



A G E N D A

**REGULAR MEETING
OF THE CITY COUNCIL
CITY OF HIGHLAND VILLAGE, TEXAS
TUESDAY, JUNE 27, 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 Capital Improvement Program (CIP) Budget for Fiscal Year 2017-2018**
- 2. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of June 27, 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**

- 3. 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.**

- 4. Call to Order**
- 5. Prayer to be led by Councilmember Mike Lombardo**
- 6. Pledge of Allegiance to the U.S. and Texas Flags to be led by Councilmember Mike Lombardo**
- 7. 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.)

8. City Manager/Staff Reports

- **HVTV Update**

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

- **Presentation of TAMI Award from the Texas Association of Municipal Information Officers (TAMIO) for the Highland Village Police Department Fallen Officer Bike Race and 5K in the Recurring Special Event Category**
- **Presentation of Award of Excellence from the Texas Association of Municipal Information Officers (TAMIO) for the Journey to Dream Non-Profit of the Year finalist video in the Special One-Time Video Category**

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.

- 10. Consider Approval of Minutes of the Regular Meeting held on June 13, 2017**
- 11. Consider Resolution 2017-2686 Authorizing the City Manager to Execute a Task Order with BW2 Engineers, Inc. for Infiltration/Inflow Analysis Testing for the Southwest Part of the City**
- 12. Consider Resolution 2017-2687 Authorizing the City Manager to Extend an Agreement with Valley View Consulting for an Additional Two Years for the Purpose of Investment Advisory Services**

ACTION AGENDA

- 13. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
- 14. Receive Capital Improvement Program (CIP) for Fiscal Year 2017-2018**

LATE WORK SESSION

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

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

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

- 35Express Project Update

16. 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 23RD DAY OF JUNE, 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: 06/27/17
SUBJECT:	Capital Improvement Program FY 2018
PREPARED BY:	Ken Heerman, Assistant City Manager

BACKGROUND:

The City Charter calls for submission to Council of a five-year capital budget. This provides an opportunity for Council to see a multi-year outlook for planning purposes. In essence, this should provide the framework for consideration of the current year's budget and resulting tax rate.

IDENTIFIED NEED/S:

Capital improvements currently in process, as well as additional proposed programs have been identified by City Staff. The potential programs can come from various sources including City Council, boards/commissions, residents, and Staff members. These projects are non-operational, "big-ticket" items that typically require outside funding sources such as debt issuance, grant, or lease/purchase arrangements.

PROGRESS TO DATE: (if appropriate)

A summary of the identified programs follows – presented in context of a five-year window. With the City nearing build-out, there are limited capital programs anticipated in relation to primary City infrastructure.

In general, after years of substantial growth and approaching substantial build-out, the community is more settled. Capital improvements related to basic infrastructure are widely supported. Improvements related to amenities/improved services, while desired, are viewed in context of affordability. The primary emphasis in the five-year outlook for the past few years has been in controlling on-going operating costs in a context of sustainability within the anticipated revenue base. A focus on staffing has been to maintaining existing staffing levels if possible – with emphasis on efficiency and leveraging technology enhancements to not compromise the high level of service that currently exists, with new positions to be evaluated only if a demonstrated need warrants consideration.

The current year of the five-year outlook is being developed as part of the proposed FY 2018 Budget, and is preliminary at this point – to be updated during the budget process this summer. However, the outlook can provide a larger picture of the financial outlook over the next few years. Outstanding projects at this time are related to the General Fund, Capital Projects Fund, and the Highland Village Community Development Corporation. A number of projects were completed within the past year and are detailed following. The following tables depict a summary of the capital projects in process and anticipated in the subsequent five years.

Current-Year Capital Projects

A \$1.5M tax note was issued in 2016 to address targeted Public Safety and Public Works issues as follows:

\$433,724 for computer aided dispatch (CAD) software
\$690,000 related to Public Safety Radio System
\$205,000 related to rehab of existing screening walls adjacent to FM 2499
\$172,000 related to needed drainage improvements in the City
\$1,500,724 Total

All of these projects are now complete. The Radio System segment was modified, as it was determined that an anticipated radio tower component (\$320,000) was not needed to achieve sufficient radio reception throughout the City. The new radio system will ultimately require replacement of most existing radios, and related amounts were budgeted over the next three years to accomplish this. However, favorable pricing – as well as increased efficiency, prompted redirection of the monies available related to the tower, to replacement of all radios this year. The cost of full radio replacement and peripheral IT expenditures related to the software / radio improvements exceeded the tax note funding – thus requiring utilization of General Fund reserves of \$240,000.

Dog Park

During FY 2016, City Council voted to proceed with the design and construction of a dog park at Unity Park. A significant number of residents voiced their concerns regarding the need for a dog park in Highland Village following the closure of a fenced retention area behind McAuliffe Elementary School to the public. This area had been being used as an "unofficial" off leash dog park for years.

The project was initiated in FY 2016 with a total project cost of \$296,770. Collected Park Development Fees of \$71,856 were utilized, with an additional \$145,177 utilized from General Fund reserves. Anticipated collections of community park fees in FY 2018 will provide the remaining funding. The dog park is now complete, opening to the public in April 2017.

Doubletree Ranch Park

Completion of Doubletree Ranch Park, initially anticipated in October 2015, is now substantially complete. The park was opened to the Public in June 2017.

<i>Projects In –Process</i>			
Description	Funding Source	Remaining Balance (As of 6/15/17)	Status
<i>HV Community Development Fund</i>			
Doubletree Ranch Park	2014 Bond (\$6.7M) in conjunction with IH 35 Mitigation (\$2.8M) – Project Cost – \$9.3M	-0-	Construction in progress with expected completion in June 2017.

Park Development Fee Fund			
Dog Park	Collected Park Development Fees (\$72,662) General Fund (\$224,130) (Project Amt \$296,770)	-0-	Construction initiating in June 2016 with anticipated completion in April 2017.

Projects In Process						
Projected Operating Costs						
Dept	Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capital Projects Fund						
Public Safety	Radio Service Contract	33,000	33,000	33,000	33,000	33,000
Public Safety	CAD software / Radio project	89,901	93,497	97,237	101,127	105,172
Public works improvements do not have additional associated maintenance costs as they do not add additional infrastructure than what currently exists in the City						
Public Safety CAD software adds annual maintenance of \$90,000 annually, partially offset by elimination of previous software (CRIMES) annual support of \$33,000. New radios purchased will increase annual maintenance by \$33,000. And all new radios will require eventual replacement. Useful life is anticipated at 15 years, thus no replacements shown in five-year window.						
HV Community Development Fund						
Parks	Doubletree Ranch Park	100,000	103,000	106,000	110,000	114,000
The Community Development Fund records projects solely related to trail construction and soccer facilities. Costs associated with on-going operations are shown in accordance to the cost to contract maintenance services. The City may choose to utilize City Staff, which would likely have similar cost – but also with a higher service level. Doubletree Ranch Park includes costs related to one additional position, as well as increased park maintenance and utilities.						
Total Costs related to projects in process		222,901	229,497	236,237	244,127	252,172

Identified Future Projects for Consideration

Dept	Description	Funding Source	Total Project Cost	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capital Projects Fund								
Streets	Street Reconstruction Projects (Phase I)	Proposed Bond	\$ 2,750,000	☑				
Streets	Street Reconstruction Projects (Phase II)	Proposed Bond	\$ 2,750,000					☑
Parks	Unity Park Improvements	Proposed Bond	\$ 2,432,661	☑				
Parks	Develop Sunset Park	Proposed Bond	\$ 162,700	☑				
Parks	Brazos Parking lot extension	Proposed Bond	\$ 353,000	☑				
Parks	Lower Sellmeyer Park improvements	Proposed Bond	\$ 30,400					☑
Parks	Lions Club Park improvements	Proposed Bond	\$ 41,250					☑
Parks	Turpin Park improvements	Proposed Bond	\$ 22,000					☑
HV Community Development Fund								
Parks	Marauder Park Trail Head	Proposed Bond	293,700			☑		
Parks	HV Road (Service Center to Lions Club)	Proposed Bond	165,000			☑		
Parks	HV Rd (City Hall to Service Center)	Proposed Bond	300,000			☑		
Parks	Southwood Trail	Proposed Bond	310,000			☑		
Parks	Victoria Trail (Remainder)	Proposed Bond	2,100,000			☑		
	Total		\$ 11,710,711					

Identified Future Projects for Consideration

Projected Operating Costs

Dept	Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<i>Capital Projects Fund</i>						
Streets	Street reconstruction projects	-	-	-	-	-
Parks	Park Improvements					
Street reconstruction does not add additional streets, thus will have no additional maintenance expenditures. Parks projects are primarily rehab / replacement, thus not adding incremental associated maintenance. Maintenance for new software field will be diverted from replaced soccer fields, thus with no additional impact.						
<i>HV Community Development Fund</i>						
Parks	Trail segments				2,500	2,500
	Total				2,500	2,500

The Community Development Fund records projects solely related to trail construction and soccer facilities. Costs associated with on-going operations are shown in accordance to the cost to contract maintenance services. The City may choose to utilize City Staff, which would likely have similar cost – but also with a higher service level.

