	-	-	-	0%
Interest	1,300	1,300	784	516	60%
I-35 Mitigation	50,000	50,000	157,918	(107,918)	316%
<b>Total Revenues</b>	<b>\$ 422,600</b>	<b>\$ 422,600</b>	<b>\$ 614,223</b>	<b>\$ (191,623)</b>	<b>145%</b>

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

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ 199,564	\$ 199,564	\$ 174,901	\$ 24,662	88%
Services / Supplies	147,171	157,171	107,966	49,204	69%
Capital	71,500	111,500	44,361	67,140	40%
<b>Total Expenditures</b>	<b>\$ 418,234</b>	<b>\$ 468,234</b>	<b>\$ 327,228</b>	<b>\$ 141,006</b>	<b>70%</b>

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

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 84,919	\$ 252,198	\$ 252,198
+ Net Increase (Decrease)	4,366	(45,634)	286,995
<b>Ending Fund Balance</b>	<b>\$ 89,285</b>	<b>\$ 206,564</b>	<b>\$ 539,193</b>

**Audited FY16**

# Debt Service Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Revenues</i>	\$1,761,728	\$ 1,761,728	\$ 1,769,661	\$ (7,933)	100%
<i>Interest Income</i>	1,400	1,400	2,359	(959)	168%
<i>Total Revenues</i>	\$ 1,763,128	\$ 1,763,128	\$ 1,772,020	\$ (8,892)	101%

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	609,022	16,779	97%
<i>Paying Agent Fees</i>	4,000	4,000	2,846	1,154	71%
<i>Total Expenditures</i>	\$ 2,644,801	\$ 2,644,801	\$ 2,626,868	\$ 17,933	99%

Other Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Transfers In (Out) [To 4B]</i>	890,071	890,071	870,124	\$ 19,947	98%
<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	\$ 874,970	\$ 15,101	98%

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	20,122
<i>Ending Fund Balance</i>	\$ 146,209	\$ 149,456	\$ 161,180

**Audited FY16**

# Capital Projects Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	\$ -	\$ -	\$ -	\$ -	0%
Contributions	-	-	-	-	0%
Interest Income	-	-	1,361	(1,361)	0%
<b>Total Revenues</b>	\$ -	\$ -	\$ 1,361	\$ (1,361)	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<b>2015 Tax Note</b> (CAD, Radio System, Screening Walls, Drainage)	\$ -	\$ 214,000	\$ 168,249	\$ 45,751	79%
<b>2012 Certificate</b> (Parks/Streets/Drainage)	-	48,000	47,433	567	99%
<b>Total Expenditures</b>	\$ -	\$ 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%
<b>Total Financing Sources</b>	\$ -	\$ (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)	(214,322)
<i>Ending Fund Balance</i>	\$ -	\$ (4,166)	\$ 224,512

**Audited FY16**

# Drainage Utilities

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Drainage Conversion Fee</i>	\$ -	\$ -	\$ 10,663	\$ (10,663)	0%
<i>Drainage Fee Receipts</i>	480,000	480,000	464,577	15,423	97%
<i>Miscellaneous</i>	-	-	105,526	(105,526)	0%
<i>Interest</i>	75	75	1,392	(1,317)	1857%
<b>Total Revenues</b>	<b>\$ 480,075</b>	<b>\$ 480,075</b>	<b>\$ 582,158</b>	<b>\$ (102,083)</b>	<b>121%</b>

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ 331,943	\$ 356,943	\$ 352,886	\$ 4,056	99%
<i>Services / Supplies</i>	166,355	166,355	114,063	52,292	69%
<i>Capital</i>	250,000	525,000	520,290	4,710	99%
<b>Total Expenditures</b>	<b>\$ 748,298</b>	<b>\$ 1,048,298</b>	<b>\$ 987,239</b>	<b>\$ 61,059</b>	<b>94%</b>

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	\$ 266,000	\$ 195,000	58%
<i>Operating Transfers Out / General Fund</i>	(16,000)	(16,000)	(16,000)	-	100%
<b>Total Other Sources (Uses)</b>	<b>\$ 250,000</b>	<b>\$ 445,000</b>	<b>\$ 250,000</b>	<b>\$ 195,000</b>	<b>0%</b>

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)	(155,081)
<b>Ending Fund Balance</b>	<b>\$ 145,974</b>	<b>\$ 117,244</b>	<b>\$ 85,386</b>

**Audited FY16**

# Park Development Fee Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>Interest</i>	\$ -	\$ -	\$ 230	\$ (230)	0%
<i>Community Park Fees</i>	684	60,684	1,368	59,316	2%
<i>Linear Park Fees</i>	-	-	-	-	0%
<i>Neighborhood Park Fees</i>	-	-	-	-	0%
<i>Service Area II</i>	-	-	-	-	0%
<i>Service Area IV</i>	-	-	-	-	0%
<b>Total Revenues</b>	\$ 684	\$ 60,684	\$ 1,598	\$ 59,086	3%

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%
<b>Total Expenditures</b>	\$ -	\$ 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%
<b>Total Other Sources (Uses)</b>	\$ -	\$ 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)	(102,611)
<b>Ending Fund Balance</b>	\$ 684	\$ (12,956)	\$ (92,585)

**Audited FY16**

Ending Fund Balance Detail	Original Budget	Year to Date
<i>Community Park Fees</i>	\$ 684	(92,585)
<i>Linear Park Fees</i>	-	-
<i>Neighborhood Park Fees (Area I)</i>	-	-
<i>Neighborhood Park Fees (Area II)</i>	-	-
<i>Neighborhood Park Fees (Area IV)</i>	-	-
<b>Total</b>	\$ 684	\$ (92,585)

# Public Safety Special Revenue Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	\$ 25,600	\$ 80,600	\$ 92,125	\$ (11,525)	114%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	\$ -	\$ -	\$ -	\$ -	0%
Services / Supplies	3,600	9,600	19,207	(9,607)	200%
Capital	-	35,000	34,896	104	100%
Total Expenditures	\$ 3,600	\$ 44,600	\$ 54,103	\$ (9,503)	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	0%
Operating Transfers Out	(22,000)	(22,000)	(18,339)	(3,661)	83%
Total Other Sources (Uses)	\$ (22,000)	\$ (22,000)	\$ (18,339)	\$ (3,661)	83%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	\$ 17,905	\$ 13,522	\$ 13,522
+ Net Increase (Decrease)	-	14,000	19,684
Ending Fund Balance	\$ 17,905	\$ 27,522	\$ 33,206

**Audited FY16**

# Municipal Court Technology Fee Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

<b>Revenues</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year to Date</b>	<b>Variance</b>	<b>% Received</b>
<b>Revenues</b>	\$ 5,000	\$ 5,000	\$ 3,279	1,722	66%

<b>Expenditures</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year to Date</b>	<b>Variance</b>	<b>% Used</b>
<b>Services / Supplies</b>	\$ 5,500	\$ 5,500	\$ 5,404	\$ 96	98%
<b>Total Expenditures</b>	\$ 5,500	\$ 5,500	\$ 5,404	\$ 96	98%

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

<b>Beginning &amp; Ending Balance</b>	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Year to Date</b>
<b>Beginning Fund Balance</b>	\$ 36,256	\$ 36,298	\$ 36,298
<b>+ Net Increase (Decrease)</b>	(500)	(500)	(2,125)
<b>Ending Fund Balance</b>	\$ 35,756	\$ 35,798	\$ 34,173

**Audited FY16**



# Municipal Court Building Security Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

**Percent of Budget Year Transpired**

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	\$ 3,600	\$ 3,600	\$ 2,459	\$ 1,141	68%

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	1,445
Ending Fund Balance	\$ 32,616	\$ 32,275	\$ 30,120

**Audited FY16**

# Highland Village Community Development Corporation

## Working Capital Analysis (FY 2017)

	<i>Actual 2014-2015</i>	<i>Actual 2015-2016</i>	<i>Budget 2016-2017</i>	<i>YTD 2016-2017</i>
<b>Beginning Fund Balance</b>	<b>\$ 717,764</b>	<b>\$ 755,390</b>	<b>\$ 401,792</b>	<b>\$ 304,663</b>
<b>Revenues</b>				
4B Sales Tax	1,197,263	1,231,754	1,317,305	1,242,599
Park Fees (Rental)		1,263	19,240	33,043
Linear Park Fees	11,934	287	500	574
Miscellaneous Income	-	-	-	-
Interest Income	6,112	2,601	2,000	508
<b>Total</b>	<b>\$ 1,215,309</b>	<b>\$ 1,235,905</b>	<b>\$ 1,339,045</b>	<b>\$ 1,276,724</b>
<b>Expenditures</b>				
Personnel	113,602	164,137	205,617	205,019
Services / Supplies	148,197	261,960	188,690	145,584
Reimburse GF (Support Functions)	28,000	28,000	-	-
Reimburse GF (Debt Service)	887,884	889,309	918,071	898,124
<b>Total Non-Capital Expenditures</b>	<b>\$ 1,177,683</b>	<b>\$ 1,343,406</b>	<b>\$ 1,312,378</b>	<b>\$ 1,248,727</b>
<b>Capital</b>				
Engineering	-	-	-	-
Projects Funded Directly	-	-	-	-
Transfer to 4B Capital Projects	\$ -	\$ 300,000	\$ -	\$ 154,087
<b>Equipment</b>	<b>-</b>	<b>43,226</b>	<b>42,680</b>	<b>-</b>
<b>Net Increase / (Decrease)</b>	<b>37,626</b>	<b>(450,727)</b>	<b>(16,013)</b>	<b>(126,090)</b>
<b>Working Capital Balance</b>	<b>\$ 755,390</b>	<b>\$ 304,663</b>	<b>\$ 385,779</b>	<b>\$ 178,573</b>

Highland Village Community Development Corporation  
Capital Projects

	<i>Actual</i> 2014-2015	<i>Actual</i> 2014-2015
<b>Beginning Fund Balance</b>	\$ -	\$ -
<b>Funding</b>		
Debt Issuance	-	-
Bond Discount	-	-
Debt Issuance Cost	-	-
Funding from Operations	-	300,000
Capital Projects (HV RR Crossing)	-	-
Denton County	-	-
I-35 Mitigation	-	-
Interest Earnings	-	-
<b>Total Available Project Funding</b>	<b>\$ -</b>	<b>\$ 300,000</b>

<b>Budget 2016-2017</b>	<b>YTD 2016-2017</b>
\$ -	\$ -
-	-
-	-
-	-
-	154,087
-	-
-	-
-	-
-	-
\$ -	\$ 154,087

Expenditures		
<b>Castlewood Trail</b>		
Engineering - \$131,200	-	-
Project Cost - \$1.312M (Estimated)	400,236	-
<b>Copperas Trail</b>		
Engineering - \$112,380	-	-
Project Cost - \$1.5M (Estimated)	-	-
<b>HV Rd Trail</b> (Phase IIa - CH to Svc Cntr)		
Engineering - \$25,000	-	-
Project Cost - \$250,982 (Estimated)	-	-
<b>HV Rd Trail</b> (Phase IIb - Lions Club Park to Doubletree Ranch Park)		
Engineering (Mostly included in Copperas Trail Eng.) - \$25,714 (Remain)	-	-
Project Cost - \$250,000 (Estimated)	-	-
<b>FM 2499 Sidewalk</b>		
Engineering - \$12,500	-	-
Project Cost - \$117,678 (Estimated)	-	-
<b>Pedestrian Crosswalk Enhancement</b>		
Engineering	-	-
Project Cost - \$26,000/Crossing	-	-
<b>Marauder Park Lake Access</b>		
Engineering - \$31,000 (Estimated)	-	-
Project Cost - \$58,178 (Estimated)	-	-
<b>HV Rd RR Crossing</b>		
Engineering - \$7,200 (Estimated)	-	-
Project Cost - \$48,000 (Estimated)	-	-
<b>Lakeside Community Park</b> (707 HV Rd Trailhead)		
Engineering - \$40,000	-	-
Project Cost - \$420,000	630,385	-
<b>Misc. Small, Fill-In/Connector Sections</b>		
Project Cost - \$20,000 (Per Year)	9,375	1,875
<b>Doubletree Ranch Park</b>		
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	\$	601,269
\$	(32,818)	\$	0

# PEG Fee Fund

## FY 2016/2017 Budget

**YEAR TO DATE SEPTEMBER**

*Percent of Budget Year Transpired*

**100.0%**

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
<i>PEG Fee Receipts</i>	\$ 65,000	\$ 65,000	\$ 41,358	\$ 23,643	64%
<i>Total Revenues</i>	\$ 65,000	\$ 65,000	\$ 41,358	\$ 23,643	64%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
<i>Personnel</i>	\$ -	\$ -	\$ -	\$ -	0%
<i>Services / Supplies</i>	21,700	17,700	10,234	7,466	58%
<i>Capital</i>	12,000	15,500	15,191	309	98%
<i>Total Expenditures</i>	\$ 33,700	\$ 33,200	\$ 25,425	\$ 7,775	77%

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	15,932
<i>Ending Fund Balance</i>	\$ 33,901	\$ 67,894	\$ 52,026

**Audited FY16**

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

**AGENDA# 20**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2726 Authorizing a Task Order with BW2 Engineers, Inc. for the Provision of Professional Engineering and Survey Services for the 2018 Street Improvements Project**

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

**BACKGROUND:**

City staff evaluated the 126 asphalt pavement streets located within the City using a pavement condition index (PCI) from our Street Maintenance Program. 23 streets were identified as failing; another 25+ were identified as deteriorating rapidly to the end of their life cycle. In November 2017, City voters approved issuance of bonds for various purposes that included authorization to issue bonds in the amount of \$2.8 million to fund street improvements.

The following street sections, which include areas where water lines have been replaced under prior Utility projects, are identified as asphalt reconstruction candidates in our Street Maintenance Program:

- Oak Forest
- Winding Creek
  
- Rosdale St.
- Ranier Ct.
- Snowdon Ct.
- Sheldon Ct.
- Dickinson Dr.
- Baird Cir.
- Donna Cir.
  
- Catesby Place
- Rockland Dr.
- Hickory Ridge Dr.
- S. Clearwater Dr.
- N. Clearwater Dr.
- Scenic Dr.
- Springway Dr.
- Pecan St.
  
- Arbor Ct.
- Park Ln.
- Creek Pl.
- DuVall Dr.
- Raintree Dr.
- Greensprings St.

The streets will be grouped into 4 construction projects with engineering design starting immediately and the construction phase anticipated to begin in the summer of 2018. Weather permitting; the goal is to have reconstruction of the 23 identified streets completed by the

summer of 2020.

### **IDENTIFIED NEED/S:**

As part of the City's on-going Street Maintenance Program, the City wishes to improve these street sections (identified above) by providing a new pavement section through a full depth reconstruction process.

### **OPTIONS & RESULTS:**

The full depth reconstruction of the identified streets will provide for a new smooth riding pavement surface that will have 15 to 20+ years of pavement longevity for the pavement structure.

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

A Task Order has been received from BW2 Engineers, Inc, for the provision of professional engineering and surveying services required for this project.

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

The funds for this project will be provided from the 2017 General Obligation Bond.

### **RECOMMENDATION:**

To approve Resolution 2017-2726.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2726**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING A TASK ORDER WITH BW2 ENGINEERS, INC. FOR PROFESSIONAL ENGINEERING, SURVEY, AND CONSTRUCTION MANAGEMENT SERVICES FOR THE 2018 STREETS IMPROVEMENT PROJECT IN THE AMOUNT OF \$253,000.00; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, City Administration has determined that performing full depth asphalt reconstruction of Oak Forest, Winding Creek, Rosedale St., Ranier Ct., Snowdon Ct., Sheldon Ct., Catesby Pl., Dickinson Dr., Rockland Dr., Hickory Ridge Dr., S. Clearwater Dr., N. Clearwater Dr., Springway Dr., Pecan St., Scenic Dr., Arbor Ct., Creek Pl., Park Ln., Donna Cir., Baird Cir., Raintree Dr. DuVall Dr. and Greensprings St. as part of the City's 2018 Street Improvements Project ("the Project") is necessary for the continuation of safe and efficient travel along said streets; and

**WHEREAS**, City Administration has solicited and received a task order for professional engineering design, survey, and construction management services for the Project and recommends executing a task order with BW2 Engineers, Inc., in accordance with the General Engineering Services Agreement as amended and dated August 28, 2001, in the amount of \$253,000.00; and

**WHEREAS**, the City Council of the City of Highland Village finds it to be in public interest to concur in the above described 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 a task order with BW2 Engineers, Inc. for the 2018 Streets Improvement Project for the amount of \$253,000.00. To the extent allowed by law and City policy and subject to the availability of current funds for said purpose, the City Manager is further authorized to execute amendments to such task order as he deems reasonable and necessary to ensure completion of the Project

**SECTION 2.** This Resolution shall be effective immediately upon passage.

**PASSED AND APPROVED This The 12<sup>th</sup> Day Of December, 2017.**

**APPROVED:**

\_\_\_\_\_  
**Charlotte Wilcox, Mayor**

**ATTEST:**

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**Angela Miller, City Secretary**

**APPROVED AS TO FORM AND LEGALITY:**

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**Kevin B. Laughlin, City Attorney**

(kbl:12/5/17:93815)



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

**AGENDA# 21**

**MEETING DATE: 12/12/2017**

**SUBJECT: Consider Ordinance 2017-1238 Amending the Code of Ordinances relating to Hours/Days of Operation and Expiration of Permits for Peddlers and Solicitors (2<sup>nd</sup> and final read)**

**PREPARED BY: Doug Reim, Police Chief  
Angela Miller, City Secretary**

**BACKGROUND:**

Many homes in the city received damage due to hail storms that occurred earlier this year in Highland Village and homeowners were inundated by solicitors representing home repair companies. The existing ordinance states no person shall peddle, solicit, hawk, sell or take orders for or offer to take orders for any item or service at a private residence in the City after sunset on any day until 9:00 a.m., Monday through Saturday. Mayor Wilcox reported she received complaints from residents and voiced concern about the hours solicitors are allowed to operate. She asked staff to explore what is allowed in other cities.

The current ordinance has also been reviewed by the Police Department for any additional updates. Currently, permits expire within 90-days from the date of issuance. Each permit may be renewed once for an additional 90-day term at no additional cost, unless additional solicitors are added to the permit, which requires a fee of \$50 per additional solicitor. In an effort to be more cost/time effective, staff suggests going to 180-day permit.

**IDENTIFIED NEED/S:**

This item was presented and discussed as a work-session item on November 14, 2017, with approval of a first read of Ordinance 2017-1238. This ordinance amends the time of day a person may operate as a peddler or solicitor to 6:00 p.m., Monday through Saturday, and extends permit expiration to 180-days.

**RECOMMENDATION:**

For Council approval of the second read of Ordinance 2017-1238 amending the hours of operation and extends expiration of permits for peddlers and solicitors to 180-days.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**ORDINANCE NO. 2017-1238**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AMENDING THE CODE OF ORDINANCES OF THE CITY OF HIGHLAND VILLAGE, CHAPTER 6 "BUSINESS REGULATIONS," ARTICLE 6.03 "PEDDLERS AND SOLICITORS," SECTION 6.03.005 "HOURS AND DAYS OF OPERATION" BY AMENDING THE TIME OF DAY DURING WHICH A PERSON MAY OPERATE AS A PEDDLER OR SOLICITOR IN THE CITY; SECTION 6.03.046 "ISSUANCE OR DENIAL; EXPIRATION" BY AMENDING THE TIME FOR WHICH A PERMIT IS VALID" BY AMENDING THE TIME FOR WHICH A RENEWAL PERMIT IS VALID; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY OR FINE NOT TO EXCEED \$500.00 PER OFFENSE; AND PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City Council finds it to be in the public interest to amend the Code of Ordinances §6.03.005 to establish fixed times of day during which a person, acting as a peddler or solicitor, may seek orders at a private residence;

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

**SECTION 1.** The City of Highland Village Code of Ordinances Chapter 6 "Business Regulations," Article 6.03 "Peddlers and Solicitors," Section 6.03.005 "Hours and Days of Operation" is amended to read as follows:

**Sec. 6.03.005 Hours and days of operation**

No person shall peddle, solicit, hawk, sell or take orders for or offer to take orders for any item or service at a private residence earlier than 9:00 a.m. or later than 6:00 p.m., Central Time, on any Monday through Saturday, unless the transaction is the result of a request made to such person by the occupant of such private residence. There shall be no solicitations on January 1<sup>st</sup>, July 4<sup>th</sup>, the fourth Monday in May, the 1<sup>st</sup> Monday in September, the fourth Thursday of November, December 25<sup>th</sup>, or on any Sunday.

**SECTION 2.** The City of Highland Village Code of Ordinances Chapter 6 "Business Regulations," Article 6.03 "Peddlers and Solicitors," Section 6.03.046 "Issuance or Denial; Expiration" is amended to read as follows:

**Sec. 6.03.046 Issuance or denial; expiration**

It shall be the duty of the chief of police or his authorized designee to issue or refuse to issue such permit not earlier than five days nor later than two weeks from the time the application is received by him. All the permits shall expire within 180 days from the date of issuance. The chief of police or his authorized designee may refuse to grant a permit if he discovers, in the course of his investigation, that the applicant, or any solicitor, has committed fraud or misrepresentation, has been convicted of a felony or a misdemeanor involving

moral turpitude, or has failed to furnish items required by this article in the permit application.

**SECTION 3.** Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Ordinance as a whole.

**SECTION 4.** Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be punished by a fine not to exceed the sum of Five Hundred Dollars (\$500) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

**SECTION 5.** This ordinance shall take effect upon its passage on Second Reading and publication of the caption in accordance with the provisions of the Charter of the City of Highland Village, and it is accordingly so ordained.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THIS THE 14<sup>TH</sup> DAY OF NOVEMBER, 2017.**

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**Kevin B. Laughlin, City Attorney**  
(kbl:11/10/17:93107)

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

**AGENDA# 22**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Ordinance 2017-1239 Repealing Code of Ordinances Article 2.07 Assistance to Non-Profit Organizations (1<sup>st</sup> of two reads)**

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

**BACKGROUND:**

Adopted in 2003, Ordinance No. 03-919 (now Code of Ordinances Article 2.07) establishes a uniform policy for granting financial assistance to non-profit organizations and outlines criteria that must be met in order for an organization to be eligible for consideration. In reviewing the current ordinance, minor updates of the policy to conform to current practice is proposed.

**IDENTIFIED NEED/S:**

Article 2.07 requires non-profit organizations desiring funding from the City to submit requests to the City Secretary's Office by April 15. Staff wishes to amend this so the deadline for submission of requests is established each year based on the budget calendar, but no later than August 31. This date is more in line with current procedures and more timely with the presentations to Council by the non-profit organizations.

No changes regarding the level of funding the City may provide are being proposed.

In being consistent with general practice of the City approving policies by resolution, repealing of Article 2.07 is suggested. This is to be in conjunction with approval of the updated policy by resolution, concurrent with second read of repealing Ordinance 2017-1239.

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

There is no budgetary impact.

**RECOMMENDATION:**

To approve Ordinance No. 2017-1239 repealing Code of Ordinances Article 2.07.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**ORDINANCE NO. 2017-1239**

**AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, REPEALING  
HIGHLAND VILLAGE CODE OF ORDINANCES ARTICLE 2.07 “ASSISTANCE TO  
NON-PROFIT ORGANIZATIONS”; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, Ordinance No. 03-909, later codified as Article 2.07 of the Code of Ordinances, was enacted to establish a policy and procedure for providing financial assistance to qualifying non-profit organizations providing services to City residents that provide a public service to the City; and

**WHEREAS**, City Administration has recommended certain amendments to the policies set forth in said Article 2.07, to conform such policies to current practices; and

**WHEREAS**, the City Charter no longer requires adoption of the City’s financial policies by ordinance; and

**WHEREAS**, City Administration intends to present for adoption a resolution adopting revised City policies relating to providing assistance to non-profit organizations at a future meeting, and because City policies are historically adopted by resolution unless otherwise required by law to be adopted by ordinance, the City Manager has recommended repeal of Article 2.07 in order to prevent any conflict between the current and revised non-profit organization support policies; and

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

**SECTION 1.** Code of Ordinances of the City of Highland Village is amended by repealing in its entirety Article 2.07 “Assistance to Nonprofit Organizations.”

**SECTION 2.** This ordinance shall take effect immediately following its approval upon second and final reading, and it is accordingly so ordained.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THIS THE 12<sup>TH</sup> DAY OF DECEMBER, 2017.**

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE \_\_\_\_ DAY OF JANUARY, 2018.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_

**Kevin B. Laughlin, City Attorney**

(kbl:12/6/17:93851)

## **CITY OF HIGHLAND VILLAGE**

### **COUNCIL BRIEFING**

**AGENDA# 23**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2724 Approving and Authorizing Publication of Notice of Intention to Issue Certificates of Obligation**

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

### **BACKGROUND:**

Articulated in the FY 2018 Budget Process, the Capital Improvement Program identified two separate financing components to be combined into one debt issuance: a Bond Election to address both Parks and Streets projects totaling \$7.15M, and a Certificate of Obligation (CO) to address needed utility projects for \$2.85M. Voters approved the parks and streets proposition in the November election.

### **IDENTIFIED NEED/S:**

As utility issues are self-supported by rates charged to utility customers, the two typical financing vehicles are revenue bonds and CO's. CO's are generally utilized to finance items that maintain City Infrastructure. A CO is what Highland Village has typically chosen for utility issues, as it has less stringent issuance requirements and will have a favorable interest rate similar to the GO Bond. Accordingly, a CO in the amount of \$2.85M is proposed to fund identified utility projects. This issuance is to be in conjunction with a \$7.15M general obligation bond in regard to authorization received from voters in the successful bond election. Combining the two issues will provide issuance cost efficiencies, and with a total amount below \$10M, it will be considered bank qualified with accompanying favorable effect on the interest rate.

The "Intent to Issue" procedure states Council's intent to issue debt for a specific purpose.

- 1) \$2.8M for utility capital projects – Utility debt issues are driven by an on-going five-year outlook for needed capital projects. Primary projects to be addressed in this issue include addition of a water line loop (Chinn Chapel to Castlewood), water and sewer line replacements, as well as Southwood Ground Storage Tank painting.

The amount of \$2.85M specifies the maximum amount Council will consider. By the time of issuance in January, the COs would have the opportunity to be reduced, if desired. The Notice of Intent is to be published twice and initiates the public notification process. A proposed timeline of this issue follows:

12/12/17	City Council considers and approves resolution authorizing the publication of Notices of Intent to issue Certificates of Obligation (Series 2018)
12/17/17	1 <sup>st</sup> Publication of Notice of Intent to issue the Certificates of Obligation, Series 2018

12/24/17	2 <sup>nd</sup> Publication of Notice of Intent to issue the Certificates of Obligation, Series 2018
01/23/18	Council Approves Ordinance Authorizing the Issuance of the Certificates of Obligation, Series 2018
02/21/18	Bond Closing and Delivery of Funds to the City

## **OPTIONS & RESULTS:**

Certificates of obligation (“COs”) do not require voter authorization and are approved by City Ordinance. After authorization of the “Notice of Intent to Issue COs, the notice must identify the projects to be financed and a not-to-exceed cost for the projects – it is to be published twice in the local paper of record. COs are subject to referendum by petition during the required publication period. A petition comprised of at least five (5) percent of the registered voters would be required to force an election to determine the authorization of the COs.

## **RECOMMENDATION:**

Council to approve Resolution 2017-2724.



