



A G E N D A

**REGULAR MEETING OF THE
HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, JULY 28, 2020, at 4:30 P.M.**

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 Executive Assistant. In accordance with the Texas Open Meetings Act, the 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 Appointment of Highland Village Community Development Corporation Officers**
4. **Consider approval of Minutes of the Regular Community Development Corporation Meeting held on July 23, 2019**
5. **Consider Approval of Proposed Budget Amendments for Fiscal Year 2019 – 2020**
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 2020 – 2021 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, ON THE 24TH DAY OF JULY, 2020 NOT LATER THAN 5:00 P.M.


Karen McCoy, Executive Assistant

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 _____, 2020 at
_____ am / pm by _____.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

BRIEFING

AGENDA# 3

MEETING DATE: 07/28/2020

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:

In accordance to the Highland Village Community Development Corporation bylaws:

The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office except that the president shall not hold the office of secretary Terms of office shall be one 1 year with the right of an officer to be re-elected.

Currently, the positions in effect are as follows:

President – Dale Butler

Vice President – Elisabeth Mechem

Secretary/Treasurer – Vacant (Functions essentially provided by City Staff – previous boards have elected not to fill accordingly).

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

AGENDA# 4	MEETING DATE: 07/28/2020
SUBJECT:	Consider Minutes of the July 23, 2019 Highland Village Community Development Corporation Meeting
PREPARED BY:	Karen McCoy – Executive Assistant

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 23, 2029 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
TUESDAY, JULY 23, 2019**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 23th day of July 2019 at 5:00 in the Training Room.

1. CALL TO ORDER

Vice President Butler called the meeting to order at 5:04 p.m.

ROLL CALL

Present:	Dale Butler	Citizen Representative
	Barbara Fleming	Council Representative
	Tom Heslep	Council Representative
	Michael Lombardo	Council Representative
	Elisabeth Mechem	Citizen Representative
	Charlotte Wilcox	Council Representative

Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Phil Lozano	Director of Parks & Recreation
	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 24, 2018

APPROVED

MRS. WILCOX MADE THE MOTION TO APPROVE THE MINUTES. MR. LOMBARDO SECONDED THE MOTION.

Motion to approve carried 6 – 0

4. CONSIDER APPOINTMENT OF HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION OFFICERS

APPROVED

Mr. Heerman explained that we have three officer positions for the Corporation; President, Vice-President, and Secretary/Treasurer. Mr. Heerman further explained that while the Secretary/Treasurer is provided for in the bylaws, the functions of those two positions are completed by City staff.

Mrs. Wilcox nominated Mr. Butler to be President. Mrs. Fleming made a motion to accept the nomination by acclamation.

Mrs. Wilcox nominated Mrs. Mechem as Vice-President. Mr. Heslep made a motion to accept the nomination of Mrs. Mechem as Vice-President.

Mr. Butler explained that a Secretary/Treasurer was not appointed last year, and made a motion to move forward with the election of a President (Mr. Butler) and Vice-President (Mrs. Mechem).

MR. BUTLER MADE THE MOTION TO APPOINT DALE BUTLER AS PRESIDENT, ELISABETH MECHEM AS VICE-PRESIDENT, AND TO LEAVE THE SECRETARY/TREASURER POSITION VACANT. MRS. WILCOX SECONDED THE MOTION.

Motion to approve carried 6 – 0.

5. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2018 – 2019

APPROVED

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. During the budget process, staff looks at the current year budget and determines the projected amounts necessary to finish the Fiscal Year.

Mr. Heerman started the presentation by giving the history of the Highland Village Community Development Corporation (HV CDC or 4B).

The Highland Village Community Development Corporation (HV CDC or 4B) is a separate fund that is accounted for separate from other revenues and expenditures within the City. Sales tax is the primary revenue source, park fees and rental fees are collected primarily related to the rental of Doubletree Ranch Park facilities.

With the completion of Doubletree Ranch Park and the majority of the Inland Trail System, the focus has shifted to the maintenance of these amenities. We currently have four full time employees funded in the HV CDC budget. These employees are tasked with maintaining the Inland Trail System, Doubletree Ranch Park, and Lakeside Community Park primarily. In reality, we have a full Parks staff which overlaps. This is done for efficiency.

