

**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 14th 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 12th 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 1st 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	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

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 4th place for Bands of America and with Flower Mound High School taking 5th 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 (2nd 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 Polices of the City (1st of two reads)**
APPROVED 1ST 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 12th 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 (1st of two reads)

APPROVED 1ST 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.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary