



## A G E N D A

**REGULAR MEETING OF  
THE HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION  
CITY OF HIGHLAND VILLAGE, TEXAS  
TUESDAY, JULY 24, 2018, 5:00 P.M.  
HIGHLAND VILLAGE MUNICIPAL COMPLEX TRAINING ROOM  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS**

1. **Call to Order**
2. **Visitor Comments** *(Anyone wishing to address the Highland Village Community Development Corporation must complete a Speakers' Request form and return it to the Administrative Assistant. In accordance with the Texas Open Meetings Act, the Highland Village Community Development Corporation 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 Chairperson may impose a three (3) minute limitation on any person addressing the Board.*
3. **Consider Approval of Minutes of a Regular Meeting Held on July 24, 2017**
4. **Consider Appointment of Highland Village Community Development Corporation Officers**
5. **Consider Approval of Proposed Budget Amendments for Fiscal Year 2017 – 2018**
6. **Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed Fiscal Year 2018 – 2019 Budget Included Therein.**
7. **Status Reports on Current Projects and Discussion on Future Agenda Items** *(A Boardmember 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.)*
8. **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, BY THE 20<sup>TH</sup> DAY OF JULY, 2018 AT 5:00 P.M.  
Marketing Admin Specialist, Crystal Babcock**

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) 899-5104 for additional information.

Removed from posting on the \_\_\_\_\_ day of \_\_\_\_\_, 2018 at \_\_\_\_:\_\_\_\_  
By \_\_\_\_\_

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION**  
**BRIEFING**

<b>AGENDA#</b> 3	<b>MEETING DATE:</b> July 24, 2018
<b>SUBJECT:</b>	Consider Minutes of the July 24, 2017 Highland Village Community Development Corporation Meeting
<b>PREPARED BY:</b>	Crystal Babcock – Marketing Admin Specialist

**BACKGROUND**

Minutes are approved by majority vote of The Highland Village Community Development Corporation at the meetings.

**IDENTIFIED NEED/S:**

The Board is encouraged to call the Finance Department prior to the meeting with suggested changes. Upon doing so, the staff will make suggested changes.

**OPTIONS & RESULTS:**

The Highland Village Community Development Corporation should review and consider approval of the minutes. The Board's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

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

The Assistant 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 July 24, 2017 Highland Village Community Development Corporation meeting minutes.

**MINUTES OF THE REGULAR MEETING OF THE  
HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION  
CITY OF HIGHLAND VILLAGE, TEXAS  
HELD IN THE MUNICIPAL COMPLEX TRAINING ROOM  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS  
MONDAY, JULY 24, 2017**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 24<sup>th</sup> day of July 2017 at 5:30 in the Training Room.

**1. CALL TO ORDER**

President Smith called the meeting to order at 5:30 p.m.

**ROLL CALL**

Present:	Austin Adams	Citizen Representative
	Michael Anderson	Citizen Representative
	Fred Busche	Council Representative
	Barbara Fleming	Council Representative
	Michelle Schwolert	Council Representative
	Steven Smith	Citizen Representative
	Charlotte Wilcox	Council Representative

Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Fince Espinoza	Parks & Recreation Project Superintendent
	Crystal Babcock	Marketing Admin Specialist
	Andrew Boyd	Multi-Media Specialist

**2. VISITOR COMMENTS**

None.

**3. CONSIDER APPROVAL OF MINUTES OF A REGULAR MEETING HELD ON JULY 11, 2017**

**APPROVED**

Mr. Heerman stated that Item #6 (*Discuss Policy for Lightguard System Utilization*) in the minutes had been updated based on Mr. Smith's suggestion to include getting a recommendation from the Police Department regarding locations that the Lightguard Crosswalk System could be of use.

In addition, Mr. Adams requested that Item #7 (*Discuss Priority of Future Projects*) reflect the correct trail connector name – instead of Barton Creek it should be Barnett Boulevard.

**MRS. SCHWOLERT MADE THE MOTION TO APPROVE THE MINUTES WITH THE DISCUSSED AMENDMENTS. MRS. WILCOX SECONDED THE MOTION.**

Motion to approve carried 7 – 0

**4. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2016 – 2017**

**APPROVED**

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The Bylaws state that the Highland Village Community Development Corporation will receive the Budget for the upcoming Fiscal Year as well as any Budget Amendments for the current Fiscal Year by the end of July. Both of which are submitted with the City's Budget for Council approval.

The City budgets according to categories: Personnel, Services/Supplies, and Capital – with an emphasis to stay within the budget limits of each category.

Mr. Heerman began the presentation by going over the current year's projections. Revenue projections (\$1,300,977) are relatively in line with the budgeted amount (\$1,339,045). In Expenditures, Personnel is going to exceed what was originally in the budget by \$25,000 (Budget - \$180,617; Projection - \$205,617). This is primarily due to overtime related to opening Doubletree Ranch Park. The Services/Supplies category is expected to exceed the budgeted amount by \$35,000 (Budget - \$153,690; Projection - \$188,690), again related to Doubletree Ranch Park.

- Pump House (vent installation; insulation; air conditioning): \$6,500
- IT Room/Concession Building (air conditioning): \$1,500
- Water meter for secondary water line: \$2,500
- Chemicals for Splash Pad: \$5,000
- Wi-Fi (partial year): \$1,760
- Power installed for Wi-Fi: \$2,814

Mrs. Schwolert asked if the City had considered hiring a pool service or chemical service to supply the chemicals and to test the Splash Pad daily as opposed to City Staff. Mr. Heerman stated that Mr. Adams had suggested researching an electronic monitoring system that would transmit that data. Mrs. Schwolert continued by stating that depending on the cost of that type of service it might be beneficial to relieve City Staff of that task.