**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2724**

**A RESOLUTION APPROVING AND AUTHORIZING PUBLICATION OF  
NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION, AND  
PROVIDING AN EFFECTIVE DATE**

**WHEREAS**, the City Council of the City of Highland Village, Texas (the "City"), has determined that certificates of obligation (the "Certificates") should be issued under and pursuant to the provisions of Texas, Local Government Code, Subchapter C of Chapter 271, for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's water and sewer system (the "Project") and (ii) professional services rendered in relation to such project and the financing thereof; and

**WHEREAS**, prior to the issuance of such Certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City, said notice stating (i) the time and place the City Council tentatively proposes to pass the ordinance authorizing the issuance of the Certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the Certificates are to be issued and (iv) the manner in which the City Council proposes to pay the Certificates; now, therefore,

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

**SECTION 1.** The facts and recitations contained in the above preamble of this Resolution are hereby incorporated herein for all purposes.

**SECTION 2.** The City Secretary is hereby authorized and directed to cause notice to be published of the City Council's intention to issue certificates of obligation, in one or more series, in the principal amount not to exceed TWO MILLION EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS (\$2,850,000) for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such project and the financing thereof; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's water and sewer system. The notice hereby approved and authorized to be published shall read substantially in the form and content of **Exhibit A** hereto attached and incorporated herein by reference as a part of this resolution for all purposes.

**SECTION 3.** The City Secretary shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication to be at least thirty-one (31) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

**SECTION 4.** It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Texas, Government Code, Chapter 551, as amended.

**SECTION 5.** This Resolution shall take effect immediately upon passage.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF  
HIGHLAND VILLAGE, TEXAS on the 12<sup>th</sup> day of December, 2017.**

**CITY OF HIGHLAND VILLAGE, TEXAS**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

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

(City Seal)

## EXHIBIT A

### NOTICE OF INTENTION TO ISSUE CITY OF HIGHLAND VILLAGE, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the City Council of the City of Highland Village, Texas, shall convene at 7:30 o'clock P.M. on January 23, 2018, at the City Council chambers located at 1000 Highland Village Road, in the City of Highland Village, Texas, and, during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation, in one or more series, in an amount not to exceed TWO MILLION EIGHT HUNDRED AND FIFTY THOUSAND DOLLARS (\$2,850,000) for the purpose of paying contractual obligations to be incurred for (i) improving and extending the City's water and sewer system and (ii) professional services rendered in relation to such project and the financing thereof; such certificates to be payable from ad valorem taxes and a limited pledge of the net revenues of the City's water and sewer system. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Texas, Local Government Code, Subchapter C of Chapter 271.

Angela Miller  
City Secretary  
City of Highland Village, Texas

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

**AGENDA# 24**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2728 Declaring Expectation to Reimburse Expenditures with Proceeds of Future Debt**

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

**BACKGROUND:**

Articulated in the FY 2018 Budget Process, the Capital Improvement Program identified two separate financing components to be combined into one debt issuance: a Bond Election to address both Parks and Streets projects totaling \$7.15M, and a Certificate of Obligation (CO) to address needed utility projects for \$2.85M. Voters approved the parks and streets proposition in the November election.

**IDENTIFIED NEED/S:**

In conjunction with the Notice of Intent resolution is a separate resolution enabling the City to be reimbursed for expenditures incurred related to the projects to be funded with the CO (i.e. engineering services) prior to receipt of proceeds.

**RECOMMENDATION:**

Council to approve Resolution 2017-2728.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2728**

**A RESOLUTION DECLARING EXPECTATION TO REIMBURSE  
EXPENDITURES WITH PROCEEDS OF FUTURE DEBT; AND PROVIDING AN  
EFFECTIVE DATE**

**WHEREAS**, the City of Highland Village, Texas (the "City") intends to issue debt for (i) improving and extending the City's water and sewer system, (ii) acquiring, constructing, designing, improving, expanding and maintaining streets, thoroughfares, bridges, alleyways, pathways, screening walls and sidewalks within the City, including related storm drainage improvements, signage, streetscaping, beautification, median improvements and entryway improvements and (iii) constructing, improving, renovating, and equipping City park and recreation facilities (collectively, the "Projects") and further intends to make certain capital expenditures with respect to the Projects and currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

**WHEREAS**, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the City must declare its expectation to make such reimbursement; and

**WHEREAS**, the City desires to preserve its ability to reimburse the capital expenditures with proceeds of tax-exempt obligations; now therefore,

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

**SECTION 1.** The City reasonably expects to reimburse capital expenditures with respect to the Projects with proceeds of tax-exempt obligations hereafter to be incurred by the City, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Projects is \$10,000,000.

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

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS on the 12<sup>th</sup> day of December, 2017.**

**CITY OF HIGHLAND VILLAGE, TEXAS**

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Charlotte J. Wilcox, Mayor

**ATTEST:**

---

Angela Miller, City Secretary

**APPROVED AS TO FORM AND LEGALITY:**

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Kevin B. Laughlin, City Attorney

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

**AGENDA# 25**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2725 Adopting Revised Financial Policies of the City of Highland Village**

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

**BACKGROUND:**

Financial policies are a key fixture of sound fiscal administration. These policies provide guidelines for the financial management staff in planning and directing the City's day-to-day financial operations. The last update to the City's financial policies was in 2002 and was adopted by ordinance.

Following a comprehensive review and update of the policies to conform to best practice standards and changes to state law, a replacement financial policy, with addition of a debt management policy, was proposed to Council at the November 14<sup>th</sup> Council Meeting.

**IDENTIFIED NEED/S:**

As the City Charter no longer requires adoption of the City's financial policies by ordinance, and to be consistent with general practice of the City approving policies by resolution, the revised financial policies are submitted as a resolution for consideration. Concurrent with the resolution is repeal of the current ordinance. Council approved the first read of the repeal at the November 14<sup>th</sup> meeting.

**OPTIONS & RESULTS:**

The proposed updated policies follow this briefing, with only one change emanating from the discussion at the last meeting. In section 15.03 Purchasing Authority, delegation of purchasing authority to departments was discussed, with initial recommendation of utilizing City Manager approved procedures to determine appropriate approval level for departments within the parameters of the \$50,000 City Manager purchasing authority. Council members however, indicated a preference that a specific departmental approval amount be identified in the policy. Accordingly, an approval level of \$5,000 is cited as the departmental purchasing limit for individual purchases, which is consistent with current practice.

**RECOMMENDATION:**

Council to approve Resolution 2017-2725 as submitted.

**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2725**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING REVISED FINANCIAL POLICIES FOR THE CITY OF HIGHLAND VILLAGE; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, financial policies provide written guidelines, restrictions, and strategies that guide the City in making financial decisions and provide transparency to its citizens: and

**WHEREAS**, City Administration has reviewed the City's current Financial Policies and recommends such policies be revised to reflect current best practices and procedures for the City; and

**WHEREAS**, the City Council, having reviewed and considered the revised Financial Policies presented by City Administration finds it in the public interest to adopt such policies as the official policies of the City;

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

**SECTION 1.** The Financial Policies, attached hereto as Exhibit "A" and incorporated herein by reference, are hereby adopted and shall govern financial policies for the City.

**SECTION 2.** 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 DECEMBER 2017.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Kevin B. Laughlin, City Attorney  
(kbl: 11/17/17:93440)



**Resolution No. 2017-2725  
Exhibit "A"**



FINANCE  
1000 Highland Village Road  
Highland Village, TX 75077  
972-899-5089 F 972-899-5100  
[www.highlandvillage.org](http://www.highlandvillage.org)

# Financial Policies

Adopted December 12, 2017

**Resolution No. 2017-2725**  
**Exhibit “A”**

## **Preamble**

As a home-rule City, the City Charter serves as the basic law of the City. Article II addresses revenues: Section 2.04 establishes the power to tax, and Sections 2.06 and 2.07 establish power to provide utility rates. Article VI addresses financial procedures: specifically addressing a fiscal budget and five-year capital program (Sections 6.02 – 6.09), depository (Section 6.10), audit (Section 6.11), administration of budget and tax collection (Sections 6.12 – 6.15), debt issuance (Section 6.16), and purchasing authority (Section 6.17). Financial policies are subordinate to the Charter and are intended to be a tool to accomplish the standards established by the Charter and to ensure that the City is financially able to meet its current and future service needs. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of the City.

Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet immediate and long-term needs.

The policy framework includes the following objectives:

- 1.00 Governmental Funds Reserve Policy: Maintain Governmental Funds reserves at a level sufficient to protect the City’s creditworthiness as well as its financial position during emergencies or economic fluctuations.
- 2.00 Utility Fund Reserve Policy: Maintain the Utility Fund reserves at a level to support continuity of operations and maintain a stable fee structure.
- 3.00 Highland Village Community Development Corporation (HVCDC) Reserve Policy: Maintain the HVCDC Fund reserves at a level to support continuity of operations.
- 4.00 Revenues: Design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.
- 5.00 Expenditures: Ensure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.
- 6.00 Operating Budget: Establish guidelines for developing an operating budget to ensure financial stability and to express the Council’s vision for how the City will serve its community.
- 7.00 Capital Asset Management: Review and monitor the status of the City’s capital assets, setting priorities for addition, replacement, and renovation of such assets based on needs, funding alternatives, and availability of resources.
- 8.00 Long-Term Financial Planning: Establish a plan in providing stable tax and service levels to the community over a multi-year period to strategically and proactively recognize and address issues impacting financial position.

**Resolution No. 2017-2725**  
**Exhibit “A”**

- 9.00 Debt: Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.
- 10.00 Investments: Invest the City’s cash in such a manner so as to ensure the safety of principal and interest, to meet liquidity needs of the City, and to achieve the highest reasonable market yield.
- 11.00 Accounting, Auditing, and Financial Reporting: Comply with the prevailing federal, state, and local statutes and regulations, as well as current professional principles and practices.
- 12.00 Internal Controls: Establish and maintain an internal control structure designed to provide reasonable assurance in achieving effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.
- 13.00 Risk Management: Establish guidelines to effectively and efficiently mitigate hazard risks.
- 14.00 Economic Development: Initiate, encourage, and participate in economic development efforts to provide stable future resources and quality services to its citizens.
- 15.00 Procurement: Design, maintain and administer a purchasing system that ensures financial responsibility and transparency.

## **GOVERNMENTAL FUNDS RESERVE POLICY**

- 1.00 Governmental Funds Reserve Policy: Maintain the governmental funds reserves at a level sufficient to protect the City's creditworthiness as well as its financial position during emergencies or economic fluctuations.

1.01 Definition and Purpose of Fund Balances

Fund balance is the accumulated difference between assets and liabilities in a governmental fund. The City's financial statements will report up to five components of fund balance: (A) nonspendable; (B) restricted; (C) committed; (D) assigned; and (E) unassigned.

- A. Nonspendable fund balance consists of funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.
- B. Restricted fund balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.
- C. Committed fund balance consists of funds that are set aside for a specific purpose by the City's highest level of decision making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

The City Council has the authority to set aside funds for a specific purpose. Any funds set aside as Committed Fund Balance requires the passage of resolution. The passage of a resolution must take place prior to September 30<sup>th</sup> of the applicable fiscal year.

- D. Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose by the City's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Authority is given to the City Manager to assign funds for specific purpose in an amount not to exceed \$50,000 per purpose or \$200,000 in total. The City Council has the authority to assign funds for the intended use of a specific purpose or remove an assignment made by the City Manager.

- E. Unassigned fund balance consists of funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected operating deficit.

**Resolution No. 2017-2725**  
**Exhibit "A"**

1.02 Definition and Purpose of Reserves

Committed, assigned and unassigned fund balances together comprise of "unrestricted fund balance." Unrestricted fund balances are resources available to establish reserves.

1.03 General Fund Reserves

The City shall maintain a minimum General Fund unrestricted fund balance of 20% of current year operating expenditures with a target range of 20 - 25%.

General fund balance reserves will be established over a period of time resulting from revenues in excess of expenditures and one-time revenue sources. The City shall institute conservative budgeting practices and efficiently control expenditures to maintain the targeted level of reserves.

If the level of reserves exceeds target levels, a reduction may be accomplished with a budgeted draw-down of reserves for one-time capital expenditures. In addition, reserves may be used at the discretion of the City Council through an Ordinance amending the original budget to provide resources to supplement temporary decreased revenues or to provide temporary resources in the event of economic downturn. To provide resources for a public emergency affecting life, health, property or the public peace, the City Council may use reserves through an emergency Ordinance.

If reserves fall below the minimum balance, the reserves shall be replenished in the following year of use, if feasible. If replenishment is not possible in the following year, a plan will be approved to replenish the reserves within five years after use.

1.04 Debt Service Fund Reserves

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest of the City's general obligation (property tax supported) debt.

The Debt Service Fund reserves shall generally be maintained at a level equivalent to 10% of the current year debt service requirement, net of the Highland Village Community Development Corporation's reimbursement related to their associated debt service.

## **UTILITY FUND RESERVE POLICY**

- 2.00 Utility Fund Reserve Policy: Maintain the Utility Fund reserves at a level to support continuity of operations and maintain a stable fee structure.

2.01 Definition and Purpose of Reserves

The reserve for the Utility Fund is measured as working capital, current unrestricted assets less current liabilities. The measure of working capital indicates the relatively liquid portion of total Utility Fund capital, which constitutes a margin or buffer for meeting obligations.

2.02 Utility Fund Reserves

The City shall maintain a minimum working capital balance of 55 days of operating expenses with a target of 90 days. The Utility Fund reserve will be funded over time by accumulation of positive operating income. Due to volatility of utility revenues, the reserve may be used temporarily to stabilize the water and sewer rate structure. The use of the reserve shall be approved by City Council through an Ordinance to amend the original budget.

In the event that the reserves fall below the stated balance, the reserves shall be replenished in the following year of use, if feasible. If replenishment is not possible in the following year, a plan will be approved to replenish the reserves within five years after use. The plan may include reducing expenses or adjustment to the water and sewer rate structure.