The Personnel category is short (\$35,000) primarily due to overtime related Doubletree Ranch Park (splash pad maintenance, events, etc.). The FY2019 budget included \$283,470 in the Personnel category, with the proposed increase of \$35,000, the new projected budget would be \$318,470.

We are proposing an increase of \$25,000 in the Services/Supplies category largely due to the electrical enhancements made to Doubletree Ranch Park for Christmas at the Ranch.

Staff is also proposing a reduction in the transfer (repayment of debt) to the Debt Service for 4B related debt service to address the increase of General Fund programming at Doubletree Ranch Park.

Mr. Lozano presented a new maintenance structure which focuses on tasks as opposed to location. This has increased the service level provided to our residents and visitors. Additionally, Mr. Lozano pointed out that the City maintains 191 acres, while the maintenance of approximately 79 acres are contracted out.

In an effort to increase efficiency and better track time spent, the work order system was updated to be more reflective of the work performed. With the restructure and the implementation of the updated work order system some of the service improvements include:

Litter	Irrigation Repairs/Water Conservation
Pond Maintenance	Weed and Pest Control
Landscape Service/Curb Appeal	Contract Management
Facility Service Repairs	New Specialized Equipment

Looking ahead, staff has identified future supplemental requests:

- Split rail replacement and barrier addition at Doubletree Ranch Park (estimated at \$8,000)
- Sealing the splash pad (approximately \$23,000) and the pergola (approximately \$9,000) at Doubletree Ranch Park. Please note that the splash pad has to be resealed every 12 – 18 months to keep the integrity of the surfacing intact. Staff plans to have a contractor seal the splash pad the first time and teach staff the proper way, then staff will complete it from then on.
- Addition of river rock (\$10,000) and shade surfacing (\$28,000) at Doubletree Ranch Park.

Mrs. Fleming asked if the City charges parties to use the splash pad.

Mr. Lozano explained that the splash pad is open, but the City does charge for use of the party room.

Mrs. Mechem asked what makes up the rental income in the 4B budget.

Mr. Lozano stated that the soccer fields, rental of the barn, the party room, and pavilion are all included in the rental income.

Mr. Heslep pointed out that the salary went from \$131,000 to \$193,000 and asked how many employees were funded in the 4B in FY2017 compared to now.

Mr. Heerman responded that we went from three employees funded in the 4B to four.

In regards to the splash pad, Mr. Butler asked if the contractor warranties have expired.

Mr. Lozano explained that the maintenance contract expired last August.

Mr. Butler stated that with the addition of the electronic work order system, if we are not adhering to the recommended maintenance, any warranties that remain could be voided. He suggested that we edit/add to any work orders specific to equipment the recommended maintenance schedule for that piece of equipment.

Mr. Heslep asked for clarification as to the expenditures related to the addition of one employee.

Mr. Heerman stated that the salary reflected includes overtime. Additionally, the FY20 budgeted amount for insurance was increased significantly due to proposed rates that have been provided to the City.

Mr. Heslep also inquired what is included in professional services.

Mr. Heerman explained that a large amount of the professional services budgeted is the contract related to mowing.

Mr. Butler asked if the supplies/equipment line item accounts for the majority of the maintenance items.

Mr. Heerman stated that it was.

Mr. Butler went on to ask if the primary difference between the FY18 budget and the FY19 budget was related to maintenance costs being allocated in other areas/budgets, or if the maintenance costs really did decrease.

Mr. Heerman explained that the primary reason for the variance is Doubletree Ranch Park. Leading up to the completion of Doubletree Ranch Park a lot of the supplies and equipment purchases were accounted for in this line item.

Mr. Butler asked Mr. Heerman to explain what the 4B sales tax stands for.

Mr. Leavitt explained that it refers to the section in the local government code that allows for cities to collect a half-cent sales tax.

Mr. Heslep asked if we have employees that mow areas in addition to the contract services.

Mr. Heerman explained that areas that do not need specialized mowing/labor (for example the median along FM 2499) is completed by the contractor; whereas the areas that require more specialized needs (such as athletic fields and parks) are done by City employees.

MRS. FLEMING MADE THE MOTION TO APPROVE THE BUDGET AMENDMENTS AS PROPOSED. MRS. WILCOX SECONDED THE MOTION.

Motion to adopt carried 6 – 0.

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 2019 – 2020 BUDGET INCLUDED THEREIN

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 with a broad overview of the three expenditure categories (Personnel; Services/Supplies; and Capital), as well as the projected collected revenue for FY2020.