Mr. Espinoza explained to the Corporation that staff is currently looking at setting up a demo for a wireless controller add-on to the system that will email and text staff when an alarm goes off to be included in the current year's budget. Also, there is not an automatic acid feeder so staff adds that in manually. Once the automatic feeder is installed staff will then test the water every four hours as opposed to every two hours to add chemicals. Mr. Heerman inquired if there is an automatic way to test the water. Mr. Espinoza explained that staff is able to set parameters on the controller where levels should be and in the event that they are not within those parameters it will send a notification to staff.

Mr. Adams would like to see a way that the water test results can be logged electronically and kept. Mr. Esponiza informed the Corporation that once staff has their issued tablets back that they will create a work order where logs will be updated.

Moving to the Capital category, Mr. Heerman explained that we show Capital in two sections: Working Capital and Projects. We budgeted \$42,680 in the Equipment line item, however are showing no expenditures due to equipment for Doubletree Ranch Park being funded in last year's budget.

Mr. Heerman reiterated that Doubletree Ranch Park was expected to be complete in Fiscal Year 2016, so when working on the budget for Fiscal Year 2017 there were no related expenditures anticipated in Capital. Since Doubletree Ranch Park was not complete in Fiscal Year 2016 as expected, the remaining expenditures associated with the completion of Doubletree Ranch Park were carried over to Fiscal Year 2017 (\$511,000). This also

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required funding from Operations. In total, we are re-appropriating funding to Capital to accommodate for those expenditures which will exhaust all available funding from bond proceeds and funds that were set aside for major projects.

The original budget for Capital was \$62,680, projections for Fiscal Year 2017 reflect \$522,680 at fiscal year-end.

**MR. ADAMS MADE THE MOTION TO APPROVE THE PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2016 – 2017. MRS. FLEMING SECONDED THE MOTION.**

Motion to approve carried 7 – 0.

**5. CONDUCT A PUBLIC HEARING AND CONSIDER ADOPTION OF THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2017 – 2018 BUDGET INCLUDED THEREIN**

**APPROVED**

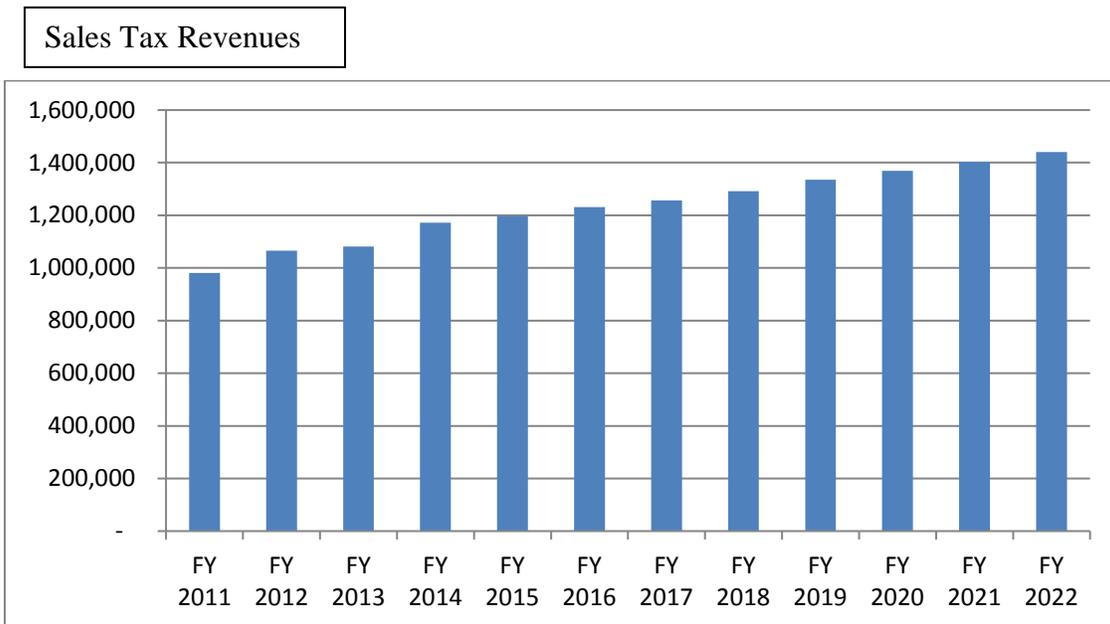
The Bylaws of the Highland Village Community Development Corporation (4B) require an annual update to the Facilities Development Capital Improvement Program (FDCIP), as well as approval of an annual Budget. The FDCIP details projects and implementation in regard to the approved 4B projects: the City Comprehensive Trail System and a Soccer Complex. As the Budget is an integral component of the FDCIP, it is presented together.

Mr. Heerman started the presentation by looking at a supplemental request for an additional position in personnel at Doubletree Ranch Park. At the onset of the Highland Village Community Development Corporation in Fiscal Year 2007, there was one Crew Leader position budgeted. Park Technicians were added in Fiscal Year 2010 and Fiscal Year 2016. Additionally, a Park Technician is proposed for Fiscal Year 2018. The associated cost related to the additional Park Technician would be \$60,970. While the new Park Technician will have defined responsibilities at Doubletree Ranch Park, they will operate as part of the crew to service all trails as well.