Anticipated Future Projects

Future Potential Capital Projects for Consideration Potential 2018 Bond Issuance

Public Works - Streets

The City has a program to evaluate and maintain street infrastructure. Generally, needed street overlays are addressed each year in the annual budget, while bonds are issued periodically to fund street reconstruction projects as needed. Streets that have been identified in need of reconstruction within a 5 -7 year window total \$5M based on current costs. These will likely be addressed in two equal segments, with debt issuance corresponding with reductions in existing debt service (FY 2018 and FY 2023) – with intent to provide consistent debt service levels.

Parks

Unity Park is the lone community park for the City and is heavily utilized by City residents. Primarily constructed in the 1990's, and further supplemented with enhancements since, current identified needs are largely related to maintenance / rehab.

- Kids Kastle is substantially at the end of its useful life – constructed with treated wood that has been closely monitored to ensure it is safe for our kids. However, it will require replacement – with benefit of new recycled plastic materials that provide increased safety and less maintenance.

- The ponds at Unity Park have been compromised with accumulation of silt, and will require dredging along with related improvements to mitigate this issue for the future. A drainage study for this area was completed in FY 2017 to identify the scope of improvements needed to address drainage considerations. The recommendation emanating from this study is to make improvements associated with a 50-year flood.
- An expressed need for a softball field to complement the existing baseball fields prompts consideration to redevelop a section of the park for this addition. This will also include addressing adjacent sidewalk sections needing repair and adjustment to meet ADA guidelines.
- Brazos Park Parking Lot extension – A parking lot was constructed at this park (adjacent to the Municipal Complex) several years to relieve parking on adjacent streets. Resulting from popularity of these fields, the current parking is not sufficient to accommodate the number of people using the park. The projected cost to complete this project is \$353,000.

Parks (Unity Park)	Total
Softball field / general improvements	\$ 1,021,250
Pond improvements	811,161
Kids Kastle	<u>600,250</u>
Total	\$ 2,432,661

Sunset Park

This park site is classified as a mini park and it serves local residents as a neighborhood park site that provides water access to Lewisville Lake. By developing the park site we hope to eliminate existing erosion issues and safety concerns. Roadway completion will allow emergency vehicle access and turn around capabilities. Estimated cost for this is \$162,700. The design was completed in FY 2017. Public input was solicited, followed by City Council approval.

Victoria Park Walking Trail / Track

This project entails resurfacing of the walking track at Victoria Park. The existing condition of the track is deteriorating, providing potential tripping hazards to patrons. The anticipated cost of this project is \$275,000.

Proposed 2018 Bond Initiative

The estimated FY 2018 Bond Proposal to fund the streets and parks proposed projects detailed above is \$6M.

Highland Village Community Development Corporation (4B)

These projects are funded by 4B sales tax revenues. Current projects are funded by a debt issue of \$6.7M in early 2014, as well as remaining proceeds from the last debt issue of \$3.8M in FY 2009 (this following a \$3M issue in FY 2008). While issued as a City Certificates of Obligation, the City and the Highland Village Community Development Corporation have an agreement for the Corporation to pay the City the associated debt service. In addition, the City received \$2.8M from TxDOT in FY 2013 as remediation for use of Copperas Branch Park during construction of IH 35. This in turn was applied to construction of Doubletree Ranch Park.

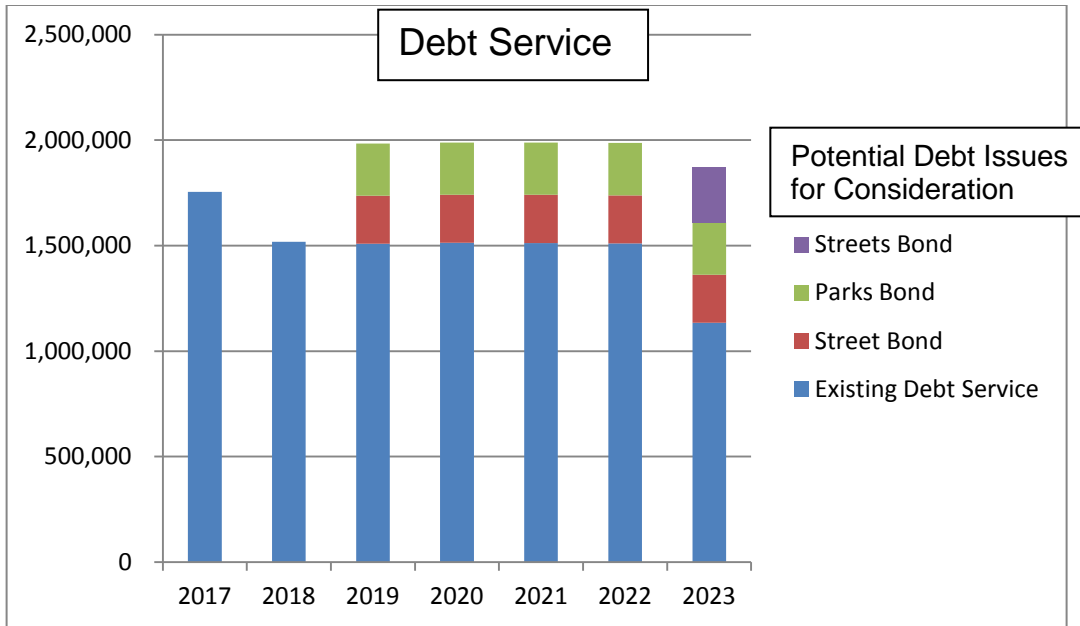
Available funding has been extinguished to complete projects initiated the past couple of years – particularly construction of Doubletree Ranch Park. The City has moved aggressively since the formation of the 4B sales tax corporation in 2004 to fund a core trail system that connected each part of the City. And this has substantially been accomplished. In addition, development of Doubletree Ranch Park addresses the other priority of the 4B sales tax in providing soccer facilities in the City. Reserves were substantially depleted to finish the Doubletree project – with expectation that future projects will be advanced when 4B sales tax revenues and reserves are sufficient to provide for additional debt to fund these projects.

Accordingly, with bond proceeds fully expended in FY 2016, several years will be required to build balances sufficient to issue additional debt to fund projects. Capacity for the next bond issue is not anticipated until the fulfillment of debt service in FY 2018 for the 2008 issue.

Five Year Outlook

In general, the focus of the CIP five-year outlook is to evaluate funding **ability** with suggested capital improvement programs – in regard to issued debt and associated debt service, as well as related ongoing operations costs. Maintaining sufficient fund balance levels is a key measure of evaluation. Financial policies require a minimum 15% fund balance. But a desired level is a range of 20 - 25%.

Preliminary projections, which will be refined during the budget process through the Summer months, does provide capacity to consider debt issues within the five-year outlook. This area has experienced significant valuation increases the past couple of years – with expectation for continued higher than historical average increases over the next few years. However, this is to be viewed in conjunction with stated State legislative effort to limit property tax revenue growth in cities. While the overall increased valuations do afford the City some flexibility, a focus on impending build-out of the City, as well as consideration of legislative action, requires a disciplined approach to manage growth in operations cost and reduction in overall debt-service load. In the ten years prior to FY 2015, debt service represented about 20% of the tax rate. As revenues flatten with build-out, a continued focus on managing debt service is critical – both in terms of avoiding spikes, but also reducing to a lower, more manageable level for the future.



The potential debt offerings shown above are included in a projected five-year outlook to provide a context in discussion of development of the current-year budget. The outlook is based on maintaining current tax rate and incorporating current trends in both revenues and expenditures to provide projections. Any number of factors could change the outcome considerably. Scenarios, such as a downturn in the economy, will be discussed during budget deliberations to assist City Council in decision-making process in regard to funding of the discussed capital projects.

Five-Year Outlook

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Beginning Fund Bal	\$ 5,456,409	\$ 5,123,450	\$ 4,611,579	\$4,955,307	\$5,407,175	\$6,094,551
Revenue						
Property Tax Collections	\$ 9,769,710	10,674,616	11,119,689	11,861,234	12,510,850	13,190,024
Sales Tax	2,548,145	2,622,761	2,699,597	2,778,720	2,860,197	2,861,150
Franchise Fees	1,671,138	1,686,967	1,699,553	1,767,535	1,838,237	1,911,766
Licenses / Permits	756,800	468,728	414,407	397,831	381,918	366,641
Public Safety Fees	491,804	496,661	513,737	560,237	526,428	532,816
All Other	1,719,310	640,927	652,805	678,917	706,074	734,317
Subtotal	16,956,907	16,590,659	17,099,788	18,044,475	18,823,704	19,596,714
Transfers	534,000	534,000	534,000	534,000	534,000	534,000
Total Revenue	17,490,907	17,124,659	17,633,788	18,578,475	19,357,704	20,130,714
Expenditures						
Personnel	11,379,311	12,040,581	12,582,370	13,122,576	13,696,123	14,304,906
Services / Supplies	4,560,384	5,011,741	4,269,189	4,513,032	4,428,204	4,485,625
Supplemental	-	-	150,000	150,000	150,000	150,000
Operating Expenditures	15,939,695	17,052,322	17,001,560	17,785,608	18,274,327	18,940,531
Net Operating Revenue	1,551,212	72,338	632,229	792,867	1,083,377	1,190,183
Equip Replacement / Capital	1,618,171	568,209	272,500	325,000	380,000	240,000
Transfers Out	(266,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Net Revenues	(332,959)	(511,871)	343,729	451,867	687,377	934,183
Ending Fund Balance	\$ 5,123,450	\$ 4,611,579	\$ 4,955,307	\$5,407,175	\$6,094,551	\$7,028,734
	29%	26%	29%	30%	33%	37%

Items to Note:

- Preliminary Five-Year Outlook – will be updated during FY 2017 Budget Process.
- Tax revenues from FY 2018 forward are reflective of the potential debt issues as detailed previously (FY 18).

RECOMMENDATION:

Council to receive the FY 2018 Capital Improvement Budget.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 6 **MEETING DATE: 06/27/17**

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# 9

MEETING DATE: 06/27/17

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.

- Presentation of TAMI Award from the Texas Association of Municipal Information Officers (TAMIO) for the Highland Village Police Department Fallen Officer Bike Race and 5K in the Recurring Special Event Category
- Presentation of Award of Excellence from the Texas Association of Municipal Information Officers (TAMIO) for the Journey to Dream Non-Profit of the Year finalist video in the Special One-Time Video Category

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10

MEETING DATE 06/27/17

SUBJECT: Consider Approval of Minutes of the Regular Meeting held on June 13, 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 June 13, 2017 City Council meeting minutes.

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX
LOCATED AT 1000 HIGHLAND VILLAGE ROAD
TUESDAY, JUNE 13, 2017**

The City Council of the City of Highland Village, Texas met in Early Work Session on the 13th day of June, 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
	Mike Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	John McGee	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Kevin B. Laughlin	City Attorney
	Angela Miller	City Secretary
	Scott Kriston	Public Works Director
	Doug Reim	Police Chief
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Media Specialist
	Karen Bradley	Administrative Assistant

EARLY WORK SESSION

1. Receive an Update regarding Projects, Operations, and Services from Denco Area 9-1-1 District

Copper Canyon Mayor Sue Tejml stated Denco Area 9-1-1 District (Denco) has served Denton County for thirty (30) years, with thirty-three (33) participating member cities and eleven (11) public safety answering points. Denco implements and supports every aspect of 9-1-1 operations within their service area, including technologies, training programs and public education initiatives. She reported there are upwards of 335,000 emergency calls answered per year, with 85% of those calls originating from a mobile device. With Denco's advanced digital mapping and addressing capabilities, they help telecommunicators to guide officers, fire fighters and medical personnel to the right location.

City Manager Michael Leavitt stated Denco and Executive Director Mark Payne have been a great help to the City with our dispatch center. Police Chief Doug Reim stated Denco provides resource tools for hiring and retention of telecommunicators, as well as telecommunications training programs.

Mayor Tejml stated Denco is governed by a board of managers who are elected or appointed by the jurisdictions they serve. Two (2) members of the board are appointed jointly by all participating municipalities. Each year, the term of one of the two members

appointed by the municipalities expires. Mayor Wilcox reported this year, the term of Mayor Tejml expires on September 30th and she would like to serve again. Mayor Wilcox thanked Mayor Tejml for her service and for providing an update to Council.

2. Receive an Update regarding Projects, Operations, and Services from Upper Trinity Regional Water District (UTRWD)

UTRWD Director Richard Lubke provided a status update on Lake Ralph Hall. He stated the Texas Commission for Environmental Quality (TCEQ) recently approved a Water Rights Permit for the lake. The lake will ensure a safe and reliable water supply for the next fifty (50) years.

In addition he reported:

- ❖ There is a new slate of officers on the UTRWD Board.
- ❖ Members of the UTRWD visited Canton after the recent tornado. He stated the UTRWD has an EMS canteen unit that is a 30-foot self-contained, fully equipped kitchen that goes to disaster areas to provide services.
- ❖ The UTRWD will host a breakfast meeting on Wednesday, July 19th at 8:00 a.m. He invited Council and City staff to attend and tour their facility located in Lewisville.

3. Receive an Update on the Southwood Pump Station Well

Public Works Director Scott Kriston reported the City owns and maintains five (5) water wells that help meet peak demand for water supply, primarily during the summer months of high usage. Routine testing of the Southwood Pump Station Well indicated the pumping water level is down approximately sixty (60) feet, the gallons per minute (gpm) is up approximately sixty (60) gpm, and the motor amps are a little high and nearly at service factor values.

Staff believes the added head on the pump has caused additional stretch in the 990 feet of shafts and the impellers are dragging, and causing the pump to use additional horsepower. Staff conceives the aquifer may have dropped approximately sixty (60) feet, which means the pump may need to be lowered. Mr. Kriston stated the well has been pulled and will probably be out of service for about a month.

The Southwood Well was installed in 1996. Mr. Kriston stated generally a maintenance project can be anticipated about every four (4) years for a well. This well was pulled in 2010 (pump was rebuilt) and 2014 (motor was rebuilt and some stages were added). The past two times a pump has been pulled, the cost was approximately \$100,000, with severe damage. Funds were to be included in the next fiscal year budget for routine maintenance. With repairs occurring now, routine maintenance will be done at this time while the pump is pulled, as well as any other needed replacement/repair.

Councilmember McGee asked Assistant City Manager Ken Heerman how often a situation arises where there is a significant need that is not included in the budget. Mr. Heerman reported once or twice over a five (5) year period. Mr. Heerman stated situations such as this is when the reserve utility fund can be used.

4. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of June 13, 2017

Relating to Agenda Item #16, Mr. Leavitt reported last Friday when the agenda packet was being finalized, staff was still waiting on a second quote for the Ford Explorer. In reviewing the original quote, it was discovered that delivery on the vehicle was ninety (90) days out. Staff sought another quote but it was not received until Monday. City

staff handed out a revised Resolution 2017-2685 that shows purchases being made from Sam Pack's Five Star Ford for the Ford Explorer and Silsbee Ford for the Ford Police Interceptor. The total cost is \$51,806.45.

Councilmember Jaworski asked if there was a cost saving in purchasing a Ford Explorer rather than a Ford Taurus. Police Chief Doug Reim stated an SUV is a better choice to accommodate the amount of equipment being used by the officers. In addition, because of how the Ford Explorer will be used, it is less cost because it will not include the police package. Radio equipment will be salvaged from the previous vehicle that was deemed a total loss due to hail damage.

Relating to Agenda Item #12, City Secretary Angela Miller reported there is a minor revision to the May 23, 2017 meeting minutes for Agenda Item #19. The reference to the discussion relating to the City's costs for unfunded mandates was added to the minutes.