Working capital in excess of the minimum reserve may be invested according to the City's investment policy.

## **HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION RESERVE POLICY**

3.00 Definition and Purpose of Reserves

The reserve for the Highland Village Community Development Corporation (HVCDC) Fund is measured as total fund balance net of bond proceeds and related capital expenditures.

3.01 HVCDC Reserves

The City shall maintain a minimum HVCDC unrestricted fund balance equivalent to 20% of current year operating expenditures (net of capital

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expenditures other than equipment), inclusive of transfer to Debt Service Fund for debt service issued by City on behalf of the HVCDC.

In the event that the reserves fall below the stated balance, the reserves shall be replenished in the following year of use, if feasible. If replenishment is not possible in the following year, a plan will be approved to replenish the reserves within five years after use.

Working capital in excess of the minimum reserve may be invested according to the City's investment policy.

## REVENUES

- 4.00 Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

4.01 Revenue Goals

Diversification and Stabilization: The City shall strive to maintain a stable and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which adversely impact that source.

Equity: The City shall make every effort to maintain equity in its revenue system structure. The City shall seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and customers. The revenue base will have the characteristic of fairness and neutrality as it applies to cost of service and willingness and ability to pay.

Relation to Economic Development: The City's overall revenue structure should be designed to recapture some of the financial benefits resulting from local economic and community development. The City will strive to keep a total revenue mix that encourages growth and improvements and keeps the City economically competitive.

Revenue Collection and Administration: The City shall maintain high collection rates for all revenue by keeping the revenue system as simple as possible in order to facilitate payment. In addition, since revenue should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue to the full extent allowed by state law all delinquent taxpayers and others overdue in payments to the City.

4.02 Non-Recurring Revenues

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Non-recurring revenues should be used only for one-time expenditures and not for ongoing expenditures. By definition, non-recurring revenues cannot be relied on in future budgets. Examples of non-recurring revenues include insurance recoveries, sales of City assets or other one-time payments to the City.

The best use of non-recurring revenues is to invest in projects that will result in long-term operating cost savings. Appropriate uses of non-recurring revenues include early debt retirement, capital expenditures that will reduce operating costs, information technology projects that will improve efficiency and special projects that will not incur on-going operating costs.

**4.03 Volatile Revenues**

Sales tax revenue is a volatile source of revenue since it is a direct function of business cycles. The City shall budget sales tax revenue at a normal growth rate to on-going programs. Sales tax revenues that exceed the normal growth rate shall generally be used for one-time expenditures or to increase reserves for economic downturns. When sales tax revenue is less than the normal growth rate, it may be necessary to use reserves until appropriate expenditure reductions or other measures can be implemented.

Interest income is another source of volatile revenue. Interest earnings that exceed the average annual earnings over the normal growth rate shall be used for one-time expenditures or to increase reserves. Interest earned from investments shall be distributed to the general, utility and other City funds from which the money was provided, wherever possible.

**4.04 New Revenues and Changes to Revenues**

If a new revenue source or changes to a current revenue source is deemed necessary to maintain a diverse and stable revenue system, the following factors shall be considered.

- Stability of the revenue sources over its expected life.
- Suitability to the program or purpose it is intended to fund.
- Fair distribution of revenue burden as measured by ability to pay, the benefits received, or the community's definition of the fair share of the revenue burden.
- Acceptability to the community.
- Impact on economic competitiveness relative to other communities.
- The cost of administering a tax or fee should bear a reasonable relation to revenue collected.
- Minimal effect on private economic decisions.

**4.05 Revenue Estimates**



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The City shall estimate revenues objectively to minimize revenue shortfall during the year. Multi-year revenue forecast shall be provided to give the City additional lead time to react to expected revenue shortfalls, or to more strategically manage predicted revenue surges.

**4.06 User Fees**

For services that benefit specific users, the City shall establish and collect fees to recover the costs of those services. The City Council shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure and to recommend adjustments where necessary.

**4.07 Utility Rates**

It is the intention of the City that the utility fund be self-supporting. As a result, utility rates shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements and provide adequate levels of working capital. The City shall seek to eliminate all forms of subsidization to utility from the general fund.

**4.08 Administrative Services Charges**

Components of utility rates include transfers to the general fund for an administrative fee, which will be charged to the utility fund for services of general overhead such as administration, finance, personnel, data processing and legal counsel. This fee will be substantiated by a reasonable allocation basis of utilization of services.

**4.09 Property Tax Revenues**

The City shall endeavor to reduce its reliance on property tax revenues by revenue diversification, implementation of user fees, and economic development. The City shall also strive to minimize the property tax burden on Highland Village citizens.

All real and business personal property located within the City shall be valued at fair market value for any given year based on the current appraisal supplied to the City by the Denton Central Appraisal District. All delinquent taxes shall be aggressively pursued each year. Tax accounts delinquent greater than 150 days shall be turned over to the Delinquent Tax Attorney as provided in the agreement between the Denton County Tax Assessor/Collector and the City. A penalty shall be assessed to compensate the attorney as allowed by State law and in accordance with the attorney's contract.

**4.10 Grants**

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**Exhibit “A”**

Grants Guidelines: The City shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by Council. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

Grant Application: All grant applications shall be reviewed for their cash match requirement, their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. Under the knowledge and direction of the City Manager, departments are responsible for submitting the grant application. A copy of the grant application, award letter, and any other correspondence shall be forwarded to the Finance Department.

Request for Reimbursement and Financial/Performances Reports: Departments and the Financial Department shall work in conjunction to process and submit request for reimbursements and required Financial and Performances Reports. A copy of all reports shall be forwarded to the Finance Department.

Grant Program Termination: The City shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

## EXPENDITURES

- 5.00 Ensure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

5.01 Funding Operations

The City shall commit to a level of expenditures sufficient to ensure the ongoing health, safety, and welfare of the community. All operating expenditures must be supported by the operating revenues. Expenditures shall not expand beyond the City's ability to pay for them with the current revenues.

5.02 Personnel Compensation

The City strives to foster a workforce comprised of professional, highly qualified, and customer friendly employees. In an effort to achieve this goal, the City shall maintain compensation packages that are sufficient to attract and retain quality employees and to be competitive with other public-sector employers.

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To contain personnel cost, the following policies must be achieved.

- Council must explicitly authorize all new positions before they are filled.
- Productivity-enhancing options must be analyzed before a new position is created.
- Overtime must be pre-authorized before it is incurred.

**5.03 Funding Non-Current Liabilities**

Asset Maintenance and Replacement: Within the resources available each fiscal year, the City shall strive to maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels.

The City will annually forecast its equipment and infrastructure replacement and maintenance needs for the next five years. A maintenance and replacement schedule will be developed and followed. Future maintenance needs for all new capital assets will be estimated and considered as a decision criterion.

Pensions and Other Post Employment Benefits: The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

The plan provisions are adopted by the City through ordinance and are within the options available in the governing state statutes of TMRS. Plan provisions for the City are as follows:

- Employee deposit rate - 7%
- Matching ratio (city to employee) – 2 to 1
- Years required for vesting – 5
- Service retirement eligibility (expressed as age/years of service) – 60/5, 0/20
- Updated service credit – 100% repeating, transfers
- Annuity increase (to retirees) – 70% of CPI

The following are actuarial assumptions as established by TMRS:

- Actuarial cost method – entry age normal
- Amortization method – level percent of payroll
- GASB 25 equivalent single amortization period – 30.0 years; closed period
- Amortization period for new gains/losses – 30 years
- Asset valuation method – 10-year smoothed market
- Investment rate of return – 7.0%

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- Projected salary increases – varies by age and service
- Inflation rate – 3.00%
- Cost-of-living adjustments – 2.1%

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary; retired employees are insured for \$7,500; this coverage is an “other post employment benefit.”

The City shall contribute the full amount of the annual required contribution each year with a target funding of 100 percent or more funded ratio.

## **OPERATING BUDGET**

6.00 Establish guidelines for developing an operating budget to ensure financial stability and to express the Council's vision for how the City will serve its community.

6.01 Key Budget Features

Scope: The City's operating budget shall include all operating funds including, but not limited to, the General Fund, Utility Fund, Debt Service Fund, and all Special Revenue Funds. Additionally, the Highland Village Economic Development Corporation, a blended component unit of the City shall be in the primary government's budgeting process.

Length of Budget Period: The budget shall be adopted for a period of one fiscal year. The budget period shall begin on the first day of October and end on the last day of September. Multi-year forecasting may be utilized for long-term planning.

Basis of Budgeting: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and Special Revenue Funds. The Capital Project Fund is appropriated on a project-length basis.

The annual budget for the Utility Fund is prepared on a modified accrual basis. Under the modified accrued basis, capital expenditure and the

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redemption of bonds and leases are recorded as expenditures. Depreciation and amortization cost are not budgeted.

Level of Control: The legal level of control for City budget shall be at the departmental and category level (personnel, services and supplies, and capital outlay).

Balanced Budget: The operating budget shall be balanced with current revenues, inclusive of beginning resources that exceed fund balance targets, greater than or equal to current expenditures/expenses.

Budget Shortfall: As the budget is based on projections for the upcoming fiscal year, it is possible for a decrease in revenues or for unexpected large expenditures to result in a budget shortfall. The choice of strategies often depends on the amount of time remaining in a fiscal year and severity of the shortfall, or if the shortfall is anticipated to be temporary or on-going. The primary objective is to ensure the City achieves its fund balance targets at year-end – while minimizing service level reduction.

When necessary, the following budget balancing strategies will be used, in order of priority:

***Stage 1***

- **Delay budgeted items not yet implemented.** Consider delaying scheduled equipment replacement and review supplemental items that were approved in previous year budget process not yet implemented or purchased, to see if they can be delayed.
- **Revenue transfers.** Consider transfer of excess revenues from various special funds, if available, to the general fund.
- **Use of one-time revenues.** Review use of one-time, non-recurring revenues to fund ongoing expenditures (i.e. funding general fund projects such as street overlays with existing bond proceeds).
- **Delay filling of vacancies.** Delay filling of vacant positions as needed.
- **Targeted cuts.** Review reduced funding for low priority programs. Defer or cancel the purchase of capital items. Consider delay of street and drainage improvement projects. Consider suspension of employee training and travel.
- **Program streamlining or reorganization.** Restructuring and overhauling City functions to address overlapping jurisdictions, management inefficiencies, consolidating programs, creating cost savings, make services more efficient, re-examine basic business practices and operations including payroll, travel reimbursements, purchasing strategies.

***Stage 2 – If measures available from Stage 1 strategies are not sufficient to close gap:***

- **Service Level Reduction.** Identify programs to be eliminated, or private sector to assume responsibility for public services

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- **Fee / Tax Rate increases.** Review expanding the base and increasing the rates for existing fees / taxes. Creating new taxes and /or raising user fees.
- **Freeze contributions.** Consider placing a freeze on all contributions to outside agencies.
- **Across the board cuts.** Consider a fixed percentage cut imposed on all or most departments, programs, etc.
- **Debt Finance.** Consider issuance of short-term tax anticipation notes to offset general fund deficits.
- **Reduction of Staffing.** Consider layoffs of existing personnel following identification of acceptable service level reductions as determined by the City Manager in accordance with Section 2.13 of the City Personnel Policies.

Budget Form and Information: The budget shall be sufficiently detailed to identify all significant sources and uses of funds. The format will include estimated beginning fund balances, sources, uses, and the estimated year end fund balances for each fund. Actual prior year data and projected current year results shall be presented for comparative purposes.

Long-term Financial Forecasts: A five-year forecast shall be developed in order to address the future financial viability of the City. Additionally, anticipated future capital projects shall be identified.

Performance Measures: The City shall identify performance measures based upon Council's goals and objectives. The performance measures will assist the City in making resource allocation decisions. The measures will illustrate trends, targets, and other criteria by which the City's efforts on given programs can be evaluated on a periodic basis.

6.02 Principle for Budgeting

Long-term Strategic Financial Plan: The City's budget shall be developed to incorporate the Council's goals and objectives for the community. A multi-year forecast shall be completed each year to provide context for the current year budget.

Past Spending Patterns: The City shall regularly examine past spending patterns in order to reduce or eliminate services that are no longer affordable or relevant and to make sure that the portfolio of services continues to match community expectations.

Prioritize Services: Essential services shall receive first priority for funding. The City will attempt to maintain current service levels for all essential services. The City will identify low-priority services for reduction or elimination, if necessary, before essential services.

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Assign Cost to Users: For programs that only apply to a distinct segment of the community, the City will seek finance strategies that assign the cost of public service directly to those receiving the benefit, rather than spreading the cost across the whole community.

Maintain Existing Services over Providing New Services: The City will seek to maintain the quality of existing core services before it adds new services unless there is an explicit decision to lower the quality of existing service in favor of providing a new service.

Fund Liabilities: The operating budget shall include the current portion of long term liabilities, including long-term debt associated with investing in capital infrastructure, the annual costs of maintaining and replacing capital assets, and contributions to employee pensions or other post-employment benefits.

Budget Savings: In the event a department spends less than its entire annual budget allocation and have funds remaining at fiscal year end, those funds will be rescinded and reallocated in the next budget.

**6.03 Equipment Replacement**

The City staff shall prepare a long-term small equipment replacement schedule. This schedule will serve as a planning tool to identify replacements needs and to plan and secure funding for replacement.

A vehicle replacement schedule shall also be maintained for rolling stock / vehicle replacement, Benchmark replacement criteria will be established (mileage, age, hours of operation, repair frequency, etc.)

Generally established replacement standards:

Police vehicles – 125,000 miles or 10 years

Operations work trucks – 100,000 miles or 10 years

Fire vehicles

Administration – 125,000 miles or 10 years

Fire Engine – 15 years

Ambulance – 7 years

Each year, vehicles are evaluated in relation to the established criteria for consideration of replacement. As needed, high-cost vehicles (i.e. Fire engines, ambulances) will be considered for capital lease financing to accommodate level year-to-year city-wide capital expenditures.

**6.04 Budget Process**

In accordance with Article VI of the City Charter, the budget with an accompanying message shall be submitted to the Council no later than forty-five days prior to the end of the fiscal year (August 15<sup>th</sup>).

The budget message shall explain the budget both in fiscal terms and in terms of the work programs. It shall describe the important features of

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the budget and indicate any major changes from the current year in financial policies, expenditures, revenues together with the reasons for such changes, summarize the City's debt position, and include such other material as the City Manager deems desirable.

The Assistant City Manager/Finance Director shall prepare the budget with the cooperation of all City departments. It is then submitted to the City Manager, who makes the necessary changes and transmits the budget to the Council.

Budget workshops will be utilized to open budget discussions between the Council and staff. The City will adhere to Truth in Taxation requirements established by the State regarding public notice of budget information as well as public hearings to allow citizens the opportunity to provide their input into the budget process. The City Manager's Recommended Budget will be posted to the City's website prior to the public hearings.

Upon adoption of the budget, the Finance Department and the City Manager will prepare an Annual Budget and Program of Services. This document will be submitted to the Government Finance Officers Association (GFOA) to pursue the GFOA Distinguish Budget Presentation Award. The Annual Budget and Program of Services will be posted to the City's website.

**6.05 Budget Control System**

Department Directors are responsible for maintaining budgetary discipline. Reports that compare budget-to-actual financial performance are available to each department to aid in the monitoring of their budgets.

Summary financial reports will be presented to the Council by the Assistant City Manager/Finance Director within 45 days after the end of each reporting month. Significant budget to actual variances are to be noted with related explanation. The financial report shall accurately reflect the City's actual revenue, expenditure/expense, and fund balance/net position compared to budgeted amounts.

**6.06 Amendments to the Budget**

At any time during the fiscal year, upon written request by the City Manager, the Council may by ordinance transfer part or all unencumbered appropriation balance from one department to another or within that departmental budget. At any time during the fiscal year, the City Manager may transfer part or all of the unencumbered appropriation balance, within a departmental budget, from one department line item to another within a category (personnel, services and supplies, and capital outlay).



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Any amendment providing for additional expenditures shall also provide for reductions in other expenditure, supplemental revenues, or utilize reserves exceeding target levels to fund such amendments.

To meet a public emergency affecting life, health, property or the public peace, the Council may make emergency appropriations. Such appropriations may be made by emergency ordinance. Emergency ordinances may be enacted without two separate readings by favorable vote of not less than four of the entire Council and shall contain a statement as to the nature of the emergency and the length of time the ordinance will be in effect, not to exceed ninety days. To the extent that there are no available unappropriated revenues to meet such appropriations, the Council may by such emergency ordinance authorize the issuance of emergency notes, which may be renewed from time to time. These notes and renewals of any fiscal year shall be paid not later than the last day of the next fiscal year.

## **CAPITAL ASSET MANAGEMENT**

7.00 Capital Asset Management: Review and monitor the status of the City's capital assets, setting priorities for addition, replacement, and renovation of such assets based on needs, funding alternatives, and availability of resources.

7.01 Capital Improvement Planning

Scope: The City shall develop and update annually a five-year capital improvement plan. Projects to be included in the capital improvement plan include land, buildings, infrastructure, and related improvements that either increase the useful life or increase the asset's ability to provide service.

Project Identification: Submittals for projects shall include all of the following information so that management can evaluate the project's feasibility:

- The project's full cost including acquisition, design/engineering, right-of-way, construction, and permitting/inspection cost.
- Anticipated funding sources.
- The projects proposed timing, including any dependencies or preconditions that might affect scheduling.

Participants: The City Manager shall submit the five-year construction improvement plan to Council as part of the annual budget process. The Assistant City Manager/Finance Director shall compile requests submitted by the departments and verify the availability of funding sources for appropriation.

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Selecting Projects: Selection of projects shall be guided by the following set of criteria:

- Results of formal needs assessments
- Alignment with City Council goals
- Expected useful life of the asset
- Implications of project deferral
- Feasibility of implementation
- Operating budget impact
- Regional benefits/linkages
- Enhancement to quality of life
- Economic impact
- Environmental impact

To facilitate intergenerational equity, projects with shorter useful lives should be funded with current resources, whereas projects with longer useful lives can be funded bonds or lease arrangements.

Operating Budget Impacts: The City shall fully review operating budget impacts as part of the construction improvement planning by evaluating the asset's full lifecycle cost. Lifecycle costing determines the total cost of ownership of an asset over its useful life, including purchase price, installation, operation, maintenance and upgrading, disposal, and other costs.

Balanced Construction Improvement Plan: Expenditures included in the construction improvement plan must equal estimated resources available for capital spending. The City may present to Council a schedule of anticipated future projects with a description of the anticipated funding source that are not yet appropriated.

Funding Strategies: The City may fund projects either through debt financing or the allocation of current resources. The City's debt policy should be considered when using debt financing. Other sources of funding can include one-time resources such as grants or shared-participation or dedicated streams of revenues, such as sales tax allocation for the Highland Village Community Development Corporation for the construction of City trails and soccer facilities.

7.02 Capital Budgeting

The first year of the adopted capital improvement plan shall be the capital budget for that fiscal year. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, the following five options are available:

- Eliminate the project.
- Defer the project for consideration to the next budget period.

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- Change the scope or phasing of the project to meet the existing budget.
- Transfer funding from another specified, lower priority project.
- Appropriate additional resources as necessary from fund balance.

**7.03 Project Management**

Every construction improvement plan project shall have a designated project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.

**7.04 Capital Asset Maintenance**

Inventory and Measure Physical Condition: The City shall develop and maintain an inventory of capital assets with an initial, individual cost in excess of \$5,000 and with estimated useful lives in excess of four years. This inventory will facilitate the review of the capital assets to assess the need for maintenance or replacement.

Standards by Asset Class: The City shall develop standards designated for each asset class. These standards shall be compared to the actual conditions of the asset to identify where maintenance/rehabilitation is most needed and structure budgets accordingly. Related department directors (e.g. Public Works Director, Parks and Recreation Director, and Information Services Director) shall set and evaluate these standards through a combination of professional expertise and citizen input.

Evaluate Infrastructure and Set Priorities: Once the need for asset maintenance/rehabilitation is identified, City staff shall evaluate and establish priority projects for infrastructure investment decisions.

Maintenance Funding Policies: The City shall ensure that adequate resources are allocated to preserve the City’s existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. Resources for maintenance shall be identified in the operating budget. Use of long-term debt financing for maintenance is prohibited unless it is expected to be an improvement and extend the asset’s useful life.

Monitor and Communicate Progress: The City shall identify maintenance and improvement costs of identified projects over a five-year period annually in the Annual Budget and Program Services document.

## LONG-TERM FINANCIAL PLANNING

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- 8.00 Long-Term Financial Planning: Establish a plan in providing stable tax and service levels to the community over a multi-year period to strategically and proactively recognize and address issues impacting financial position.

8.01 Scope of the Plan

Annually, the City staff shall develop a long-term financial plan that forecast operating revenue and expenditures for the next five years. Additionally, a five-year forecast shall be developed identifying anticipated future capital projects and the related funding source. The long-term financial plan will be updated with the annual budget process.

8.02 Find Imbalances

Long-term forecasts shall start with a baseline assumption that current service levels will be maintained, enabling Council and management to consider the long-term financial implications of current spending patterns. Long-term forecast shall also analyze long-term trends and projects of revenues, expenditures, debt, and non-current liabilities in order to uncover potential long-term imbalances.

8.03 Long-Term Balance

The City Manager’s budget message shall alert the Council to potential long-term positive and adverse trends, and further, provide an analysis of these trends. Alternative strategies needed to address imbalances shall be discussed.

## DEBT MANAGEMENT

- 9.00 Debt Management: Managing debt is a critical element of financial policy, as it demonstrates a commitment to long-term financial planning objectives, and helps to ensure that government maintains a sound debt position. Refer to Debt Management Policy for guidelines for debt financing to provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current revenues.

## INVESTMENTS

- 10.00 Investments: Invest the City’s cash in such a manner so as to ensure the safety of principal and interest, to meet liquidity needs of the City, and to achieve the highest reasonable market yield. Refer to Investment Policy for guidelines regarding objectives of safety, liquidity, diversification, and internal control for City’s investment activities.

## **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING**

11.00 Accounting, Auditing, and Financial Reporting: Comply with the prevailing federal, state, and local statutes and regulations, as well as current professional principles and practices.

11.01 Council Oversight

City staff shall be primarily responsible for developing and maintaining a comprehensive framework of internal control and risk management. The City Council has oversight responsibility. . The oversight responsibilities fall into the following categories:

- **Oversight of the independent audit** - responsible for the appointment, compensation, retention, and oversight of the work of any external accountants engaged for the purpose of preparing or issuing an independent audit, review, or attest services.
- **Oversight of the financial reporting and internal control** – responsible for providing independent review and oversight of the City's financial reporting processes and comprehensive framework of internal controls.
- **Fraud, waste, and abuse reporting** – ensure there are confidential and anonymous means for concerned parties to report potential fraud, abuse, or questionable accounting practices.

11.02 Accounting

Basis of Accounting: The City's annual financial reporting shall be in conformity with the general accepted accounting principles (GAAP) and accounting records will be maintained in accordance with state and federal law and regulations.

Write-Off of Accounts Receivable: City staff shall make every effort to collect a receivable before determining it to be uncollectible and recommend write-off. A receivable must meet the following criteria to be eligible for write-off:

- More than 270 days overdue.
- Standardized collection procedures have been exhausted.
- A determination has been made that the debt is uncollectible and/or that further measures to collect the receivable are inappropriate.

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- The characteristics of the receivable are such that write-off is appropriate (the receivable is small relative to the costs that would be incurred for more intensive collection efforts).
- The reasons for the write-off are documented adequately and made available for audit.

On an annual basis, the Assistant City Manager / Finance Director shall compile a listing of accounts that meet the preceding criteria and submit to the City Manager. Accordingly, the City Manager has authority to approve write-offs with an outstanding balance up to \$5,000. For accounts exceeding \$5,000, City Council authorization is required.

Capital Asset Policy: Capital assets include land, improvements to land, easements, building, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible and intangible assets that are used in operations that have initial useful lives extending beyond a four year period.

Major Asset Classes and Capitalization Thresholds: Capitalization thresholds shall be applied to individual items in a group of similar items. The following summarizes the major asset classes and their capitalization thresholds:

- Land (land and right of ways) - \$50,000 and an indefinite useful life.
- Land improvements (fences, retaining walls, parking lots, trail systems, and most landscaping) - \$50,000 and an estimated useful life of at least 20 years.
- Buildings and improvements - \$100,000 and an estimated useful life of at least 30 years. Improvements are capitalized if they increase the original estimated useful life or cost by 25%.
- Infrastructure and improvements (roads, bridges, tunnels, drainage systems, water systems, lighting systems, water storage tanks, and water pumping stations acquired in fiscal years after July 1, 1980) - \$250,000 and an estimated useful life of at least 20 years. Improvements must lengthen the estimated useful life by at least 10 years.
- Equipment (vehicles, furnishings, and similar moveable items) - \$5,000 and an estimated useful life of 5 to 10 years.
- Intangibles (computer software) - \$5,000 and an estimated useful life of 5 to 10 years.
- Construction in Progress – Cost incurred to construct or develop a capital asset before it is substantially ready to be placed into service, at which time the asset will be reclassified into the appropriate major class.

Capitalizable Costs: Cost of a capital asset should include the cost of the asset and any direct ancillary charges necessary to place the asset into its intended location and condition for use.

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The following summarizes the costs that are to be included and excluded from the capitalizable cost.

**Included in Capitalizable Cost**

- Acquisition costs – Cost associated with acquiring an asset, including legal and title fees, closing costs, appraisal and negotiation fees, surveying fees, land preparation costs, demolition costs, audit and accounting fees, and transportation charges.
- Interest incurred during acquisition.
- Improvements that provides additional value by either lengthening a capital asset’s estimated useful life and/or increasing a capital asset’s ability to provide service either with greater effectiveness or efficiency.
- Data conversion costs related to software acquisition.
- Estimated fair value of donated assets.

**Excluded from Capitalizable Cost**

- Master plan studies
- Feasibility studies
- General and administrative costs
- Training

Discrete Components of Larger Assets: A single asset may comprise one or more discrete components with a significant shorter useful life. In such cases, the cost of the component shall be included in the cost of the larger asset, with the component’s eventual replacement treated as a repair.

Determining Estimated Fair Value for Donated Capital Assets: The City shall estimate the fair value of a donated asset as the amount it would have to pay to acquire the asset on its own. In the situations in which a developer has donated infrastructure, the City can use the developer’s costs of acquisition. Documentation and estimates of fair market value shall be performed and maintained by the Finance Department.

Depreciation and Amortization: Depreciable capital assets will be depreciated/amortized using the straight line method over the estimated useful life. Useful lives will be estimated for individual assets based on the City’s past experience with similar assets. Annually, the City shall evaluate the useful life estimates by reviewing the balance of fully depreciated capital assets still in service and/or review disposed assets that had significant remaining net book value. Depreciation/amortization will be applied to individual items and will start in the month of acquisition and end on the month of disposal.

Control Over Non-Capital Items: Some items that do not meet the capitalization threshold, still require special attention to ensure

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legal compliance (items acquired through grant contracts), to protect public safety and avoid potential liability (police weapons), or to compensate for a heightened risk of theft (computer and audio visual equipment). Each department shall be responsible of the control over their controlled non-capital items. The Information Services department shall be responsible over all data processing equipment and supplies. An inventory of all controlled non-capital items shall be maintained by the respective department. At the close of each fiscal year, every department shall prepare a report that provides a complete list of those items, along with an explanation of changes from the previous years. Periodically, the Finance Department shall verify the data on the list for each department.