Mr. Heerman expanded further that the intention is to start lean with staffing and if a need arises to add additional personnel then that would be addressed at that point.

The primary revenue source for the Highland Village Community Development Corporation is the 4B Sales Tax. Over the past few years, there have been modest increases (averaging around 2.4%). While we did budget for a higher increase this Fiscal Year, with the closing of Kroger in the Town Center as well as lower sales tax revenue generated at The Shops we expect only a 2% increase over Fiscal Year 2016. Moving forward to Fiscal Year 2018 we are optimistic that this will increase slightly to reflect a 2.8% increase.

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In addition to sales tax revenue, revenue is also generated from facility rentals at that various parks as well as field rentals. As rentals at Doubletree Ranch Park are still an unknown at this time, we are estimating rental revenues to be at \$57,670.

Moving forward to expenditures for Fiscal Year 2018, the Personnel category reflects a \$77,848 increase over Fiscal Year 2017 primarily related to the additional Park Technician proposed in supplemental. Personnel is critical to our operations, however, we want to manage that as best we can in order to mitigate increases. The remaining increase in this category is related to salary increases and health insurance. At this point we do not have the final numbers back for our health insurance cost, so for budget purposes we have input a 15% increase.

Mr. Smith asked what percentage the salary increase reflects. Mr. Heerman replied that it is 3% - 4% increase overall with various components factored in such as benefits, Texas Municipal Retirement System (TMRS), as well as workers compensation rates. The 3% - 4% increase is in line with our market cities.

Services/Supplies reflects an increase of \$30,986 related to an increase in maintenance contracts (mowing \$4,256); park maintenance such as fertilizer, weed control, and supplies related to Doubletree Ranch Park (\$19,600); and communication expenses associated with the Wi-Fi at Doubletree Ranch Park (\$5,300).

There are no new projects budgeted in Capital.

Our Working Capital Fund Balance for Fiscal Year 2019 is projected to be \$204,499. Previously, the Corporation had established \$500,000 as the Working Capital Fund Balance threshold when it was new and we did not know what to expect in terms of operations. Now, we have consistency with personnel and services/supplies, therefore \$200,000 is closer to where we should be and represents 15% of the overall expenditures which is equal to the Fund Balance requirement in the General Fund. In

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the future we do want the Working Capital Fund Balance to increase in order to accommodate more debt service to fund more projects.

Mr. Adams clarified that the policy in place for the General Fund is to keep a minimum of 15% in Fund Balance. Mr. Heerman further explained that yes, that is the policy but the target is to keep 20% in Fund Balance as a general practice. Mr. Adams asked what would happen if there was an event that prevented us to meet the 15% minimum? Would the City maintain as budgeted as long as the Working Capital Fund Balance did not go to \$0, or would staff take action to modify expenditures to keep the Working Capital Fund Balance above the 15% minimum? Mr. Heerman explained that the 15% is established to account for a particular year that might be less than expected, with the expectation that the next year corrective action would be taken. In essence the Working Capital Fund Balance is the Corporation's "rainy day fund," however it is not meant to sustain expenditures going forward.

Mr. Adams then asked if the \$204,499 should be viewed as a yellow caution light since it is getting down to the 15% minimum? Mr. Heerman said yes. This goes back a few years when we saw the trend decreasing but the objective was with Castlewood Trail, Lakeside Community Park, and Doubletree Ranch Park viewed as the core and a desired part of what we wanted to finish out with our trail system. When we issued the last debt issue of \$6.7M it was with the expectation that we were going to push the limits to get these projects complete knowing it would be a risk to draw the fund down. Following the completion of those projects we would pause for a few years to build the fund back up, but we have our core base in place and that was the prime objective.

Mr. Heerman presented the completed trails and sidewalk projects. He began by stating that we have trails extending from one end of the city to the other. Also, with Doubletree Ranch Park we accomplished our two approved uses (trail system and soccer facilities). In essence we have achieved our primary objective – there will always be more trails to build but at this point we have a good, solid, functional system. We are entering a period where we maintain what we have, ensure that we have resources to maintain those assets ongoing, and build up funds for the future.

Looking to the future, there are a few proposed trail improvements/additions including:

- Highland Village Road
  - Highland Village Road from City Hall to the Service Center: \$361,100 – This section would grant residents access to get to Doubletree Ranch Park. Being a smaller dollar amount, this might be something that the Corporation could fund in operations in future years.
  - Highland Village Road from the Service Center to Sellmeyer Lane: \$561,200 – This is considered one of the highest priority projects due to safety of pedestrians attempting to cross Highland Village Road to get to Doubletree Ranch Park.
- Chapel Hill City Trail/FM 2499 Pedestrian Tunnel Connector: \$195,500
- Marauder Park Trail Head: \$391,000

Mr. Adams pointed out that when the Chapel Hill Development was approved, the City required them to put a trail easement within their development. The implication was that there would be a connector to the City Trail System as part of our projects. Mr. Adams would like the Chapel Hill connector to be considered a priority due to the aforementioned agreement.