Sales Tax proceeds are expected to increase 3.3% over Fiscal Year 2019 collections. We anticipate this revenue source to continue to flatten out and return to the five-year annual average of 2.4% in future years.

The Personnel category reflects an increase of \$40,761 inclusive of the 4% overall increase across the City as well as an increase of \$17,800 allocated for overtime. We are still adjusting to see what that standard is for futures years based on usage and needs for Doubletree Ranch Park in particular. Staff is hopeful that overtime will level out, and will also be mitigated by looking for and implementing more efficient procedures.

Services/Supplies reflects an increase of \$25,895. A large portion of that (\$16,384) is related to the mowing contract. Additionally, last Fiscal Year's budget included a partial year of Wi-Fi at Doubletree Ranch Park, whereas this Fiscal Year includes a full year.

A total of \$78,000 in Supplemental Requests is included in the proposed budget, most of which address issues associated with Doubletree Ranch Park:

- Replacing a section of the rail fence for safety consideration - \$8,000
- Provide for sealing of the pergola to ensure longevity - \$9,000
- Add river rock around landscape beds to keep mulch intact in landscape beds - \$10,000
- Apply sealant to the splash pad to ensure longevity - \$23,000
- Provide artificial turf under the new shade structure adjacent to the playground - \$28,000

As with the proposed budget amendments, staff is proposing to withhold the \$50,000 transfer to Debt Service for 4B related debt.

Staff is anticipating a leveling off of expenditures in future years, allowing fund balances to build back up to normal levels.

Mrs. Mechem inquired about the 3.3% projected increase in sales tax due to receiving revenue from internet sales.

Mr. Heerman explained that the Supreme Court has ruled that sales tax generated from internet sales are to be collected. Texas has already done this to an extent on a voluntary basis, but this now opens everyone up to collections of sales tax. Essentially, the state is responsible for collecting the sales tax and will need to determine the process on how to collect that on the City's behalf.

Mrs. Mechem stated that she had learned that sellers can pay a flat amount of 1.75%, but she was unsure if that also covered revenue for the 4B.

Mr. Heerman explained that the flat fee is on a state by state basis, and currently the State of Texas does not do that.

Mr. Heslep asked how the debt service payment amount to the General Fund is determined.

Mr. Heerman explained that it is the debt service associated with the original debt issue.

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 2020 Budget included therein.

Mr. Butler opened the public hearing at 5:59 and asked for anyone wishing to speak. There being no one, Mr. Butler closed the Public Hearing at 5:59.

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 2019 – 2020 Budget included therein.

MR. LOMBARDO MADE THE MOTION TO ADOPT THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2019 – 2020 BUDGET INCLUDED THEREIN. MRS. FLEMING SECONDED THE MOTION.

Motion to adopt carried 7 – 0.

- 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.)*

DISCUSSION ITEM ONLY

None

8. ADJOURNMENT

President Butler adjourned the meeting at 6:00 p.m.

Dale Butler, President

Karen McCoy, Executive Assistant

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

BRIEFING

AGENDA # 5

MEETING DATE: 07/28/2020

**SUBJECT: Consider Approval of Proposed Budget Amendments for
Fiscal Year 2020**

PREPARED BY: Ken Heerman, Assistant City Manager

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 \$20,000 increase

Budget \$324,231 Revised \$344,231

- Majority of increase related to two primary factors: reassignment of personnel, specifically adding experienced crew leader to 4B, and increased cost for health insurance compared to budget stemming from actual coverage selected.

Services / Supplies \$20,000 decrease

Budget: \$276,525 Revised \$256,525

- Maintenance Contracts - Utilization of contract mowing decreased. In particular, updated contract removes Harlington practice soccer fields (this area now owned by David Weekley Homes) resulting in \$28,000 annual reduction.

Capital \$31,000 increase

Budget: \$ - Revised \$31,000

- In tandem with addition of playground at Doubletree Ranch Park was a synthetic grass area. A life-size chess feature was added, to be funded with City Manager contingency. This is to be transferred via budget amendment to this fund for the offset of the capital expenditure.

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

BUDGETARY IMPACT: (if appropriate)

Projected year-end working capital balances are projected at \$70,647 for FY 2020. .