Early Work Session ended at 6:39 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)**

Council did not meet in Closed Session.

OPEN SESSION

6. **Call to Order**

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

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Michelle Schwolert	Mayor Pro Tem
	Mike Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	John McGee	Councilmember
	Daniel Jaworski	Councilmember

Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Kevin B. Laughlin	City Attorney
	Angela Miller	City Secretary
	Scott Kriston	Public Works Director
	Doug Reim	Police Chief
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Media Specialist

7. **Prayer to be led by Mayor Pro Tem Michelle Schwolert**

Mayor Pro Tem Schwolert gave the invocation.

8. Pledge of Allegiance to the U.S. and Texas Flags to be led by Mayor Pro Tem Michelle Schwolert

Mayor Pro Tem Schwolert led the pledge to the U.S. and Texas Flags.

9. Visitor Comments

No one wished to speak.

10. City Manager/Staff Reports

- **HVTV Update**

Doubletree Ranch Park – the City’s newest park has nearly a mile of walking trail, a large pavilion overlooking the grand lawn, a barn that includes a party room and an open event area, a splash pad and a snack bar operated by the Flour Shop Bakery from 10:00 a.m. to dusk; the pavilion and barn are available for reservation; contact the Parks and Recreation Department for rental information

Kids Kamp – scheduled weekly starting June 12 and ending August 4 at Briarhill Middle School; includes morning, afternoon or all day Kamp; morning Kamp includes fun and games, and the afternoon Kamp includes field trips

Movies in the Park – to be held on June 16 at Doubletree Ranch Park featuring Middle School: The Worst Years of My Life; the event is free and movies begin at dusk; bring your blanket and lawn chairs

City Manager Michael Leavitt stated drop-ins for Kids Kamp are allowed, but advised to call ahead to make sure there is availability.

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

Councilmember McGee announced Adult Services Librarian Rebecca Mansfield from the Lewisville Public Library is looking for artists who are veterans interested in displaying their artwork at the library during September and/or October. Contact Rebecca for further details; information will also be on the City’s website.

Councilmember Lombardo reminded everyone that Wednesday, June 14 is Flag Day.

Mayor Wilcox expressed condolences to the family of Mr. Dick Bryant. Mr. Bryant served on the Highland Village Planning & Zoning Commission. The funeral service will be held at noon on Thursday, June 15.

Councilmember Jaworski announced that two (2) Briarhill Robotics teams recently competed at a state competition. The teams were made up of mostly sixth graders. The Advanced Team, competing against sixth through twelfth graders, finished 46th. The Intermediate Team competed against 60 teams, and finished 26th. Members of the teams included: Jake Crim, Javier Buendia, Jacob Vaughan, Collin Harvey, Wesley Schiegg, Hudson Bathish, Lucky Nelson and Rahul Kodali.

- **Presentation of Highland Village Balloon Festival Poster Contest Winners**

Deputy Mayor Pro Tem Fleming, representing the Highland Village Lion's Club, recognized the winners of the Highland Village Lion's Club Balloon Festival Poster Contest. Deputy Mayor Pro Tem Fleming explained students from each school in Highland Village submitted poster drawings depicting the 30th Annual Balloon Festival theme of "See Us Soar, Hear Us Roar". She thanked the schools for their continued support with the contest. Semifinalist winners were:

- ❖ Grant Purvis from McAuliffe Elementary – 3rd Place
- ❖ Sawyer Raunam from Briarhill Middle School – 2nd Place
- ❖ Daphney Sanderson from Briarhill Middle School – 1st Place

Ms. Fleming invited everyone to attend the 30th Annual Highland Village Lion's Club Balloon Festival to be held the weekend of August 18-20, 2017 at Unity Park. Council congratulated the contest winners. Photos were taken of all the winners with Mayor Wilcox.

- **Presentation of GFOA Distinguished Budget Presentation Award to the Finance Department**

Mayor Wilcox presented Assistant City Manager Ken Heerman with the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. She offered congratulations to all members of the Finance Department.

Mayor Wilcox advised this is the thirteenth year the City has received this award, which represents a significant achievement by the City. She explained that it reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation designed to assess how well an entity's budget serves the following four categories: as a policy document, a financial plan, an operations guide, and a communication device. Budget documents must be rated "proficient" in all four categories, and the fourteen mandatory criteria within those categories, to receive the award. Mr. Heerman thanked Crystal Babcock and the rest of the Finance Department for their contribution to the budget.

CONSENT AGENDA

Councilmember Busche requested Agenda Item #20 be moved up from the Regular Agenda to the Consent Agenda, with Sue Tejml as the nominee for the Denco Area 9-1-1 District Board of Managers. Mayor Wilcox moved the item up.

- 12. Consider Approval of Minutes of the Regular Meeting held on May 23, 2017**
- 13. Consider Ordinance 2017-1225 approving a Negotiated Settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division, regarding the 2017 Rate Review Mechanism Filings and related matters (2nd and final read)**
- 14. Consider Ordinance 2017-1226 amending the Development Regulations and Site Plan for Planned Development No. 2016-01, generally located on the East side of Chinn Chapel Road, South of the Railroad Tracks, directly North of Chapel Hill Estates, Phase II (2nd and final read)**

15. Consider Ordinance 2017-1227 adopting the Amendments to the Home Rule Charter approved by the Voters of the City of Highland Village on May 6, 2017 (2nd and final read)
16. Consider Resolution 2017-2685 Authorizing the Purchase of Two (2) Police Vehicles through a Cooperative Purchasing Agreement
17. Receive Budget Report for Period Ending April 30, 2017
20. Discuss and Consider Resolution 2017-2684 Nominating One Candidate to a Slate of Nominees for the Board of Managers of the Denco Area 9-1-1 District

Motion by Councilmember McGee, seconded by Mayor Pro Tem Schwolert, to approve Consent Agenda Items #12 through #17, and #20. Motion carried 7-0.

ACTION AGENDA

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

NO ACTION TAKEN

Council did not meet in Closed Session.

19. Receive an Update from Representative Ron Simmons regarding the 85th Legislature Session

Representative Simmons stated it was an honor to represent part of Highland Village and he thanked Council for the opportunity to provide an update on the recent legislative session. He reported the regular session just ended a few weeks ago and with a drop in oil prices over the past few years, they were faced with some budget challenges. He was named to the Committee on Appropriations and reported the budget was reduced by 3-4% from the previous year.

He stated more funding has been allocated for Child Protective Services. A boost in funding will allow for better pay for case workers that will hopefully reduce turnover, expanded community-based placement services, and increased support for those who take in a young relative. Representative Simmons also reported legislators established bills to:

- ❖ Create statewide regulations for ride sharing companies, such as Uber and Lyft
- ❖ Eliminate the “one-punch” option to select all candidates of one political party while voting - voters will still be able to vote straight party, but will have to select every candidate for a single party (Beginning in 2020)
- ❖ Eliminate “sanctuary cities” in Texas by requiring cities and their police departments to comply with state and federal immigration laws (Effective September 1)

He further reported that Governor Greg Abbott has called a special session that will begin on July 18 where he has identified twenty (20) items he is asking lawmakers to consider, including school finance reform and property tax reform. Representative Simmons said he does expect there to be some reduction in the rate where there is a rollback election and asked Council for any suggestions. He also reported the privacy

bill, sanctity of life issues and tree ordinances will be reviewed during the special session.

Regarding rollback elections, Councilmember Busche asked that an average of several years of property taxes, rather than each year, be used during review of property taxes. If based on each year, it could potentially result in cities having to hold an election every year due to the growth of property taxes in Texas. He stated it makes it very difficult for the planning and budgeting process.

Councilmember Jaworski reported the City's budget increase from 2015 to 2016 was 3.3%, which is 1.5 below the increase of property values. Had a revenue cap been enacted, over a fifteen (15) year period, the City would have lost fourteen (14) first responders, over \$6 million in value for tax revenue and would have only saved taxpayers \$74 over fifteen years. He stated there is also the added cost to cities to hold elections. Over the last fifteen years, Mr. Jaworski stated the City would have had to hold an election about every three years, with a cost of approximately \$11,000/per election, which is a significant burden.

Councilmember Jaworski further stated he had asked about the cost of unfunded mandates when reviewing the recent utility rate increase. With respect to the City's utility budget, there are over \$110,000/year in testing costs related to unfunded mandates from the state. He voiced that some relief from unfunded mandates would be helpful. Representative Simmons requested a list of the most costly unfunded mandates so he can review that prior to startup of the special session.

Councilmember Jaworski stated he has heard that over sixty percent (60%) of tax payments go to school districts, but that school finance was not addressed during the recent session. He suggested that school finance reform, along with some appraisal reform, be reviewed. He also suggested a statewide MLS system to allow for access to sales information that impact appraised values. Councilmember Jaworski reported South Carolina does property appraisals every four or five years, which he suggested may be worth studying. Representative Simmons stated consumption taxes and property taxes are all available to work with and he would like to see a system that broadens the tax base.

Councilmember McGee stated Highland Village was just commended for its job of managing the budget, so he does not understand why the City is going to be punished and burdened the same as those that do not manage as well. He is concerned voters will not approve an increase, therefore setting the City up for economic failure.

Mayor Wilcox and members of the Council thanked Representative Simmons for coming and providing an update.

20. Discuss and Consider Resolution 2017-2684 Nominating One Candidate to a Slate of Nominees for the Board of Managers of the Denco Area 9-1-1 District

This item was moved to up to the Consent Agenda.

LATE WORK SESSION

21. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)

City Manager Leavitt reported consultant Debra Morgan will be at the June 27 or July 11 Council meeting to provide a status update on the Kroger shopping center.

Mayor Pro Tem Schwolert asked for an update on completion of old Copperas Park. Mr. Leavitt stated at a recent meeting, he was told September or October for completion, but added that it may be more realistic for completion to be February to April timeframe. He stated the pedestrian bridge has been installed at Copperas.

Councilmember McGee asked if President Trump's infrastructure proposal is passed, could Phase II of the I-35 project be included. Mr. Leavitt reported yes, it is a prime candidate to receive funding. He further stated that Phase II includes replacement of the old Lewisville Lake bridge with construction of a new bridge. In addition, Mr. Leavitt reported improving efficiency and bridge improvements would also be factors that will be considered for infrastructure improvements.

With the damage caused by recent storms, Councilmember Busche asked how soon the repairs to City Hall and other City facilities would take place. Mr. Kriston reported he will be meeting with our TML representative on Thursday regarding the RFP so the project can be put out for bid. Mr. Leavitt stated replacement will probably be about 90 days out. The most critical need is the rotunda roof failure at city hall, which needs to be redesigned and reconstructed.

- **35Express Project Update**

Mr. Leavitt provided the following update:

The quarterly 35Express Community Meeting will be held at 6:30 p.m. on Thursday, June 22, at the MCL Grand Theater located at 100 North Charles Street in Lewisville.

22. Adjournment

Mayor Wilcox adjourned the meeting at 8:26 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 11

MEETING DATE: 06/27/17

SUBJECT: Consider Resolution 2017-2686 Authorizing the City Manager to Execute a Task Order with BW2 Engineers, Inc. for the Provision of Professional Services for the Infiltration/Inflow Analysis for the Southwest Part of the City

PREPARED BY: Scott Kriston, Director of Public Works

BACKGROUND:

The City's infrastructure is aging and requires continued maintenance and restoration in order to provide dependable service to the City's residents. As part of a continuous maintenance program, the City's wastewater system has been evaluated over the years on a phased basis in order to find deficiencies that are allowing infiltration/inflow to occur in the system. Most areas in the City's wastewater system have been evaluated in previous phases. A comprehensive infiltration/inflow study for a part of the City's wastewater system, which has not been previously evaluated, needs to be conducted in the next phase in order to continue the evaluation of the system and identify any deficiencies that need to be corrected in the system. The City has determined that the wastewater system in the southwest part of the City needs to be evaluated this year as the next phase. This area includes several long sewer mains and several large residential and commercial areas that have been built over the last 10 to 20 years and could be susceptible to infiltration/inflow. These areas include the Market Place, Shops at Highland Village, Rolling Hills, Highland Oaks, Chapel Hill phase1 & 2 and Chapel Springs.

IDENTIFIED NEED/S:

An infiltration/inflow analysis needs to be conducted this year in the southwest part of the City where no previous evaluations have been conducted. This area includes several long sewer mains and several residential and commercial areas built over the last 10 to 20 years.

OPTIONS & RESULTS:

This proposed infiltration/inflow analysis of the City's wastewater system in the southwest part of the City (including the field work with associated smoke testing) will insure that the City will continue to provide a dependable wastewater system for its residents, will continue the monitoring and control of infiltration/inflow in the system, and will insure that the system remains in compliance with current TCEQ (state regulatory agency) mandates.

PROGRESS TO DATE: (if appropriate)

A Task Order has been received from BW2 Engineers, Inc, for the provision of professional services required for this project. Pipeline Analysis, LLC will assist BW2 with the field work.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The cost for this project is a not-to-exceed amount of \$57,000. The funds for this project are budgeted in the Utility Operations budget.

RECOMMENDATION:

To approve Resolution 2017-2686.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2686

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. TO PROVIDE PROFESSIONAL SERVICES FOR THE INFILTRATION/INFLOW ANALYSIS FOR THE SOUTHWEST PART OF THE CITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City administration, having determined there is a need perform an Infiltration/inflow analysis of the City's sewer system in the southwest portion of the City, has solicited and received a task order from BW2 Engineers, Inc. ("BW2") to perform such analysis (the "Project") for a fee not to exceed \$57,000.00; and

WHEREAS, City administration recommends authorizing the proposed task order; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to accept the recommendation of the City administration; and

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

SECTION 1. The City Manager is hereby authorized to sign on behalf of the City a task order with BW2 Engineering, Inc. for a fee not to exceed \$57,000.00 for the Project and, subject to applicable state laws, city policies, and, in the event change order(s) result in an increase in the contract amount, the availability of funds for such purpose, to negotiate and sign such change order(s) to said contract as the City Manager determines to be in the best interest of the City.

SECTION 2. This Resolution shall become effective immediately upon passage.

PASSED AND APPROVED THIS 27th DAY OF JUNE, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:6/21/17:87288)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA #	12	MEETING DATE:	6/27/17
SUBJECT:	Consider Resolution 2017-2687 Authorizing the City Manager to Extend an Agreement with Valley View Consulting for an Additional Two Years for the Purpose of Investment Advisory Services		
PREPARED BY:	Ken Heerman, Assistant City Manager		

BACKGROUND:

The City has utilized Valley View Consulting for investment advisory services since April 2001. The City's investment policies have been reviewed and updated, ensuring compliance with State law. Timely investment reports have been submitted to Council consistently. A general investment strategy has been deployed, utilizing staggered intermediate-term investments that ensure cash availability while raising yields.

IDENTIFIED NEED/S:

The Public Funds Investment Act (PFIA) requires investment advisory service agreements to be renewed on a biannual basis – previously renewed in 2015. The agreement follows this briefing as an attachment.

OPTIONS & RESULTS:

Services provided by Valley View Consulting have been excellent to date.

Items identified in the agreement include:

- Consultant to provide professional services to direct and coordinate all programs of investing as authorized by Staff.
- Assist with cash flow projections.
- Suggest appropriate investment strategies.
- Advise on Market conditions.
- Analyze risk/return relationships with various investment alternatives.
- Meet with Finance Staff on an as-needed basis.
- Assist in the selection, purchase and sale of investment securities.
- Advise on the investment of bond proceeds.
- Assist in the preparation of investment reports in compliance with State law and the City's investment policy.
- Assist in the selection of a primary depository financial institution.

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

There is no associated budget impact, as this is a budgeted item. Valley View is proposing to maintain the fees at 0.08% (8 basis points) of the average quarter end book value. Annual fees will range from \$11,000 to \$18,000, and are split between the general and utility funds. However, a good portion, if not all, of these fees are offset by increased yields and Staff timesaving.

RECOMMENDATION:

To approve Resolution 2017-2687.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2017-2687

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT EXTENDING THE INVESTMENT ADVISORY SERVICES WITH VALLEY VIEW CONSULTING, L.L.C. FOR UP TO TWO YEARS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Highland Village, Texas, has contracted with Valley View Consulting, L.L.C. for the purpose of receiving investment advisory services since 2001; and

WHEREAS, the Public Funds Investment Act (PFIA) requires investment advisory service agreements to be renewed on a biannual basis; and

WHEREAS, the City Manager recommends renewing the agreement with Valley View Consulting, L.L.C. for an additional 2 years; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to authorize such extension in accordance with the City Manager's recommendation;

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

SECTION 1. The City Manager is hereby authorized to negotiate and enter into an agreement extending the City's agreement with Valley View Consulting, L.L.C. for investment advisory services for a period not to exceed two years.