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The City has also identified connector sections. Initially the City allocated \$20,000 per year to allow for these smaller projects, however, that amount does not account for many of the connector projects that should be done. The sections below would be candidates to fund out of 4B Operations once we have built the fund balance back up:

- Castlewood Boulevard at FM 2499: \$39,007
- FM 407 at Barnett Boulevard/Tartan Trail: \$100,000
- Briarhill Boulevard at City Trail: \$62,279
- Walgreens at Highland Forest Drive: \$14,550

Mr. Anderson inquired if the City had looked into any of the TxDOT Safe Routes to School Program for funding on any of these connector sections, specifically Barnett Boulevard/Tartan Trail? Mr. Heerman noted that TxDOT had installed ramps along FM 407, but did not actually install sidewalks along with those ramps. Mr. Heerman said that the City will look into the program.

Mr. Adams asked if the sections were presented based on priority. Mr. Heerman explained that they are not prioritized at this point. Once there are funds to complete the projects it will be up to the Corporation to prioritize them.

Looking ahead at the Five Year Outlook, sales tax is reflected to be maintained at the regular progression. With the completion of Doubletree Ranch Park, we are unsure of rental revenues so for the time being we have entered a static figure which will be updated as we progress and have a better idea as to how Doubletree will impact rental revenues. In Personnel, we anticipate maintaining the current number of employees, so there are only slight increases in future year projections which reflect an average of 4% increase each year. Services/Supplies does encompass items that hit every other year, however, when preparing the budget for the upcoming year the current year budget is used as a baseline and each line item is updated and justified annually as well as any increases.

Mr. Smith asked for clarification if the budget used as the baseline is the budget or actuals. Mr. Heerman explained that actuals are weighed into it, but they might be over or under based on the circumstances of that budget year or merely the time of year that the budget is prepared for the upcoming year. Therefore, a combination of both is taken into consideration when formulating the budget.

Moving forward, Mr. Heerman explained that the Corporation has an agreement with the City where the City issues Certificate of Obligations (debt issues) and the Corporation reimburses the City for the associated debt service annually. The last debt issue (for 20 years) was set up in a way that it would accommodate the reimbursement amount when taking into consideration the debt issue that will expire next year. Debt Service will stay level through 2025. Following that period we will be able to look at other projects.

The bottom line is that we will gradually increase our Working Capital Fund Balance. For the next couple of years, we need to focus on operations. Starting in Fiscal Year 2020 we could start to look at setting the Corporation up for a potential bond issue to be able to accommodate debt service, or to fund some of the smaller projects through operations while keeping our balances in the \$200,000 to \$300,000 range.

Mrs. Schwolert asked if it is determined this year that adding one Park Technician is not sufficient, will the addition of more staff be accounted for in the Corporation budget or would that come out of the General Fund budget? Mr. Heerman stated that there is an

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opportunity for either option. Mrs. Schwolert expressed her concern that with already being at the 15% minimum, adding the costs associated with another employee would drop the Corporation below the minimum.

Mr. Leavitt interjected that once we have had a full year of operations and maintenance at Doubletree Ranch Park we would be able to look at if it would be more cost effective and efficient to outsource some of the general operations such as mowing.

Mr. Smith asked what kind of savings the Corporation would be looking at if we were to outsource mowing. Mr. Leavitt responded that in our last contract renewal for rights-of-way mowing the amount went from \$100,000 down to \$40,000. It's possible that we can get to a point where there is enough competition that we can add Doubletree Ranch Park to the mowing contract and still remain cost effective.

Mrs. Schwolert added that during the initial conversation regarding outsourcing the mowing of the rights-of-way Mr. Leavitt's main concern was safety. In addition to safety, Mrs. Schwolert stated that it would grant the Parks Staff the ability to do other tasks. Mr. Leavitt explained that the Parks Staff maintains the athletic fields at a higher level of quality so outsourcing would be for non-athletic fields. Mr. Heerman brought up the fact that the City has set a high bar and does not want to lower those expectations. Mr. Adams suggested outsourcing something like mowing could be seasonal. Mr. Heerman stated that there is more mowing in the summer than in winter, and winter is typically when staff works on maintenance and projects. Contracting out services is one way of providing relief when needed.

Since Mr. Adams was absent with notice from the previous meeting, he reviewed the minutes and noted that the Lightguard Crosswalk System was discussed but there are none included in the proposed budget. Mr. Heerman responded that there are not any proposed expenditures for this year for the Lightguard Crosswalk System. That being said, there is one on hand that will be installed at the Tennis Center adjacent to the DuVall Center because it is a blind curve. The intent of the discussion was to be proactive in coming up with a means to justify what we have targeted for upcoming years. Additionally, if a need came up during the year that needed immediate action we could address that through a budget amendment.

**PUBLIC HEARING CONDUCTED**

Nature of request is to conduct a public hearing regarding the adoption of the annual updates to the Facilities Development Capital Improvement Program (FDCIP) and the proposed Fiscal Year 2018 Budget included therein.

Mr. Smith opened the public hearing at 6:16 and asked for anyone wishing to speak. There being no one, Mr. Smith closed the Public Hearing at 6:16.

**APPROVED**

Nature of the request is to consider adoption of the annual updates to the Facilities Development Capital Improvement Program (FDCIP) and the proposed Fiscal Year 2017 – 2018 Budget included therein.

**MR. BUSCHE MADE THE MOTION TO ADOPT THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED**

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FISCAL YEAR 2017 – 2018 BUDGET INCLUDED THEREIN. MR. ADAMS SECONDED THE MOTION.

Motion to adopt carried 7 – 0.