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	324,231	344,231	20,000
HV Community Development Corp	Services / Supplies	276,525	256,525	-20,000
HV Community Development Corp	Capital	-0-	31,000	31,000
HV Community Development Corp	Transfers-In	-0-	-31,000	-31,000
Net Change in Working Capital				-0-

Reason for Request

- **Personnel** – Majority of increase related to two primary factors: reassignment of personnel, specifically adding experienced crew leader to 4B, and increased cost for health insurance compared to budget stemming from actual coverage selected.
- **Services / Supplies** – Maintenance Contracts – Utilization of contract mowing decreased.
- **Capital** - A life-size chess feature was added at Doubletree Ranch Park, to be funded with City Manager contingency. This is to be transferred via budget amendment to this fund for the offset of the capital expenditure.
- **Transfers-In** - Funding from General Fund to offset capital expenditure

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
BRIEFING

AGENDA# 6	MEETING DATE: 07/28/2020
SUBJECT:	Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed FY 2021 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:

FY 2021 Budget Highlights

- Total base proposed non-capital expenditures for the FY 2021 operating budget reflects an overall decrease of \$25,343 (-2%) from FY 2020.

Personnel

- Concurrent with the opening of Doubletree Ranch Park, an additional position was added in FY 2018, bringing the total number of positions funded by the 4B to four. This crew is focused on maintenance of all city trails, also including Lakeside Community Park and Doubletree Ranch Park. Parks employees funded by the General Fund are also used to supplement as needed. Addition of the Splash Pad at Doubletree Ranch Park, in addition to the other amenities has provided challenges for the Parks Department with the increased workload. Overtime has increased as a result. For FY 21, Personnel reflects a \$370,603 proposed budget – a \$46,372 increase from FY 2020.
 - Roughly \$12,000 of this increase reflects reallocation of personnel – specifically, addition of a seasoned Crew Leader.
 - Proposed Market Adjustment of 3% represents a \$5,580 increase
 - Increase overtime of \$4,200
 - Health insurance increase of \$12,000 resulting from changes in coverage selected by employees

Expenditures for Services / Supplies decreased \$67,911.

- Opportunities for contracted services are reviewed each year, and have primarily been utilized for mowing along City trails and the City-maintained soccer fields on LISD property. The new contract for FY 21 reflected a reduction of \$18,334.
- Park Maintenance budget reflected a decrease of \$44,000, related to last year including \$50,000 of supplemental one-time expenditures. The ongoing operational budget reflects a \$6,000 increase, associated with annual application of sealant to the Splash Pad.
- Utilities decreased \$5,550 reflective of budgeted cost for provided WIFI at Doubletree overstated in FY 2020. While corrected to reflect actual annual cost of \$8,500, this is currently being reviewed to evaluate this as a needed service.

There is no equipment replacement identified for FY 2021.

There are no supplemental requests identified for FY 2021.

With completion of Doubletree Ranch Park in FY 2017, exhausting all remaining bond proceeds, the primary focus now targets maintenance and programming of this park – along with the now extensive trail system throughout the City. With no new projects planned in the immediate future, the operations / maintenance budget is expected to be primarily maintained at its current level, with increases accounting for inflation only.