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

PASSED AND APPROVED this the 27TH day of June, 2017.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

**AGREEMENT
BY AND BETWEEN
THE CITY OF HIGHLAND VILLAGE, TEXAS
AND
VALLEY VIEW CONSULTING, L.L.C.**

It is understood and agreed that the City of Highland Village (the *Investor*) will have from time to time money available for investment (the *Investable Funds*) and Valley View Consulting, L.L.C. (the *Advisor*) has been requested to provide professional services to the Investor with respect to the Investable Funds. This agreement (the *Agreement*) constitutes the understanding of the parties with regard to the subject matter hereof.

1. This Agreement shall apply to any and all Investable Funds of the Investor from time to time during the period in which this Agreement shall be effective.
2. The Advisor agrees to provide its professional services to direct and coordinate all programs of investing as may be considered and authorized by the Investor.
3. The Advisor agrees to perform the following duties:
 - a. Assist the Investor in developing cash flow projections,
 - b. Suggest appropriate investment strategies to achieve the Investor's objectives,
 - c. Advise the Investor on market conditions, general information and economic data,
 - d. Analyze risk/return relationships between various investment alternatives,
 - e. Attend occasional meetings as requested by the Investor,
 - f. Assist in the selection, purchase, and sale of investments. The Advisor shall not have discretionary investment authority over the Investable Funds and the Investor shall make all decisions regarding purchase and sale of investments. All funds shall be invested consistent with the Texas Public Funds Investment Act, Chapter 2256 Government Code and the Investor's Investment Policy. The eligible investments are listed in the Investor's Investment Policy,
 - g. Advise on the investment of bond funds as to provide the best possible rate of return to the Investor in a manner which is consistent with the proceedings of the Investor authorizing the investment of the bond funds or applicable federal rules and regulations,
 - h. Assist the Investor in creating investment reports in compliance with State legislation and the Investor's Investment Policy,
 - i. Assist the Investor in creating monthly portfolio accounting reports, and
 - j. Assist the Investor in selecting a primary depository services financial institution.

4. The Investor agrees to:

- a. Compensate the Advisor for any and all services rendered and expenses incurred as set forth in Appendix A attached hereto,
- b. Provide the Advisor with the schedule of estimated cash flow requirements related to the Investable Funds, and will promptly notify the Advisor as to any changes in such estimated cash flow projections,
- c. Allow the Advisor to rely upon all information regarding schedules, investment policies and strategies, restrictions, or other information regarding the Investable Funds as provided to it by the Investor and that the Advisor shall have no responsibility to verify, through audit or investigation, the accuracy or completeness of such information,
- d. Recognize that there is no assurance that recommended investments will be available or that such will be able to be purchased or sold at the price recommended by the Advisor, and
- e. Not require the Advisor to place any order on behalf of the Investor that is inconsistent with any recommendation given by the Advisor or the policies and regulations pertaining to the Investor.

5. In providing the investment services in this Agreement, it is agreed that the Advisor shall have no liability or responsibility for any loss or penalty resulting from any investment made or not made in accordance with the provisions of this Agreement, except that the Advisor shall be liable for its own gross negligence or willful misconduct; nor shall the Advisor be responsible for any loss incurred by reason of any act or omission of any broker, selected with reasonable care by the Advisor and approved by the Investor, or of the Investor's custodian. Furthermore, the Advisor shall not be liable for any investment made which causes the interest on the Investor's obligations to become included in the gross income of the owners thereof.

6. The fee due to the Advisor in providing services pursuant to this Agreement shall be calculated in accordance with Appendix A attached hereto, and shall become due and payable as specified. Any and all expenses for which the Advisor is entitled to reimbursement in accordance with Appendix A attached hereto shall become due and payable at the end of each calendar quarter in which such expenses are incurred.

7. This Agreement shall remain in effect until June 30, 2019, with the option of the Investor to extend this Agreement in additional one and two year increments. Provided, however, the Investor or Advisor may terminate this Agreement upon thirty (30) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to the Advisor for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated, all investments and/or funds held by the Advisor shall be returned to the Investor as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement the Advisor shall have no continuing

obligation to the Investor regarding the investment of funds or performing any other services contemplated herein.

8. The Advisor reserves the right to offer and perform these and other services for various other clients. The Investor agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ from advice given to the Investor. The Investor agrees to coordinate with and avoid undue demands upon the Advisor to prevent conflicts with the performance of the Advisor towards its other clients.

9. The Advisor shall not assign this Agreement without the express written consent of the Investor.

10. By initialing the appropriate line, the Investor acknowledges that:

- 1) _____ The Investor was provided a written copy of Form ADV Part 2 not less than 48 hours prior to entering into this written contract, or
- 2) _____ The Investor received a written copy of Form ADV Part 2 at the time of entering into this contract and has the right to terminate this contract without penalty within five business days after entering into this contract.
- 3) X The Investor is renewing an expiring contract and has received in the past, and offered annually, a written copy of Form ADV Part 2.

When accepted by the Investor, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Investor and the Advisor for the purposes and the consideration herein specified.

Respectfully submitted,



Richard G. Long, Jr.
Manager, Valley View Consulting, L.L.C.

This agreement is hereby agreed to and executed on behalf of the City of Highland Village, Texas.

By _____

City of Highland Village

Date: _____

APPENDIX A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the services rendered by the Advisor in connection with the investment of the Investable Funds for the Investor, it is understood and agreed that its fee will be an annual fee of 0.08% (8 basis points) of the average quarter end book value. Said fee shall be prorated and due and payable at the end of each investment quarter.

Should the Investor issue debt and select a bond proceeds investment strategy that incorporates a flexible repurchase agreement or other structured investment, fees will be determined by any applicable I.R.S. guidelines and industry standards.

Should the Investor request assistance with monthly investment portfolio accounting, additional fees shall apply. Said fee shall not exceed \$5,000.00 per year.

Said fee includes all costs of services related to this Agreement, and all travel and business expenses related to attending regularly scheduled meetings. With pre-trip Investor approval, the Advisor may also request reimbursement for special meeting or event travel and business expenses. The obligation of the Advisor to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

Any other fees retained by the Advisor shall be disclosed to the Investor.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14	MEETING DATE: 06/27/17
SUBJECT:	Capital Improvement Program FY 2018
PREPARED BY:	Ken Heerman, Assistant City Manager

BACKGROUND:

The City Charter calls for submission to Council of a five-year capital budget. This provides an opportunity for Council to see a multi-year outlook for planning purposes. In essence, this should provide the framework for consideration of the current year's budget and resulting tax rate.

IDENTIFIED NEED/S:

Capital improvements currently in process, as well as additional proposed programs have been identified by City Staff. The potential programs can come from various sources including City Council, boards/commissions, residents, and Staff members. These projects are non-operational, "big-ticket" items that typically require outside funding sources such as debt issuance, grant, or lease/purchase arrangements.

PROGRESS TO DATE: (if appropriate)

A summary of the identified programs follows – presented in context of a five-year window. With the City nearing build-out, there are limited capital programs anticipated in relation to primary City infrastructure.

In general, after years of substantial growth and approaching substantial build-out, the community is more settled. Capital improvements related to basic infrastructure are widely supported. Improvements related to amenities/improved services, while desired, are viewed in context of affordability. The primary emphasis in the five-year outlook for the past few years has been in controlling on-going operating costs in a context of sustainability within the anticipated revenue base. A focus on staffing has been to maintaining existing staffing levels if possible – with emphasis on efficiency and leveraging technology enhancements to not compromise the high level of service that currently exists, with new positions to be evaluated only if a demonstrated need warrants consideration.

The current year of the five-year outlook is being developed as part of the proposed FY 2018 Budget, and is preliminary at this point – to be updated during the budget process this summer. However, the outlook can provide a larger picture of the financial outlook over the next few years. Outstanding projects at this time are related to the General Fund, Capital Projects Fund, and the Highland Village Community Development Corporation. A number of projects were completed within the past year and are detailed following. The following tables depict a summary of the capital projects in process and anticipated in the subsequent five years.