**6. STATUS REPORTS ON CURRENT PROJECTS AND DISCUSSION ON FUTURE AGENDA ITEMS** *(A Boardmember 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.)*

**DISCUSSION ITEM ONLY**

Mr. Leavitt informed the Corporation that the City is looking at a bond package that would go to the public for vote in November. Included in the package is improvements to Unity Park, utility funds, and street projects. Mr. Leavitt and Mr. Heerman have discussed that there is the potential to fund some additional projects such as one or two of the proposed trail segments. Mr. Heerman is presenting to Council Tuesday night the inclusion of the two Highland Village Road trail segments (as one project), then Chapel Hill would be paid for out of operations or contingency if that became available.

Mr. Anderson asked if Highland Village Road is just a two lane collector. Mr. Leavitt responded that yes, it is. In previous years, there was discussion to add turn lanes but the public voted against that.

Mr. Leavitt went on to explain that the city engineers have looked at the Highland Village Road Trail Project and have a design concept/profile that can be done. Mr. Heerman reiterated that from a safety stand point that section would be the number one priority. Mr. Leavitt clarified that the General Fund would pay for this project with the bond, however maintenance and operations would be accounted for in the 4B budget since those trails are on the Trail System Master Plan.

**7. ADJOURNMENT**

President Smith adjourned the meeting at 6:25 p.m.

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Steven Smith, President

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Crystal Babcock, Marketing Admin Specialist

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

AGENDA# 4

MEETING DATE: July 24, 2018

SUBJECT: Consider Appointment of Highland Village Community Development Corporation Officers

PREPARED BY: Ken Heerman, Assistant City Manager

### BACKGROUND

Officers defined in the Highland Village Community Development Corporation by-laws include President, Vice President, Secretary, and Treasurer. One person may hold more than one office, except that the President shall not hold the office of Secretary. And terms of office are one year, with the right of an officer to be re-elected.

### IDENTIFIED NEED/S:

Officers are to be appointed/reappointed due to term-limits and the beginning of the new Fiscal Year.

Currently, the positions in effect are as follows:

President – Steven Smith

Vice President – Vacant

Secretary/Treasurer – Vacant

### OPTIONS & RESULTS:

Description of the officer positions – as defined in the by-laws:

**President** The president shall be a member of the Board, shall preside at all meetings of the Board and may sign and execute contracts and other legal instruments in the name of the Corporation as approved by the Board.

**Vice President** The vice president shall be a member of the Board and shall exercise the powers of the president during that officer's absence or inability to act Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

**Treasurer** The treasurer shall be a member of the Board and shall have the responsibility to see to the handling custody and security of all funds and securities of the Corporation in accordance with these bylaws and statutes governing corporations formed under the Act. Upon the approval of the Board the treasurer may endorse and sign on behalf of the Corporation for collection or issuance checks notes and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all monies received and paid out on account of the Corporation. The City Council may require that the treasurer at the expense of the Corporation give a bond for the faithful discharge of his duties in such form and amount as the City Council may require.

**Secretary** The secretary shall be a member of the Board and shall keep the minutes of all meetings of the Board in books provided for that purpose shall give and serve all notices may

sign with the president upon the approval of the Board in the name of the Corporation and/or attest to the signature thereto all contracts conveyances franchises bonds deeds assignments mortgages notes and other instruments of the Corporation shall have charge of the corporate books records documents and instruments except the papers as the Board may direct all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

As Board members can attest, City Staff provides for the functional duties of these positions.

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

N/A

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

None.

**RECOMMENDATION:**

Board to appoint officer positions for the HVCDC.

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

<b>AGENDA #</b> 5	<b>MEETING DATE:</b> July 24, 2018
<b>SUBJECT:</b>	<b>Consider Approval of Proposed Budget Amendments for Fiscal Year 2018</b>
<b>PREPARED BY:</b>	<b>Ken Heerman</b>

### BACKGROUND:

Each department is responsible to not exceed the amounts budgeted in each of three categories – Personnel, Services/Supplies, and Capital. Category subtotals of departmental expenditures thus provide the level of budgetary control. Should a need arise for reallocation between categories or between departments, budget amendments are then presented for Council consideration.

### IDENTIFIED NEED/S:

Prior to submission to City Council for consideration, a proposed budget amendment is presented to the Highland Village Community Development Board. Expenditures for Personnel is within the budgeted amount. Both Services / Supplies and Capital expenditures exceeded budget largely due to timing of the projects – much of the expenditure amount was projected for last budget year, however carrying over to this year. Thus, in essence, the amendment will serve to re-appropriate funding to this year when expenditures were incurred.

#### Personnel \$15,000 increase

**Budget \$258,465 Revised \$273,465**

- Increased overtime primarily related to Doubletree Ranch Park. Budgeted amount is accordingly increased in FY 2019 Budget to be more consistent with operational needs.

#### Services / Supplies \$35,000 increase

**Budget: \$184,676 Revised \$219,676**

- Maintenance Contracts – \$10,000 increase in trail mowing contract
- Utilities - \$15,000 increase related to electric usage
- Supplies / Equipment - \$10,000 increase related to construction of barrier railing adjacent to Splash Pad

These adjustments will be incorporated into mid-year budget amendments submitted to City Council.

### BUDGETARY IMPACT: (if appropriate)

Actual year-end working capital balances were less than anticipated for FY 2017 at \$106,954. In turn, the projected balance for FY 2018 is even less. Thus, it is suggested to provide a

transfer from the General Fund related to the budget amendment. This would provide a projected working capital balance for FY 2018 at year-end of \$92,532, however still below suggested balance of \$266,263.