Tagging of Capital and Non-Capital Items: The vehicle identification number will be used to tag vehicles and other motorized equipment. Serial numbers will be used to identify equipment. Computer equipment will be tagged. The Information Services department will tag the computer equipment (CPUs and monitors) in a place that is visual and accessible.

Disposals: It shall be the responsibility of the department directors and supervisors to identify capital assets that are subject to disposal due to surplus or obsolescence. A notification with written approval from the department director must be received by the Finance Department. The notification shall consist of a listing of the items disposed with the stated reason, related identification numbers for each item, and recommended disposition. Approved methods of disposition shall include public auction, solicitation of written bids, negotiated sale to one or more designated buys (another government agency at fair market value), or trade-in on new equipment.

Physical Inventory: The Finance Department shall periodically perform physical inventories of capital assets.

Control Over Bank Accounts: The depository shall be designated by Council in accordance with such regulations and subject to the requirements established by ordinance and law. For purpose of investments, multiple accounts shall be allowed.

Budgeting and Accounting: Accounting information shall be compatible with the needs of budgeting and financial planning. The Council may review staff-level policies, procedures, and practices.

#### 11.03 Financial Reporting

External Reporting: The Comprehensive Annual Financial Report (CAFR) shall be prepared in accordance with GAAP. The CAFR shall be presented to Council within 120 calendar days of the City's fiscal year end. If the City staffing limitations preclude such timely reporting, the



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Assistant City Manager will inform the Council of the delay and the reasons therefore. The City shall annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

**11.04 Independent Audit**

The Council shall provide for an independent annual audit of the City's and its component unit's financial statements. The Council may provide for more frequent audits as it deems necessary. The Auditor's report will be completed with 120 calendar days of the City's fiscal year end.

The City will not require auditor rotation however; the Council may circulate a request for proposal for auditor services every five years. The City shall use multi-year contracts for a period of no less than five years. The following criteria shall be used in selecting a qualified auditor:

- The auditor should be a certified public accountant, licensed to practice in the state of Texas.
- The auditor should have demonstrated experience and skill in governmental accounting and auditing.
- The auditor should have sufficient resources to complete the audit in a timely fashion.
- Price should not be the primary factor in selection of the auditor.
- The auditor should be fully independent, conforming with the independence standard promulgated in the General Accountability Office's Government Auditing Standards.

## **INTERNAL CONTROLS**

**12.00 Internal Controls:** Establish and maintain an internal control structure designed to provide reasonable assurance in achieving effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

**12.01 Control Environment**

The City shall maintain an internal control environment that provides reasonable assurances against control risks.

Segregation of Duties: A single person shall not be in the position to commit an irregularity and then conceal it. No one single individual shall be able to authorize and record transactions, and obtain custody of the related assets.

Security of Assets and Records: Access to assets and records shall be controlled based on the needs of the employee's job. Assets and records shall be protected against theft or environmental damage, backing up

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computer records, and providing for the recovery of records and the continued operation of the finance function in the wake of a disaster.

Period Reconciliation and Verification: Accounting records shall be compared periodically and data in the accounting records shall be compared to the data purports to represent.

Authorization: All transactions shall be authorized in accordance with City policies.

**12.02 Responsibility**

City Manager: Approve and support internal control policies developed and recommended by the Assistant City Manager / Finance Director.

Assistant City Manager / Finance Director: Develop internal control policies, test controls to ensure their effectiveness, and review and update control procedures on regular basis and in response to deficiencies uncovered by testing. Maintain specific types of controls such as employee position control, capital asset inventories, and inventories of non-capitalized items that are susceptible to theft. Weigh the cost of controls against the benefit they produce. Assist department managers in developing written procedures that support the internal control policies in their related departments and provide regular training on internal control to facilitate the implementation of the written procedures.

Department Directors: Ensure that internal controls are followed throughout their department and all internal control recommendations are implemented.

**12.03 Communication of Internal Controls**

Written documentation of procedures and training on those procedures shall be the primary means for communicating information about internal controls to employees.

## **RISK MANAGEMENT**

**13.00 Risk Management:** Establish guidelines to effectively and efficiently mitigate hazard risks.

**13.01 Objectives**

The objectives of risk management shall be to protect City assets from hazard risks such as fire, theft, accidents, and weather conditions to ensure continuity of service, maintain a safe work and service environment, and to ensure the efficiency of risk management activities.

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**13.02 Responsibility**

City Manager: Approve and support safety and internal control policies and procedures.

Assistant City Manager: Obtain general liability and property insurance coverage on all insurable City assets. Develop internal control policies.

City Secretary: File and ensure settlement of insurance claims and handle third party injury accidents.

Human Resources Director: Directs the overall activities of the safety program, develops the safety manual, facilitates safety committee meetings and reviews of injury and property damage reports, and administers worker compensation insurance and claims.

City Attorney: Ensures compliance with Federal and State laws related to risk, workers compensation, health and safety. Advises and recommends in contracts, specifically regarding indemnity and hold harmless provisions. Represents City interests in legal proceedings in courts or administrative agencies.

Department Directors/Managers/Supervisors: Maintain a safe and healthy working environment for employees. Ensure compliance of safety and internal control policies and procedure within their department. Timely report employee injury and property damage to the Human Resources Department and Safety Committee. Report theft and property damage to the City Secretary Office and Finance Department.

Safety Committee: Sets the overall goals and objectives of the safety program, investigates injuries and accidents, performs safety surveys, reviews and recommends changes in processes, procedures, training, and facilitates any other proactive initiatives that promote, enhance, and refine the safety program.

Employee: Support and comply with safety and internal control policies and procedures.

**13.03 Implementation**

The City shall manage risk by taking reasonable action which will lessen the possibility of loss or injury in the workplace to all employees and systemically identify loss exposures which can have an adverse effect on the material well being of the City or its employees or citizens.

**13.04 Risk Financing**

The City shall procure insurance compensation for the losses which would adversely affect the City and its employees and citizens.

## **ECONOMIC DEVELOPMENT**

- 14.00 Economic Development: Initiate, encourage, and participate in economic development efforts to provide stable future resources and quality services to its citizens. The City may consider Economic Development Agreements in order to promote local economic development and to stimulate business and commercial activity in the City in accordance with the City's Economic Development Policy.

## **PROCUREMENT**

- 15.00 Procurement: Design, maintain and administer a purchasing system that ensures financial responsibility and transparency.

15.01 Guiding Values for Public Procurement

The City shall adopt a procurement policy guided on the following set of values:

- Accountability. Taking ownership and being responsible to stakeholders for our actions.
- Ethics. Acting in a manner true to the values.
- Impartiality. Unbiased decision making and action.
- Professionalism. Upholding high standards of job performance and ethical behavior.
- Service. Obligation to assist stakeholders.
- Transparency. Easily accessible and understandable policies and procedures.

15.02 Objectives

Cost: The evaluation of vendor proposals shall not only seek the lowest initial purchase price, but also include the long-term maintenance, operating costs, and other indirect cost of a purchase.

Quality: Quality is an integral evaluation component when reviewing vendor proposals. The City shall secure goods and services at the lowest possible cost commensurate with quality requirements.

Timeliness: Consideration shall be given to the timeliness the vendor can deliver the goods and services to their destination.

Managing Risk: Some purchases may bear an inherit risk. The risk shall be accessed and evaluated prior to making the decision on making a purchase.

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Accomplishing Social and Economic Objectives: The City shall comply with State Law regarding to solicitation of quotes from local Historically Underutilized Businesses (HUBs) for purchases of more than \$3,000, but less than \$50,000.

Maximizing Competition: The City shall maintain a full and open competitive procurement process. All responsible sources shall be permitted to compete in the purchasing process.

Maintaining Integrity and Transparency: The City staff shall abide by the following purchasing ethics statements:

- Employees shall not obligate the City, financially or otherwise, by any means, including but not limited to purchase orders and contracts, when the employee has a personal, material, financial, or other interest in the obligation.
- Employees are prohibited from directly or indirectly soliciting or accepting any rebate, kickback, gift, gratuity, or favor for personal gain from any individual, corporation, or group.
- Employees may not participate in vendor program that involves an offer for gift cards, rebates, cash payments or other incentives based on selection of and purchases made from such vendor, unless such program is set forth in a response to a request for bid and proposal such that the program is publicly disclosed and able to be taken into consideration when determining the lowest, most responsible bid/proposal. Any gift cards, rebates, cash payments or other incentive provided pursuant to an agreement that has been entered following a competitive procurement procedure shall be the property of the City and used for the benefit of the City.
- Employees shall not accept any form of gratuities, with the exception of marketing or promotional mementos with value not to exceed \$50. City officers shall complete and file with the City Secretary a Local Government Officer Conflicts Disclosure Statement when required by Chapter 176 of the Local Government Code. This statement is required when the officer has a certain business or family relationship with a vendor.
- City vendors shall complete and file with the City Secretary a Conflict of Interest Questionnaire when required by Chapter 176 of the Local Government Code.
- The City shall not contract with any person that is suspended, debarred, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal agency or that debarred or suspended by the State of Texas.
- Except for contracts for the purchase of goods and services that (i) require an expense of \$50,000 or less and (ii) has not involved the City Council in the process of selecting the vendor, all vendors shall complete, and the City shall acknowledge, a Certificate of Interested Parties (Form 1295) prior to signing any contract with a vendor as required by Texas Govt. Code sec. 2252.908

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**15.03 Purchasing Authority**

Purchases more than \$50,000: Before the City may enter into a contract for the construction of public works or the purchase of most goods and services that require an expenditure of more than \$50,000 from one or more municipal funds, the city must comply with statutory procedures for competitive sealed bidding or competitive sealed proposals, including high technology items and insurance. The best value bid or proposal must be awarded by Council through resolution prior to the execution of the contract.

The City Manager (and Assistant City Manager in the absence of the City Manager) shall be authorized to approve and, where necessary, negotiate and sign contracts for, the purchase of goods or services in the amount of \$50,000 or less. The City Manager shall also be authorized to approve change orders if the contract is for construction of public works in the amount of \$50,000 or less. Such changes may not increase or decrease the original contract price by more than 25 percent. The City Manager may accordingly delegate purchasing authority to departments with an approval level of \$5,000 for efficiency of operations. In addition, the City Manager may delegate contracting authority to department directors consistent with their respective delegated purchasing approval limit of \$5,000.

Purchasing between \$3,000 and \$50,000: As provided by statute, the City must seek quotes from at least two historically underutilized businesses in the related category of the items to be purchased if the City makes an expenditure of between \$3,000 and \$50,000. The City is only excused from this notification requirement if there are no such businesses located in Denton County.

Purchases less than \$3,000: The City is not required to obtain quotes or sealed bids or proposals for purchases less than \$3,000.

**15.04 Exceptions to Bidding**

Public Health, Safety or Welfare: The Local Government Code allows for exceptions of the statutory procurement requirement when making purchases that is necessary to preserve or protect the calamity, public health or safety of the City's residents.

Specialized Services: The City is prohibited from using competitive bidding procedures to obtain the services of architects, engineers, certified public accountants, bond counsel, land surveyors, physicians, optometrists, landscape architects, geoscientists, state-certified real estate appraisers, or for planning services. Instead, the City must first select the most highly qualified provider and then attempt to negotiate a fair and reasonable price. The City may elect, but is not required to perform competitive bidding procedures for attorneys other than bond counsel.

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Competitive bidding does not apply to the purchase of services performed by blind or severely disabled persons.

Items Available from Only One Source: Competitive bidding requirements do not apply to items that are available from only one source due to patents, copyrights, secret processes, or natural monopolies. This exception also applies to the purchase of electricity, gas, water and other utility services and advertising other than legal notices. Plans and specifications prepared for a procurement shall not be written in a manner that requires a specific brand, manufacturer, model, or other characteristic that effectively results in a sole source procurement unless the specific brand, manufacturer, model or other characteristic must be specified to allow the items purchased to integrate with existing City equipment or systems that are not being replaced as part of the project that requires the procurement.

Distress or Auction Purchases: The City is not required to comply with competitive bidding procedures when purchasing personal property at an auction by a state licensed auctioneer or at a going-out-of-business sale.

Purchases from Other Governmental Entities: The City may purchase either property or services from another governmental entity, such as a county or another city, a state agency or council of governments through an Interlocal Agreement or Cooperative Purchasing Programs without following competitive bidding procedures.

Other State Law Exceptions; Compliance with Law: Regardless of whether or not expressly set forth in these policies, the City Manager and his designees are authorized to use such other exceptions provided under state law to the requirements for purchasing goods and services through a competitive bid or proposal process as they determine to be reasonable and in the best interest of the City. Conversely, City employees shall at all times comply with applicable state laws regarding the procurement of goods and services, and shall not engage in any act prohibited by law to avoid the requirement to procure goods and services through a competitive process

## **CITY OF HIGHLAND VILLAGE**

### **COUNCIL BRIEFING**

**AGENDA# 26**

**MEETING DATE: 12/12/17**

**SUBJECT: Consider Resolution 2017-2727 Adopting a Debt Management Policy for the City of Highland Village**

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

### **BACKGROUND:**

In conjunction with updated financial policies for the City, a debt management policy is presented to provide guidelines for debt issuance. The proposed debt and financial policies were discussed with Council at the November 14<sup>th</sup> Council meeting.

### **IDENTIFIED NEED/S:**

Debt is an important aspect of City finance to fund needed / desired capital projects, with accompanying goal of fairness to residents to what they pay. Financing big-ticket items over the useful life of the asset provides intergenerational equity for current and future residents that benefit from the asset funded. A debt policy provides guidance to decision makers regarding the appropriate purposes for issuing debt, types of debt that are available, timing and method of sale, and structural features to use in debt issuance. Best-practice standards were incorporated into the policy specific to Highland Village considerations.