Current-Year Capital Projects

A \$1.5M tax note was issued in 2016 to address targeted Public Safety and Public Works issues as follows:

\$433,724 for computer aided dispatch (CAD) software
\$690,000 related to Public Safety Radio System
\$205,000 related to rehab of existing screening walls adjacent to FM 2499
\$172,000 related to needed drainage improvements in the City
\$1,500,724 Total

All of these projects are now complete. The Radio System segment was modified, as it was determined that an anticipated radio tower component (\$320,000) was not needed to achieve sufficient radio reception throughout the City. The new radio system will ultimately require replacement of most existing radios, and related amounts were budgeted over the next three years to accomplish this. However, favorable pricing – as well as increased efficiency, prompted redirection of the monies available related to the tower, to replacement of all radios this year. The cost of full radio replacement and peripheral IT expenditures related to the software / radio improvements exceeded the tax note funding – thus requiring utilization of General Fund reserves of \$240,000.

Dog Park

During FY 2016, City Council voted to proceed with the design and construction of a dog park at Unity Park. A significant number of residents voiced their concerns regarding the need for a dog park in Highland Village following the closure of a fenced retention area behind McAuliffe Elementary School to the public. This area had been being used as an "unofficial" off leash dog park for years.

The project was initiated in FY 2016 with a total project cost of \$296,770. Collected Park Development Fees of \$71,856 were utilized, with an additional \$145,177 utilized from General Fund reserves. Anticipated collections of community park fees in FY 2018 will provide the remaining funding. The dog park is now complete, opening to the public in April 2017.

Doubletree Ranch Park

Completion of Doubletree Ranch Park, initially anticipated in October 2015, is now substantially complete. The park was opened to the Public in June 2017.

<i>Projects In –Process</i>			
Description	Funding Source	Remaining Balance (As of 6/15/17)	Status
<i>HV Community Development Fund</i>			
Doubletree Ranch Park	2014 Bond (\$6.7M) in conjunction with IH 35 Mitigation (\$2.8M) – Project Cost – \$9.3M	-0-	Construction in progress with expected completion in June 2017.

Park Development Fee Fund

Dog Park	Collected Park Development Fees (\$72,662) General Fund (\$224,130) (Project Amt \$296,770)	-0-	Construction initiating in June 2016 with anticipated completion in April 2017.
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Projects In Process

Projected Operating Costs

Dept	Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capital Projects Fund						
Public Safety	Radio Service Contract	33,000	33,000	33,000	33,000	33,000
Public Safety	CAD software / Radio project	89,901	93,497	97,237	101,127	105,172
Public works improvements do not have additional associated maintenance costs as they do not add additional infrastructure than what currently exists in the City						
Public Safety CAD software adds annual maintenance of \$90,000 annually, partially offset by elimination of previous software (CRIMES) annual support of \$33,000. New radios purchased will increase annual maintenance by \$33,000. And all new radios will require eventual replacement. Useful life is anticipated at 15 years, thus no replacements shown in five-year window.						
HV Community Development Fund						
Parks	Doubletree Ranch Park	100,000	103,000	106,000	110,000	114,000
The Community Development Fund records projects solely related to trail construction and soccer facilities. Costs associated with on-going operations are shown in accordance to the cost to contract maintenance services. The City may choose to utilize City Staff, which would likely have similar cost – but also with a higher service level. Doubletree Ranch Park includes costs related to one additional position, as well as increased park maintenance and utilities.						
Total Costs related to projects in process		222,901	229,497	236,237	244,127	252,172

Identified Future Projects for Consideration

Dept	Description	Funding Source	Total Project Cost	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capital Projects Fund								
Streets	Street Reconstruction Projects (Phase I)	Proposed Bond	\$ 2,750,000	☑				
Streets	Street Reconstruction Projects (Phase II)	Proposed Bond	\$ 2,750,000					☑
Parks	Unity Park Improvements	Proposed Bond	\$ 2,432,661	☑				
Parks	Develop Sunset Park	Proposed Bond	\$ 162,700	☑				
Parks	Brazos Parking lot extension	Proposed Bond	\$ 353,000	☑				
Parks	Lower Sellmeyer Park improvements	Proposed Bond	\$ 30,400					☑
Parks	Lions Club Park improvements	Proposed Bond	\$ 41,250					☑
Parks	Turpin Park improvements	Proposed Bond	\$ 22,000					☑
HV Community Development Fund								
Parks	Marauder Park Trail Head	Proposed Bond	293,700			☑		
Parks	HV Road (Service Center to Lions Club)	Proposed Bond	165,000			☑		
Parks	HV Rd (City Hall to Service Center)	Proposed Bond	300,000			☑		
Parks	Southwood Trail	Proposed Bond	310,000			☑		
Parks	Victoria Trail (Remainder)	Proposed Bond	2,100,000			☑		
	Total		\$ 11,710,711					

Identified Future Projects for Consideration

Projected Operating Costs

Dept	Description	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Capital Projects Fund						
Streets	Street reconstruction projects	-	-	-	-	-
Parks	Park Improvements					
Street reconstruction does not add additional streets, thus will have no additional maintenance expenditures. Parks projects are primarily rehab / replacement, thus not adding incremental associated maintenance. Maintenance for new software field will be diverted from replaced soccer fields, thus with no additional impact.						
HV Community Development Fund						
Parks	Trail segments				2,500	2,500
	Total				2,500	2,500

The Community Development Fund records projects solely related to trail construction and soccer facilities. Costs associated with on-going operations are shown in accordance to the cost to contract maintenance services. The City may choose to utilize City Staff, which would likely have similar cost – but also with a higher service level.

Anticipated Future Projects

Future Potential Capital Projects for Consideration Potential 2018 Bond Issuance

Public Works - Streets

The City has a program to evaluate and maintain street infrastructure. Generally, needed street overlays are addressed each year in the annual budget, while bonds are issued periodically to fund street reconstruction projects as needed. Streets that have been identified in need of reconstruction within a 5 -7 year window total \$5M based on current costs. These will likely be addressed in two equal segments, with debt issuance corresponding with reductions in existing debt service (FY 2018 and FY 2023) – with intent to provide consistent debt service levels.

Parks

Unity Park is the lone community park for the City and is heavily utilized by City residents. Primarily constructed in the 1990's, and further supplemented with enhancements since, current identified needs are largely related to maintenance / rehab.

- Kids Kastle is substantially at the end of its useful life – constructed with treated wood that has been closely monitored to ensure it is safe for our kids. However, it will require replacement – with benefit of new recycled plastic materials that provide increased safety and less maintenance.

- The ponds at Unity Park have been compromised with accumulation of silt, and will require dredging along with related improvements to mitigate this issue for the future. A drainage study for this area was completed in FY 2017 to identify the scope of improvements needed to address drainage considerations. The recommendation emanating from this study is to make improvements associated with a 50-year flood.
- An expressed need for a softball field to complement the existing baseball fields prompts consideration to redevelop a section of the park for this addition. This will also include addressing adjacent sidewalk sections needing repair and adjustment to meet ADA guidelines.
- Brazos Park Parking Lot extension – A parking lot was constructed at this park (adjacent to the Municipal Complex) several years to relieve parking on adjacent streets. Resulting from popularity of these fields, the current parking is not sufficient to accommodate the number of people using the park. The projected cost to complete this project is \$353,000.

Parks (Unity Park)	Total
Softball field / general improvements	\$ 1,021,250
Pond improvements	811,161
Kids Kastle	<u>600,250</u>
Total	\$ 2,432,661

Sunset Park

This park site is classified as a mini park and it serves local residents as a neighborhood park site that provides water access to Lewisville Lake. By developing the park site we hope to eliminate existing erosion issues and safety concerns. Roadway completion will allow emergency vehicle access and turn around capabilities. Estimated cost for this is \$162,700. The design was completed in FY 2017. Public input was solicited, followed by City Council approval.

Victoria Park Walking Trail / Track

This project entails resurfacing of the walking track at Victoria Park. The existing condition of the track is deteriorating, providing potential tripping hazards to patrons. The anticipated cost of this project is \$275,000.

Proposed 2018 Bond Initiative

The estimated FY 2018 Bond Proposal to fund the streets and parks proposed projects detailed above is \$6M.