**RECOMMENDATION:**

Approve budget amendment as submitted.

Budget Amendment Request Worksheet  
Expenditure Line Item for Proposed Change:

<u>Department</u>	<u>Category</u>	<u>Current Budget (Annual)</u>	<u>Proposed Budget (Annual)</u>	<u>Increase / Decrease</u>
HV Community Development Corp	Personnel	258,465	273,465	15,000
HV Community Development Corp	Services / Supplies	184,676	219,676	35,000
Transfer from GF		0	-50,000	-50,000
<b>Net Change in Working Capital</b>				<b>-0-</b>

<p><b>Reason for Request</b></p> <ul style="list-style-type: none"> <li>• <b>Personnel</b> – Increased overtime related to Doubletree Ranch Park</li> <li>• <b>Services / Supplies</b> – <ul style="list-style-type: none"> <li>○ Maintenance Contracts – \$10,000 increase in trail mowing contract</li> <li>○ Utilities - \$15,000 increase related to electric usage</li> <li>○ Supplies / Equipment - \$10,000 increase related to construction of barrier railing adjacent to Splash Pad</li> </ul> </li> </ul>
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# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

**AGENDA# 6**                      **MEETING DATE: July 24, 2018**

**SUBJECT:                      Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed FY 2019 Budget Included Therein.**

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

### **BACKGROUND**

The Bylaws of the Highland Village Community Development Corporation require an annual update to the Facilities Development Capital Improvement Program (FDCIP), as well as approval of an annual budget. The FDCIP details projects and implementation in regard to the approved 4B projects: the City comprehensive trail system and a soccer complex. As the budget is an integral component of the FDCIP, it is presented together.

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

The Corporation is to adopt an annual FDCIP – this enumerating any new projects. An annual budget is also to be approved – this being the first year of the five-year outlook included in the FDCIP. A public hearing is required prior to adoption of the FDCIP and budget. The five-year outlook financial presentation immediately follows this briefing.

This meeting is concerned with discussion including:

- Status of projects in process
- Five-year outlook
- New projects for consideration to add to FDCIP
- Prioritization of projects / implementation

### **OPTIONS & RESULTS:**



generally follows the recent state-wide trend in sale tax receipts. Following next year, projected sales tax revenues over the next several years reflect more subdued increases – reflective of a larger trend of volatility in the retail market, as well as the effect of our major retail centers maturing. With several years of established history with our new developments, we feel more confident to have a reliable income stream, but with no expectation of an explosion of revenues. Thus, a cautious, deliberate approach to future debt issuance is warranted; with emphasis on first building sufficient working capital balances.

The \$6.7M debt issuance in 2014, coupled with the previously received remediation monies (\$2.8M) resulting from the I-35 widening project, effectively provided for substantial completion of the three remaining identified major projects: Doubletree Ranch Park, Castlewood Trail (also including tie-in to the 2499 pedestrian tunnel), and Lakeside Community Park. An additional \$281,152 funding from Operations in FY 2017 to accommodate the final cost of the last remaining project (Doubletree Ranch Park), resulting in a projected working capital balance of just \$106,954, considerably below the target balance of \$244,146. It was anticipated that working capital balance would be reduced below target levels with purpose of providing the additional project funding needed to enable completion of these projects.

The next several years will focus on rebuilding working capital balances. With only modest increases anticipated in sales tax revenues in the immediate time-frame, and debt service remaining at current levels through 2024, there is little expectation to achieve working capital balances sufficient for new debt issuance over the next five years. A respite from new projects will allow a redirected focus on the operational side to better evaluate future funding ability for projects. An exception to this was inclusion in the FY 2018 Bond Election of a trail section adjacent to Highland Village Road from City Hall to Sellmeyer. This will provide a connection along Highland Village Road from FM 407 to Doubletree Ranch Park – and further connection to Copperas Branch Park. This was not funded through the 4B Sales Tax, rather the ad valorem tax base. This reflects a holistic view of the City park / trail system to complement the trail system with use of an alternate funding source.

A financial summary follows this narrative – depicted in two parts: Working Capital and Projects. The working capital section displays the operations budget. Revenues are primarily derived from sales tax proceeds (1/2 cent). Expenditures consist of four full-time positions (the fourth position added in FY 2018) – supplemented with outsourced mowing contracts, costs associated with maintenance activities, and debt service. The HVDCDC has an agreement with the City to repay debt service the City issued on behalf of the HVDCDC. Trail development, with related project expenditures, is the primary mission of the corporation. And these are primarily funded with debt issues. Maintaining sufficient working capital balances are the determining driver in regard to timing and amount of debt issues to fund the projects.

The working capital balance for year-end FY 2018 in the HVDCDC is projected at \$92,532. As the primary revenue source is sales tax, with associated higher degree of volatility, a reasonably healthy level of reserves is necessitated. The City Financial Policies suggest a working capital equivalent to 20% of operational expenditures, which would require balance of \$266,263 with current expenditure projections. While we have fortunately not experienced a high level of volatility in sales tax revenues, it is of paramount importance to build balances to the 20% level. Accordingly, no new projects are to be added until balances are restored to our target levels to enable additional debt capacity.