The Debt Policy addresses the following areas:

- Debt Limits
- Issuance considerations
  - o Financing alternatives
  - o Issuance policies
  - o Bond Types
- Investor and Rating Agency Communications
- Investment of Bond Proceeds
- Arbitrage Compliance

### **RECOMMENDATION:**

Council to approve Resolution 2017-2727 as submitted.



**CITY OF HIGHLAND VILLAGE, TEXAS**

**RESOLUTION NO. 2017-2727**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ADOPTING A DEBT MANAGEMENT POLICY FOR THE CITY OF HIGHLAND VILLAGE; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, debt management policies provide written guidelines, allowances and restrictions that guide the debt issuance practice of the City; and,

**WHEREAS**, a debt management policy is intended to improve the quality of decisions and demonstrate a commitment to long-term capital and financial planning.

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

**SECTION 1.** The Debt Management Policy, attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted and shall govern the debt issuance policies for the City.

**SECTION 2.** 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 12<sup>TH</sup> DAY OF DECEMBER 2017.**

**APPROVED:**

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

**ATTEST:**

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

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
Kevin B. Laughlin, City Attorney  
(kbl: 11/9/17:93144)

**RESOLUTION NO. 2017-2727**  
**Exhibit “A”**

**City of Highland Village**

**Debt Management Policy**

**I. Purpose**

The City recognizes the foundation of any well-managed debt program is a comprehensive debt management policy. A debt management policy (i) sets forth the parameters for issuing debt and managing the outstanding debt portfolio and (ii) provides guidance to decision makers regarding the purposes for which debt may be issued, types and amounts of permissible debt, timing and method of sale that may be used, and structural features that may be incorporated. Adherence to a debt management policy (i) demonstrates a commitment to long-term financial planning objectives (ii) helps ensure that the City maintains a sound debt position and protects the quality of its credit; and (iii) better ensures optimization of the City's bond rating.

**II. Debt Limits**

**A. Legal Restrictions**

As a Home Rule Charter City, the City of Highland Village is not limited in the amount of debt it may issue. However, The Texas Constitution, Article XI, Section 5 provides that the general property tax is limited to \$2.50 per \$100 of assessed valuation. Because the property tax is comprised of two components, Operations and Maintenance (O&M), plus Interest and Sinking (I&S)(which is the payment of principal and interest on legal debt instruments), the constitutional limits on the City's property tax rate effectively establishes an absolute ceiling on the amount of debt that may be funded by property tax revenues.

**B. Policy Guidelines**

An appropriate balance of funding between the two components of the property tax rate is desired with the City nearing build-out and overall priorities shifting from growth to maintenance. The percentage of the property tax rate related to debt needs to be reduced in order to provide sufficient on-going operational funding from property tax revenues. In light of this, suggested benchmarks of the I&S portion of the property tax rate are a ceiling of 20%, with a target range of 12 – 16%.

**III. Issuance of Debt Obligations**

The City's debt policy shall be implemented in accordance with comprehensive debt management guidelines that provide for the following:

**A. Financing Alternatives**

The City of Highland Village shall assess all financial alternatives for funding capital improvements prior to issuing debt. Pay-as-you-go financing should be considered before

issuing any debt. Pay-as-you go financing may include: intergovernmental grants from federal, state and other sources, current revenues and fund balances; private sector contributions; public/private partnerships; and/or leasing payments. Once the City has determined that "pay-as-you-go" is not a feasible financing option, the City may use Short-term or Long-term debt to finance capital projects.

#### 1. Short Term Debt and Interim Financing - Maturity of seven (7) years or less

Short term obligations may be issued to finance projects or portions of projects. Typically, tax notes will be considered for smaller issues (less than \$1M). The City may also secure interim financing which shall eventually be refunded with the proceeds of long term obligations. Short-term obligations may be backed with a tax or revenue pledge, or a pledge of other available resources. Capital leases may be used to purchase high-priced equipment to manage year-to-year capital expenditure levels.

#### 2. Long Term Debt (Bonds) - Maturity over seven (7) years.

Long-term general obligation or revenue bonds shall be issued to finance significant capital improvements for purposes set forth by voters in bond elections and the Capital Improvement Program (CIP). Additionally, revenue bonds may be issued in response to public need without voter authorization. Long-term debt may be incurred for only those purposes as provided by State law.

### B. Issuance Policies:

All City debt shall be issued in accordance with the following policies:

#### 1. Financial Advisor

A Financial Advisor(s) will be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to:

- Provide analysis of the City's financial capacity to authorize issue and service any debt instruments that are considered;
- Monitor market opportunities, providing interpretation of market conditions which factor into timing of issuance;
- Assist with structuring and pricing of debt;
- Coordinate assembly of data necessary for preparation of necessary petitions, ordinances, notices as may be required for elections to authorize debt instruments;
- Maintain liaison with Bond Counsel utilized by the City in preparation of legal documents regarding authorization, sale and issuance of debt instruments;
- Prepare official statements of disclosure as required;
- Advise and facilitate obtaining of credit ratings as necessary when issuing debt;
- Appointments shall be effective for a term of five (5) years from the date of acceptance by the City, with additional one (1) year automatically renewed periods until terminated.

## 2. Debt Structuring

Unless otherwise justified, the issuance and sale of all City bonds, notes, loans and other evidences of indebtedness shall be subject to the following conditions:

- If possible, debt issues should generally be timed to coincide with expiring debt with purpose of maintaining level debt service payments;
- Principal and interest retirement schedules should be structured to generally reflect equal payments, but also accommodate the debt service payments of existing debt as needed to achieve level debt service or desired debt percentage of tax rate;
- Principal and interest on all outstanding debt shall be paid in a full and timely manner;
- Bond issues should be planned to minimize the frequency of issuance, and limit aggregate debt issuance in a calendar year to \$10M to enable issuance to reflect bank qualified status to likewise minimize cost of issuance and obtain favorable rates.
- Debt shall be incurred only for those purposes as provided by State law;
- Capital improvements should be developed, approved and financed in accordance with City Ordinances and the capital improvement budgeting process;
- The payment of debt shall be secured by the full faith, credit and taxing power of the City, in the case of General Obligation Bonds, and by the pledge of specified, limited revenues in the case of revenue bonds;
- Debt incurred shall generally be limited to obligations with serial and term maturities but may be sold in the form of capital appreciation bonds or other structures if circumstances warrant;
- The average life of the debt incurred should be no greater than the projected average life of the assets being financed, not to exceed 20 years.
- Bond Rating - The City endeavors to obtain GO bond ratings of "AA+" Standard and Poor's and "AA" Fitch or better.
- Original Issue Discount - An original issue discount will be permitted only if the City determines that such discount results in a lower true interest cost on the debt.
- Redemption Provision - All long-term debt with a term of ten years or longer should have an early redemption option and every effort must be made to avoid features that limit potential refunding opportunities in the future. The optional redemption date should be no later than ten years from issuance.
- Capitalized Interest - The nature of the City's revenue stream is such that funds are generally continuously available and the use of capitalized interest should not normally be necessary. However, certain types of financings may require the use of capitalized interest from the issuance date until the City has constructive use/benefit of the financed project. Unless otherwise required, the City will avoid the use of capitalized interest to avoid unnecessarily increasing the bond size.
- Credit Enhancements – The City currently enjoys advantageous bond ratings, and will likely obtain the most favorable rates solely based on this. However, if needed, the City will consider the use of credit enhancement on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when a clearly demonstrable savings can be shown will enhancement be considered.

- Bond Insurance - The City may purchase bond insurance when such purchase is deemed prudent and advantageous. The predominant determination will be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds.
- Debt Service Reserve – With issuance of revenue bonds, when required, a reserve fund will be funded from the proceeds of each series of bonds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies.

### 3. Methods of Sale

Debt obligations of the City may be sold by competitive or private placement methods unless otherwise limited by state law. The selected method of sale shall be the option which is expected to result in the lowest cost and most favorable terms given the financial structure used, market conditions, and prior experience. The City shall select a method of sale that shall maximize the financial benefit to the City.

#### a) Competitive Sale

(1) Award of Competitive Bids - All bond prices shall be computed based on True Interest Cost (TIC). TIC is defined as the rate at which, as of the date of the bonds, discounts semi-annually all future payments on account of principal and interest on the bonds to the price bid, not including interest accrued to the date of delivery of the bonds. City debt priced by competitive bid shall be sold to the bidder proposing the lowest true interest cost to the City, provided the bid conforms to the official notice of sale.

(2) Method of Accepting Bids - The City shall accept bids in person or by electronic means. The City shall not accept bids by telephone. The City reserves the right to reject bids that are late or include calculation errors

(3) Bidders - Financial advisors shall not be permitted to bid as a syndicate manager on competitive sales for bonds for which they serve as financial advisors.

#### b) Negotiated Sale

When certain conditions favorable for a competitive sale do not exist and when a negotiated sale will provide significant benefits to the City that would not be achieved through a competitive sale, the City may elect to sell its debt obligations through a private or negotiated sale. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of specific financing program.

The following practices are recommended to be observed in the event of a negotiated sale:

- (1) Underwriters should be selected in coordination with recommendations from the City's financial advisor. Criteria to be used in the appointment of qualified underwriters shall include, but are not limited to:

- Demonstrated ability of the firm to structure & market an issue of debt utilizing the contemplated credit structure(s) efficiently and effectively;
  - Experience of assigned personnel;
  - Approach to proposed scope of work, including quality and applicability of proposed financing ideas;
  - Demonstrated capability to sell bonds to retail investors.
  - Demonstrated secondary market support for debt, which the firm underwrites, especially if for the specific credit which is to be pledged;
  - Fees and expenses;
- (2) The City's Financial Advisor, who is familiar with and abreast of the condition of the municipal market, will facilitate structuring the issue, pricing, and monitoring sales activities;
  - (3) The financial advisor used for a particular bond issue will not act as underwriter of the same bond issue;
  - (4) Financial professionals will disclose the name or names of any person or firm, including attorneys, lobbyists and public relations professionals compensated in connection with a specific bond issue;
  - (5) Financial professionals submitting joint proposals or intending to enter into joint accounts or any fee-splitting arrangements in connection with a bond issue are to fully disclose any plan or arrangements to share tasks, responsibilities and fees earned, and disclose the financial professionals with whom the sharing is proposed, the method used to calculate the fees to be earned, and any changes thereto.
  - (6) The City may choose to privately place debt with a sophisticated investor, if the cost to the City is less than selling bonds in the open market.

### C. Bond Types

1. General obligation (GO) bonds – Debt that is secured with ad valorem tax revenues and is approved by voters.

The following are the general guidelines to be considered when considering calling an election for seeking approval for the issuance of GO Bonds:

- a) GO bonds should be used to finance only those assets which have been determined to be essential in the development of the City;
- b) GO bonds are generally utilized for new initiatives such as City facilities or programs to validate general support of city residents;
- c) GO bonds shall generally be structured with level principal payments, with variation as desired such as to match maturity of refunded bonds or maintain target debt percentage of tax rate.
- d) Capitalized Interest - No capitalized interest shall be funded with GO bond proceeds;
- e) Reserve Fund - No reserve funds shall be funded with GO bond proceeds.

2. Certificates of Obligation (CO) – A type of debt that is secured with ad valorem tax revenues and approved by City Council but subject to voter approval if, following the timely presentation of a petition containing the required number of signatures of qualified City voters, a special election is called to vote on a proposition on whether the certificates should be issued.

The following are general guidelines to be considered when issuing CO's:

- a) CO's should be used to finance only those assets which have been determined to be essential in the development of the City;
- b) CO's are generally utilized for projects previously approved by voters or those that maintain City Infrastructure, such as street / drainage maintenance and water / wastewater system maintenance;
- c) CO's shall generally be structured with level principal payments, with variation as desired such as to match maturity of refunded bonds or maintain target debt percentage of tax rate.
- d) Capitalized Interest - No capitalized interest shall be funded with CO proceeds;
- e) Reserve Fund - No reserve funds shall be funded with CO proceeds;

3. Revenue Bonds – Debt secured solely by the revenue base (i.e. utility revenues, dedicated sales tax revenues) of the City's operations. Voter approval is not required. Revenue bonds are subject to more stringent issuance requirements than general obligation bonds, typically requiring a debt service reserve fund as well as covenants that must be maintained. For debt related to the Utility Fund, a debt service coverage ratio of at least 1.25 is desired (Utility net revenues available for debt service compared to debt service).

4. Combination Tax and Revenue Certificate of Obligation - For debt issues associated with utility related improvements, a Combination Tax and Revenue Certificate of Obligation can be utilized. As it is a CO, it is approved by City Council and is subject to voter approval if, following the timely presentation of a petition containing the required number of signatures of qualified City voters, a special election is called to vote on a proposition on whether the certificates should be issued. It is likewise secured with ad valorem tax revenue, however also with a limited pledge of the surplus revenues from the operations of the City's waterworks and sewer system. Associated debt service is considered self-supporting similar to revenue bonds, however without the more stringent issuance requirements for revenue bonds. As with revenue bonds, a debt service coverage ratio of at least 1.25 is desired (Utility net revenues available for debt service compared to debt service).

## 5. Refunding Bonds

The City shall consider refunding outstanding debt in order to:

- Generate interest rate savings
- Restructure principal and/or
- Eliminate burdensome bond covenants

Refunding Criteria:

- Unless otherwise justified, a refunding transaction shall require a present value savings of at least three (3) percent of the principal amount of the refunding debt being issued and shall incorporate all costs of issuance expenses.
- Refunded maturities shall not extend beyond the final refunded maturity; each year's principal shall be equal to or greater than the refunded principal payment.
- Surplus monies in debt service funds or debt service reserve funds associated with the refunded bond issue may be used as a source of funds for the refunding issue.

Refunding Types:

(1) Current Refundings:

- Requires that the refunding escrow may not exceed 90 days.