Highland Village Community Development Corporation (4B)

These projects are funded by 4B sales tax revenues. Current projects are funded by a debt issue of \$6.7M in early 2014, as well as remaining proceeds from the last debt issue of \$3.8M in FY 2009 (this following a \$3M issue in FY 2008). While issued as a City Certificates of Obligation, the City and the Highland Village Community Development Corporation have an agreement for the Corporation to pay the City the associated debt service. In addition, the City received \$2.8M from TxDOT in FY 2013 as remediation for use of Copperas Branch Park during construction of IH 35. This in turn was applied to construction of Doubletree Ranch Park.

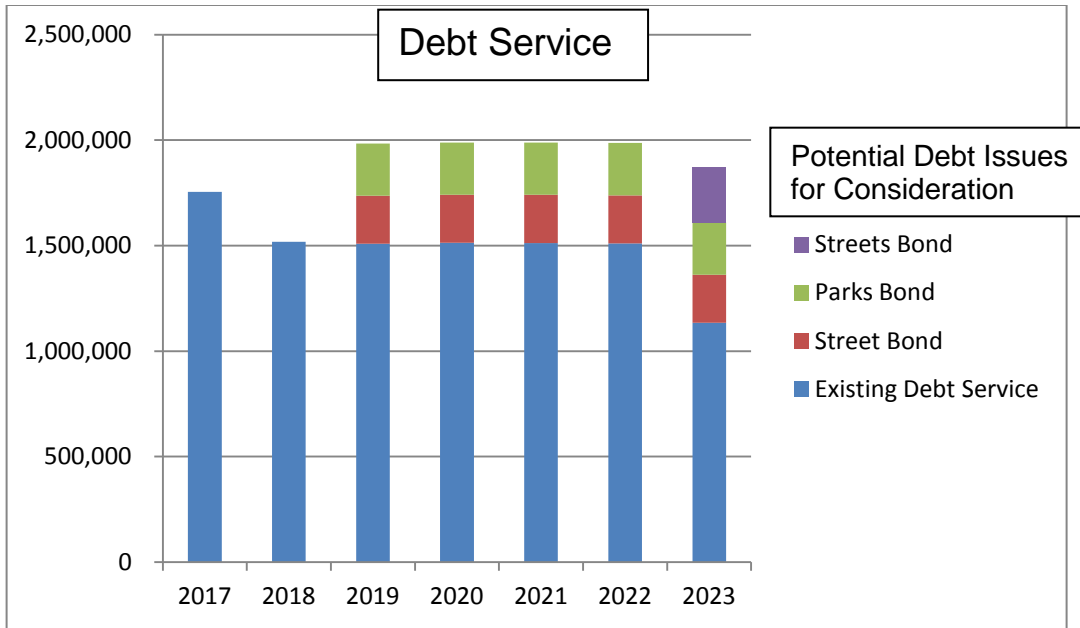
Available funding has been extinguished to complete projects initiated the past couple of years – particularly construction of Doubletree Ranch Park. The City has moved aggressively since the formation of the 4B sales tax corporation in 2004 to fund a core trail system that connected each part of the City. And this has substantially been accomplished. In addition, development of Doubletree Ranch Park addresses the other priority of the 4B sales tax in providing soccer facilities in the City. Reserves were substantially depleted to finish the Doubletree project – with expectation that future projects will be advanced when 4B sales tax revenues and reserves are sufficient to provide for additional debt to fund these projects.

Accordingly, with bond proceeds fully expended in FY 2016, several years will be required to build balances sufficient to issue additional debt to fund projects. Capacity for the next bond issue is not anticipated until the fulfillment of debt service in FY 2018 for the 2008 issue.

Five Year Outlook

In general, the focus of the CIP five-year outlook is to evaluate funding **ability** with suggested capital improvement programs – in regard to issued debt and associated debt service, as well as related ongoing operations costs. Maintaining sufficient fund balance levels is a key measure of evaluation. Financial policies require a minimum 15% fund balance. But a desired level is a range of 20 - 25%.

Preliminary projections, which will be refined during the budget process through the Summer months, does provide capacity to consider debt issues within the five-year outlook. This area has experienced significant valuation increases the past couple of years – with expectation for continued higher than historical average increases over the next few years. However, this is to be viewed in conjunction with stated State legislative effort to limit property tax revenue growth in cities. While the overall increased valuations do afford the City some flexibility, a focus on impending build-out of the City, as well as consideration of legislative action, requires a disciplined approach to manage growth in operations cost and reduction in overall debt-service load. In the ten years prior to FY 2015, debt service represented about 20% of the tax rate. As revenues flatten with build-out, a continued focus on managing debt service is critical – both in terms of avoiding spikes, but also reducing to a lower, more manageable level for the future.



The potential debt offerings shown above are included in a projected five-year outlook to provide a context in discussion of development of the current-year budget. The outlook is based on maintaining current tax rate and incorporating current trends in both revenues and expenditures to provide projections. Any number of factors could change the outcome considerably. Scenarios, such as a downturn in the economy, will be discussed during budget deliberations to assist City Council in decision-making process in regard to funding of the discussed capital projects.

Five-Year Outlook

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Beginning Fund Bal	\$ 5,456,409	\$ 5,123,450	\$ 4,611,579	\$4,955,307	\$5,407,175	\$6,094,551
Revenue						
Property Tax Collections	\$ 9,769,710	10,674,616	11,119,689	11,861,234	12,510,850	13,190,024
Sales Tax	2,548,145	2,622,761	2,699,597	2,778,720	2,860,197	2,861,150
Franchise Fees	1,671,138	1,686,967	1,699,553	1,767,535	1,838,237	1,911,766
Licenses / Permits	756,800	468,728	414,407	397,831	381,918	366,641
Public Safety Fees	491,804	496,661	513,737	560,237	526,428	532,816
All Other	1,719,310	640,927	652,805	678,917	706,074	734,317
Subtotal	16,956,907	16,590,659	17,099,788	18,044,475	18,823,704	19,596,714
Transfers	534,000	534,000	534,000	534,000	534,000	534,000
Total Revenue	17,490,907	17,124,659	17,633,788	18,578,475	19,357,704	20,130,714
Expenditures						
Personnel	11,379,311	12,040,581	12,582,370	13,122,576	13,696,123	14,304,906
Services / Supplies	4,560,384	5,011,741	4,269,189	4,513,032	4,428,204	4,485,625
Supplemental	-	-	150,000	150,000	150,000	150,000
Operating Expenditures	15,939,695	17,052,322	17,001,560	17,785,608	18,274,327	18,940,531
Net Operating Revenue	1,551,212	72,338	632,229	792,867	1,083,377	1,190,183
Equip Replacement / Capital	1,618,171	568,209	272,500	325,000	380,000	240,000
Transfers Out	(266,000)	(16,000)	(16,000)	(16,000)	(16,000)	(16,000)
Net Revenues	(332,959)	(511,871)	343,729	451,867	687,377	934,183
Ending Fund Balance	\$ 5,123,450	\$ 4,611,579	\$ 4,955,307	\$5,407,175	\$6,094,551	\$7,028,734
	29%	26%	29%	30%	33%	37%

Items to Note:

- Preliminary Five-Year Outlook – will be updated during FY 2017 Budget Process.
- Tax revenues from FY 2018 forward are reflective of the potential debt issues as detailed previously (FY 18).

RECOMMENDATION:

Council to receive the FY 2018 Capital Improvement Budget.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: 06/27/17

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

PREPARED BY: Angela Miller, City Secretary

COMMENTS

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.

- 35Express Update



UPCOMING EVENTS

Expected Absences: None

<u>June 27, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>
<u>July 4, 2017</u>	<u>Independence Day Holiday (City Offices Closed)</u>
July 6, 2017	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
<u>July 11, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>
July 17, 2017	Park Board Mtg. 6:00 pm (if needed)
July 18, 2017	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
July 20, 2017	Public Art Advisory Board Mtg. 7:00 pm (if needed)
<u>July 25, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>
August 3, 2017	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
<u>August 8, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>
August 15, 2017	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
August 17, 2017	Public Art Advisory Board Mtg. 7:00 pm (if needed)
August 21, 2017	Park Board Mtg. 6:00 pm (if needed)
<u>August 22, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>
<u>September 4, 2017</u>	<u>Labor Day Holiday (City Offices Closed)</u>
September 7, 2017	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
<u>September 12, 2017</u>	<u>Regular City Council Mtg. 7:30 pm</u>

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

By: Karen Bradley, Administrative Assistant - City Secretary Office