Highland Village Community Development Corporation  
Working Capital Analysis (FY 2019 Budget)

	<i>Actual 2015-16</i>	<i>Actual 2016-17</i>	<i>Budget 2017-18</i>	<i>Revised 2017-18</i>	<i>Proposed 2018-19</i>
<b>Beginning Fund Balance</b>	<b>824,240</b>	<b>373,513</b>	<b>235,485</b>	<b>106,954</b>	<b>92,532</b>
<b>REVENUES</b>					
<b>4B Sales Tax</b>	\$ 1,231,754	\$ 1,242,599	\$ 1,291,796	\$ 1,262,392	\$ 1,334,766
<b>Park Fees</b>	1,263	15,382	45,190	19,000	5,100
<b>Rental Income</b>		9,002	12,480	52,400	52,400
<b>Concession Fees</b>		590	-	600	600
<b>Linear Park Fees</b>	287	575	574	-	574
<b>Interest Income</b>	2,601	508	800	500	800
<b>Total</b>	<b>1,235,905</b>	<b>1,268,656</b>	<b>1,350,840</b>	<b>1,334,892</b>	<b>1,394,240</b>
<b>EXPENDITURES</b>					
<b>Personnel</b>					
Salaries	102,417	131,489	152,257	166,250	170,393
Benefits	61,720	73,531	106,208	100,657	113,077
<b>Total Personnel</b>	<b>164,137</b>	<b>205,020</b>	<b>258,465</b>	<b>266,907</b>	<b>283,470</b>
<b>Services / Supplies</b>					
Professional Services	50,594	27,208	76,116	86,116	108,116
Employee Development	2,066	1,312	1,135	1,310	2,788
Supplies / Equipment	182,237	78,895	75,115	81,186	42,116
Utilities	19,274	38,169	32,310	45,110	47,610
Other	7,789	-	-	-	-
<b>Total Services / Supplies</b>	<b>261,960</b>	<b>145,584</b>	<b>184,676</b>	<b>213,722</b>	<b>200,630</b>
<b>Reimburse GF</b> (Support Functions)	28,000	28,000	28,000	28,000	28,000
<b>Transfer from GF</b>				(50,000)	
<b>Reimburse GF (Debt Service)</b>	889,309	870,124	870,685	850,685	856,827
<b>Total Non-Capital Exp.</b>	<b>1,343,406</b>	<b>1,248,728</b>	<b>1,341,826</b>	<b>1,309,314</b>	<b>1,368,927</b>
<b>Transfer to 4B Capital Proj.</b>	300,000	281,152	-	-	
<b>Equipment</b>	43,226	5,335	40,000	40,000	-
<b>Net Increase / (Decrease)</b>	<b>(450,727)</b>	<b>(266,559)</b>	<b>(30,986)</b>	<b>(14,422)</b>	<b>25,313</b>
<b>Working Capital Balance</b>	<b>\$ 373,513</b>	<b>\$ 106,954</b>	<b>\$ 204,499</b>	<b>\$ 92,532</b>	<b>\$ 117,845</b>

Highland Village Community Development Corporation  
Debt Financed Projects

	<i>Actual 2015-16</i>	<i>Actual 2016-17</i>	<i>Budget 2017-18</i>	<i>Projected 2017-18</i>	<i>Proposed 2018-19</i>
<b>Funding</b>					
Debt Issuance	-	-			
Funding from Operations	300,000	281,152	-	-	-
I-35 Remediation					-
Interest Earnings	-	-	-	-	-
<b>Total Available Project Funding</b>	<b>300,000</b>	<b>281,152</b>	-	-	-
<b>Misc small, fill-in / connector sections</b>	1,875	-	20,000	-	
<b>Doubletree Ranch Park</b>	1,444,637	659,483		-	-
<b>Total Capital Projects</b>	<b>1,446,512</b>	<b>659,483</b>	<b>20,000</b>	-	-
<b>Remaining Project Funding</b>	<b>378,332</b>	-	<b>285</b>	-	-

Highland Village Community Development Corporation  
Working Capital Analysis (FY 2019 - Five Year Projection)