(2) Advanced Refundings:

- Requires the refunding escrow duration to exceed 90 days.
- Governmental bonds issued after 1985 may not be advance refunded with tax-exempt bonds more than once. Consequently, the City should carefully weigh the benefits and opportunity costs of such an action.

6. Derivatives

The use of any kind of derivative instrument such as interest rate agreements or swaps is *not* permitted.

## IV. Investor and Rating Agency Communications

### A. Disclosure

It is the City's policy to provide primary and secondary disclosure to all investors in the City's bonds and CO's on a periodic basis as required by the Securities and Exchange Commission (SEC) Disclosure Rule 15c2-12 and SEC Antifraud Provision Rule 10b-5 and Municipal Securities Rulemaking Board (MSRB) Rule G-36 as stated below: SEC Disclosure Rule 15c2-12 requires that issuers of municipal securities undertake in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information to various information repositories. SEC Antifraud Provisions Rule 10b-5 requires that disclosure made by issuers of municipal securities be both accurate and complete in all material respects at the time the disclosure is provided. MSRB Rule G-36 requires filing by the broker dealer of the Official Statement within 10 days of the Bond Purchase Agreement execution. The City acknowledges the responsibilities of the underwriting community and shall assist underwriters in their efforts to comply with SEC Disclosure Rule 15c2-12, SEC Antifraud Rule 10b-5 and MSRB Rule G-36.

#### 1. Official Statement Filing - Primary Disclosure

The City shall file its official statements with the MSRB and all nationally recognized municipal securities information repositories.

#### 2. Comprehensive Annual Financial Report (CAFR)

Upon request, the City shall provide a copy of its CAFR within 180 days following the end of its fiscal year and shall disseminate other information that it deems pertinent to



the market in a timely manner. The City shall file its CAFR with the MSRB and all nationally recognized municipal securities information repositories.

### 3. Annual Information Statement (AIS) - Secondary Disclosure

The City shall publish its Annual Information Statement (undertaking) within 210 days following the end of its fiscal year. The City shall file its AIS with the MSRB and all nationally recognized municipal securities information repositories, annually.

4. Every financial report, bond prospectus and Annual Information Statement ("AIS") shall follow a policy of full, complete and accurate disclosure of financial conditions and operating results. All reports shall conform to guidelines issued by the Government Finance Officers Association ("GFOA"), Securities and Exchange Commission ("SEC") and the Internal Revenue Service (IRS) to meet the disclosure needs of rating agencies, underwriters, investors and taxpayers.

## B. Credit Ratings

1. The City shall make every reasonable effort to maintain or improve its underlying high quality credit ratings;

2. The City shall seek a credit rating on all new bond issues, which are being sold in the public market. However, exceptions to this requirement, such as when privately placing a security with a sophisticated investor, are permissible, if warranted by the circumstances;

3. The City shall continue to apply for ratings on credits which have been rated by one or more of the rating agencies in the past;

4. The City shall maintain a line of communications with the bond rating agencies (Moody's, Standard & Poor's, and Fitch), informing them of major financial events in the City as they occur. All communications, both oral and written, in response to requests for information shall be made by the Assistant City Manager / Director of Finance or designee;

5. The City shall report annually all financial information, including the CAFR (after being accepted by the City Council), to agencies which provide credit ratings or credit enhancement for the City's outstanding;

6. The City shall provide full disclosure of operations to the bond rating agencies. The City staff, with the assistance of disclosure counsel, bond counsel and tax counsel, shall prepare the necessary materials for presentations to the bond rating agencies.

## V. Investment of Bond Proceeds

All bond proceeds of debt issues shall be invested in accordance with Federal and State laws and the City's Investment Policy.

## VI. Arbitrage Compliance

It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law.

- The City shall maintain investment allocations by source of funds and record pro rata interest income of the commingled bond funds monthly.
- Project cash flows shall be carefully planned to insure the applicability of rebate exceptions, if feasible.
- Rebate computations should be performed annually, but no less often than every five years until the bonds mature.
- The City shall report to the IRS as required and shall make rebate payments as required by Federal law.
- The City shall structure its financings in such a way as to reduce or eliminate future arbitrage rebate liability, wherever feasible.

## **VII. Legal and Regulatory Requirements**

A. The Assistant City Manager / Finance Director, Financial Advisor and the City's Bond Counsel shall coordinate their activities to ensure that all securities are issued in the most efficient and cost-effective manner possible.

1. Ensure that in the opinion of bond counsel, all securities are issued in compliance with the applicable City, state, and federal statutes and regulations.
2. Bond Counsel shall review all documents related to the issuance of securities by the City.

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

**AGENDA# 27**

**MEETING DATE: 12/12/17**

**SUBJECT: Discuss Improvements at Sunset Point Park**

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

**COMMENTS**

The City engaged the services of Ron Stewart with Environs Group to assist in the development of the master plan for Sunset Point Park. Mr. Stewart is a longtime resident of Highland Village, and has served as the landscape architect on various projects throughout the City such as the Veterans Memorial and the FM 2499 Landscape Beautification Project. Mr. Stewart also resides in the Clearwater Estates subdivision and is very familiar with the Sunset Point Park site.

Sunset Point Park is a one acre, undeveloped mini-park located at 400 Edgewater Drive. Although the park is small, it provides a beautiful and peaceful overlook of Lake Lewisville and serves as a neighborhood park providing waterfront access to residents who reside in the Clearwater Estates subdivision. The Parks and Recreation Open Space Master Plan notes that this park site is a perfect location for a Lake Lewisville overlook and recommends the addition of site furnishings, landscaping, and improvements necessary to stabilize erosion in order to provide a more welcoming atmosphere and encourage public access and use.

At a special meeting of the Parks and Recreation Advisory Board in January, the Environs Group presented details about the park along with three concept plans which included examples of site furnishings, pavilions, and bollards for security. To seek public input, a public forum was held in March and the three concept plans were also posted on the City's website. Based on feedback from the public and City Staff, Environs Group developed a single Concept Master Plan for consideration. The Parks and Recreation Advisory Board voted 4-0 to recommend to City Council approval of the proposed Concept Master Plan for development of Sunset Point Park. Council approved Resolution #2017-2683 approving the Concept Master Plan for Sunset Point Park in May.

**AGENDA# 28**                      **MEETING DATE: 12/12/17**

**SUBJECT:**                      **Discuss Request for Proposals for Solid Waste and Recycling Services**

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

Solid Waste Specialists are in the final stages in the development of our RFP for Solid Waste Services for Highland Village residents. We have identified three different service levels of collection which will provide six different ways of pricing, to determine the appropriate service level for residents with associated cost.

Service provider shall provide collection of refuse and recyclable material (all refuse and recyclable material must be in the cart, no material outside of the cart). Option 1 continues our current compost program and provides a new proposed Bulk Pickup two times a month for residents. The Bulk Pickup would allow a maximum of two yards per collection (approximately the size of a refrigerator). Includes a 95 gallon poly solid waste cart and a 95 gallon recycling cart provided by the contractor that becomes the property of the City for the resident's uses.

Price per home per month Regular Collection \_\_\_\_\_  
 Price per home per month Senior/Handicapped \_\_\_\_\_

Price per home per month Regular Collection \_\_\_\_\_  
 Price per home per month Senior/Handicapped \_\_\_\_\_

Price per home per month Regular Collection	_____
Price per home per month Senior/Handicapped	_____

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

Same service level as option 1, except for the removal of yard waste being delivered to LETCO, instead all yard waste would be incorporated with Bulky & Brush Collection.

**Option 1a – 1x week with all materials in the cart; no composting collection**

**MSW Collection Residential**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Recyclable Materials Collection & Processing**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Bulky & Brush Collection (2x per month, max. 4 yards per collection)**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Option 2 – Service Level and Pricing**

Option 2 is our current contract service level in the collection of refuse and recyclables for residents by means of bags or residents provide their own container at street curb. The compost program remains the same and provides a new proposed Bulk Pickup two times a month for residents. The Bulk Pickup would allow a maximum of two yards per collection (approximately the size of a refrigerator). Resident would supply solid waste container (or bags – up to 10), contractor to provide recycling cart.

**Option 2 – 1x week up to 10 bags, no cart; separate composting collection****MSW Collection Residential**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Recyclable Materials Collection & Processing**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Compost Materials Collection (delivery to LETCO – City pays disposal)**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Bulky Materials Collection (2x per month, max. 2 yards per collection)**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Option 2a – Service Level and Pricing**

Same service level as option 2, except for the removal of yard waste being delivered to LETCO, instead all yard waste would be incorporated with Bulky & Brush Collection (maximum of four yards per collection – approximately the size of two refrigerators).

**Option 2a – 1x week up to 10 bags, no cart; no composting collection****MSW Collection Residential**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

**Recyclable Materials Collection & Processing**

Price per home per month Regular Collection \_\_\_\_\_

Price per home per month Senior/Handicapped \_\_\_\_\_

***Bulky & Brush Collection (2x per month, max. 4 yards per collection)***

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Option 3 – Service Level and Pricing**

Service provider would pickup household refuse **twice** in one week. Recyclable material would be collected once a week (all refuse and recyclable material must be in the cart, no material outside of the cart). Option 3 continues our current compost program and provides a new proposed Bulk Pickup two times a month for residents (maximum of two yards per collection – approximately the size of a refrigerator). Includes a 95 gallon poly solid waste cart and a 95 gallon recycling cart provided by the contractor that becomes the property of the City for the resident's uses.

**Option 3 – 2x week with all materials in the cart; separate composting collection**  
**MSW Collection Residential**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Recyclable Materials Collection & Processing**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Compost Materials Collection (delivery to LETCO – City pays disposal)**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Bulky Materials Collection (2x per month, max. 2 yards per collection)**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Option 3a – Service Level and Pricing**

Same service level as option 3, except for the removal of yard waste being delivered to LETCO, instead all yard waste would be incorporated with Bulky & Brush Collection (maximum of four yards per collection – approximately the size of two refrigerators)..

**Option 3a – 2x week with all materials in the cart; no composting collection**  
**MSW Collection Residential**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Recyclable Materials Collection & Processing**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Bulky & Brush Collection (2x per month, max. 4 yards per collection)**

Price per home per month Regular Collection \_\_\_\_\_  
Price per home per month Senior/Handicapped \_\_\_\_\_

**Other Services**

**Rate for each additional MSW cart per residence (for all options requiring carts)**

Price per home per month (regular or senior) \_\_\_\_\_

**Household Hazardous Waste Collection Rates (call in basis)**

Price per home per month (regular or senior) \_\_\_\_\_

**Special Collection Rates for Collection of Unusual Accumulations**

Rate per hour for Vehicle (any type) and Crew \_\_\_\_\_

Disposal fee per yard collected \_\_\_\_\_

**Disaster Management Rates**

Rate per Hour for Roll Off Truck and Container \_\_\_\_\_

Rate per Hour for Grapple Truck \_\_\_\_\_

Rate per Hour for Rear Load Truck with crew \_\_\_\_\_

Disposal fee per ton collected \_\_\_\_\_

**Small Commercial with Contractor-Supplied 95 gallon Poly Carts**

**(all items must be placed in the cart)**

One Cart once per week \_\_\_\_\_

One Cart twice per week \_\_\_\_\_

Additional Cart(s) Once Per Week \_\_\_\_\_

Additional Cart(s) Twice Per Week \_\_\_\_\_

And finally, a “Request for Proposal” (RFP) for Solid Waste Services is different than a “Low Bid” for providing services. Our consultants, Solid Waste Specialists, have developed an evaluation process to rate each of the proposals based on evaluation criteria. Based on the results of the evaluation of the written proposals, interviews with the top-rated proposers, site visits, reference checks, independent verification of credit ratings, corporate reputation, etc. and any other procedures or due diligence considered necessary for determining the best overall proposal to provide the best services for Highland Village residents.

**Scoring of Proposals**

The Proposal will be ranked according to the proposal evaluation criteria as shown in the table below. Solid Waste Specialists along with City staff will recommend the proposer that demonstrates the best value for the City based on the proposal evaluation criteria.

Criteria	Percent of Total
Compliance, Clarity of Proposal – Minimal Exceptions	5%
Experience	5%
Strength of Personnel	5%
Operational Plan	10%
Disaster Management Plan and HHW Collection Plan	5%
Transition Plan	15%
Customer Service, GPS & Support	10%
Financial Strength of Proposer	5%
Competitive Cost of Proposal	40%

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

<b>AGENDA#</b> 29	<b>MEETING DATE:</b> 12/12/17
<b>SUBJECT:</b>	<b>Status Reports on Current Projects and Discussion on Future Agenda Items</b>
<b>PREPARED BY:</b>	<b>Angela Miller, City Secretary</b>

**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

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

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

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

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

**December 26, 2017**      **Regular City Council Mtg. 7:30 pm (CANCELLED)**

**December 25-26, 2017**      **Christmas Holiday (City Offices Closed)**

January 4, 2018      Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

**January 9, 2018**      **Regular City Council Mtg. 7:30 pm**

January 15, 2018      Park Board Mtg. 6:00 pm (if needed)

January 16, 2018      Planning & Zoning Commission Mtg. 7:00 pm (if needed)

January 18, 2018      Public Art Advisory Board Mtg. 7:00 pm (if needed)

**January 23, 2018**      **Regular City Council Mtg. 7:30 pm**

February 1, 2018      Zoning Board of Adjustment Mtg. 7:00 pm (if needed)

**February 13, 2018**      **Regular City Council Mtg. 7:30 pm**

February 15, 2018      Public Art Advisory Board Mtg. 7:00 pm (if needed)

February 19, 2018      Park Board Mtg. 6:00 pm (if needed)

February 20, 2018      Planning & Zoning Commission Mtg. 7:00 pm (if needed)

**February 27, 2018**      **Regular City Council Mtg. 7:30 pm**

\*\*\*Please visit [www.highlandvillage.org](http://www.highlandvillage.org) or the City Hall bulletin board for latest additions, updates and changes\*\*\*

By: Karen Bradley, Administrative Assistant - City Secretary's Office