	<i>Revised 2017-18</i>	<i>Proposed 2018-19</i>	<i>Proposed 2019-20</i>	<i>Proposed 2020-21</i>	<i>Proposed 2021-22</i>	<i>Proposed 2022-23</i>
<b>Beginning Fund Balance</b>	<b>106,954</b>	<b>92,532</b>	<b>117,845</b>	<b>\$ 159,160</b>	<b>\$ 270,803</b>	<b>\$ 397,122</b>
<b>REVENUES</b>						
<b>4B Sales Tax</b>	\$1,262,392	\$1,334,766	1,382,692	1,433,830	1,474,050	1,516,148
<b>Park Fees</b>	19,000	5,100	5,100	5,100	5,100	5,100
<b>Rental Income</b>	52,400	52,400	54,400	54,400	56,400	56,400
<b>Concession Fees</b>	600	600	600	600	600	600
<b>Linear Park Fees</b>	-	574	574	574	574	574
<b>Interest Income</b>	500	800	1,000	2,000	2,000	2,200
<b>Total</b>	<b>1,334,892</b>	<b>1,394,240</b>	<b>1,449,466</b>	<b>1,501,604</b>	<b>1,543,824</b>	<b>1,586,122</b>
<b>EXPENDITURES</b>						
<b>Personnel</b>						
Salaries	166,250	170,393	175,505	180,770	186,193	191,779
Benefits	100,657	113,077	118,165	123,483	129,040	134,846
<b>Total Personnel</b>	<b>266,907</b>	<b>283,470</b>	<b>293,670</b>	<b>304,253</b>	<b>315,232</b>	<b>326,625</b>
<b>Services / Supplies</b>						
Professional Services	86,116	108,116	100,700	114,200	104,800	118,300
Employee Development	1,310	2,788	1,710	1,710	1,710	1,710
Supplies / Equipment	81,186	42,116	77,176	38,706	38,796	59,406
Utilities	45,110	47,610	48,610	48,610	48,610	48,610
Other	-	-	-	-	-	-
<b>Total Services / Supplies</b>	<b>213,722</b>	<b>200,630</b>	<b>228,196</b>	<b>203,226</b>	<b>193,916</b>	<b>228,026</b>
<b>Reimburse GF</b> (Support Functions)	28,000	28,000	28,000	28,000	28,000	28,000
<b>Transfer from GF</b>	(50,000)					
<b>Reimburse GF (Debt Service)</b>	850,685	856,827	858,286	854,482	860,357	855,442
<b>Total Non-Capital Exp.</b>	<b>1,309,314</b>	<b>1,368,927</b>	<b>1,408,152</b>	<b>1,389,960</b>	<b>1,397,505</b>	<b>1,438,093</b>
<b>Transfer to 4B Capital Proj.</b>	-		-	-	20,000	20,000
<b>Equipment</b>	40,000	-	-	-	-	-
<b>Net Increase / (Decrease)</b>	<b>(14,422)</b>	<b>25,313</b>	<b>41,314</b>	<b>111,644</b>	<b>126,319</b>	<b>128,029</b>
<b>Working Capital Balance</b>	<b>\$ 92,532</b>	<b>\$ 117,845</b>	<b>\$ 159,160</b>	<b>\$ 270,803</b>	<b>\$ 397,122</b>	<b>\$ 525,151</b>

No Debt Financed Projects anticipated in five-year window.

## Project Summary

### Completed Projects

- City Trail
- Victoria Trail
- Market Trail
- Village Park Trail
- Lake Vista Trail
- Highland Village Road (Village Park Trail connection to RR crossing)
- Practice Soccer Fields (LISD property)
- Crosswalk at FM 2499
- Market Trail / Village Park Connection
- Pedestrian Crosswalk Enhancements (Victoria Trail crossing @ Highland Village Rd), and City Trail crossing @ Briarhill Blvd)
- FM 2499 Sidewalk (City Trail at FM 2499 south to connect with Market Trail)
- Highland Village Road Trail - Phase IIb (Lions Club Park to Doubletree Ranch Park)
- Highland Village Road RR Crossing
- Marauder Park Lake Access
- Twin Coves Drive West side of Road @ Highland Shores Blvd.. 5' sidewalk connector
- Castlewood Trail (including tie-in to FM 2499 Pedestrian Tunnel and City Trail)
- Southwood Trail
- Lakeside Community Park (707 HV Rd) Trailhead
- Doubletree Ranch Park

### Small fill-in / connector sections completed

- Trail connection from Remington Dr. E. to Highland Village Road.
- Twin Coves Drive West side of Road @ Highland Shores Blvd. 5' sidewalk connector
- Trail Section on Spring Oaks Drive

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### Projects (Previously Identified) for Future Consideration (Listed in Priority Order)

#### Projects

- Highland Village Road (Service Center to Sellmeyer Ln.) Estimated cost: \$561,200 (Eng. \$73,200, Construction \$488,000) **In process (Included in 2018 Parks Bond Issue)**
- Highland Village Road (City Hall to Service Center) Estimated cost: \$361,100 (Eng. \$47,100, Construction \$314,000) **In process (Included in 2018 Parks Bond Issue)**
- Chapel Hill City Trail / FM 2499 Pedestrian Tunnel Connector Estimated cost: \$195,500 (Eng. \$25,500, Construction \$170,000)
- Marauder Park Trail Head Estimated cost: \$391,000 (Eng. \$48,000, Construction \$343,000)
- Pilot Knoll Trail (Connection from FM 2499 Sidewalk at City Trail to Pilot Knoll Park)
- Victoria Trail (remainder)
- Pedestrian tunnel under KCS RR

#### Identified small fill-in / connector sections

- Trail/Sidewalk connection on Castlewood Blvd. (west side) at FM 2499/Highland Shores Blvd. – Estimated cost: \$44,850 (Eng. \$5,850, Construction \$39,000)
- Briarhill Blvd. Across from the Jr. HS West side between the District Trail and Shannon Lane 5' sidewalk connector Estimate \$20,000 - on hold due to conflict with existing trees

- Highland Shores Blvd. at H. V. Road South Side 5' sidewalk/trail connector where bike lane ends due to right turn lane, connect to City Trail Estimate \$8,665 - Engineer currently evaluating best options for bike lane. On street bike lane markings may be the best solution for this location. If so, the City Street Dept. could do the markings at a minimal cost.
- Trail connector from Marauder Park Trail under FM2499 Bridge to connect to Shoreline access point (have easement from TxDOT for trail)

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**RECOMMENDATION:**

Adopt FY 2019 Budget and annual updates to the HVCDC FDCIP.

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION**  
**BRIEFING**

**AGENDA# 7**

**MEETING DATE: July 24, 2018**

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

**PREPARED BY: Crystal Babcock – Marketing Admin Specialist**

**COMMENTS:**

This item is on the Agenda to allow Board members 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 proposal to place the subject on an agenda for a subsequent meeting.