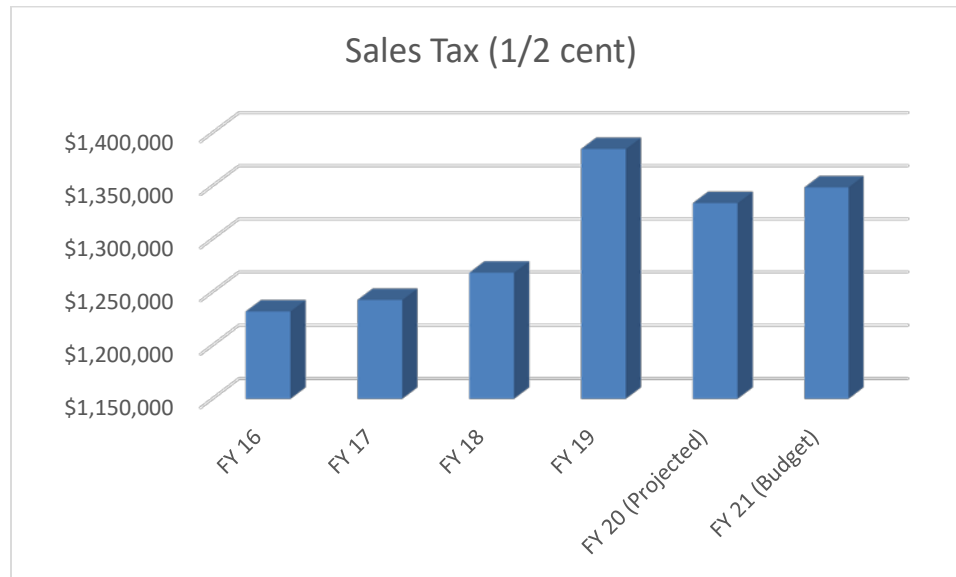
Project Summary

No projects are anticipated for FY 2021, as all remaining available funding was exhausted with completion of Doubletree Ranch Park.

Projected available bond proceeds (9/30/20)	\$ - 0 -
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Financial Outlook

Sales tax revenues, the primary funding source for this fund have reflected modest increases over the past several years.



Increases of just 1% and 2.1% in FY 2017 through FY 2018, was followed with a 9.2% increase in FY 2019. The projected sales tax revenues for FY 2020 reflect the first decrease in quite some time, due to ramifications of COVID-19 shutdowns. However, this is only a 3.7% reduction, which is an outstanding outcome, given the severity of economic ramifications stemming from the shutdown. Clearly, the Supreme Court ruling regarding collecting sales tax on Internet sales has resulted in a positive impact, as internet related sales have largely offset losses from local retail and restaurant sales. For FY 2021 there is considerable uncertainty regarding the economy. Reflected in the budget is a modest increase from this year, however less than received in FY 2019. Following next year, projected sales tax revenues over the next several years are expected to 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 reduced working capital balance.

Since FY 2017, despite a desire to rebuild working capital balances, they have remained below our targets due to increased operational expenditures with the new amenities. While the next several years will focus on rebuilding working capital balances, this will continue to be challenged by the new threshold of operations expenditures. 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 no 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 HVCDC has an agreement with the City to repay debt service the City issued on behalf of the HVCDC. As Doubletree Ranch Park is a mixture of 4B approved expenditures (soccer facilities and trail components) and general fund programming (splash pad), Staff recommendation is to withhold \$50,000 annually from the 4B related debt payment to the General Fund to address the general fund components. 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 2021 in the HVCDC is projected at only \$52,379. As the primary revenue source is sales tax, with associated higher degree of volatility, a reasonably healthy level of reserves is suggested.

	<i>Actual 2017-18</i>	<i>Actual 2018-19</i>	<i>Budget 2019-20</i>	<i>Revised 2019-20</i>	<i>Proposed 2020-21</i>
Beginning Fund Balance	106,954	30,522	24,216	98,101	70,647
REVENUES					
4B Sales Tax	\$ 1,268,252	\$ 1,384,756	\$ 1,348,631	\$ 1,333,775	\$ 1,348,631
Park Fees	47,569	27,979	28,400	8,798	9,000
Rental Income	28	26,672	35,000	21,000	35,000
Concession Fees	-	-	-	-	-
Linear Park Fees	-	-	-	24,108	-
Interest Income	492	734	800	700	800
Total	1,316,340	1,440,141	1,412,831	1,388,381	1,393,431
EXPENDITURES					
Personnel					
Salaries	169,617	191,567	193,674	192,783	222,942
Benefits	94,178	120,045	130,556	148,850	147,661
Total Personnel	263,795	311,612	324,231	341,633	370,603
Services / Supplies					
Professional Services	62,341	59,064	124,500	67,596	106,166
Employee Development	505	0	2,635	561	2,635
Supplies / Equipment	125,464	82,041	96,140	128,809	52,063
Utilities	41,982	41,587	53,250	40,950	47,750
Other	-	-	-	-	-
Total Services / Supplies	230,292	182,692	276,525	237,916	208,614
Reimburse GF (Support Functions)			28,000	28,000	28,000
Transfer from GF				(30,392)	
Reimburse GF (Debt Service)	898,685	834,827	808,286	808,286	804,482
Total Non-Capital Exp.	1,392,772	1,329,131	1,437,042	1,385,443	1,411,699
Equipment	-	43,431	-	30,392	-
Net Increase / (Decrease)	(76,432)	67,579	(24,211)	(27,454)	(18,268)
Working Capital Balance	\$ 30,522	\$ 98,101	\$ 5	\$ 70,647	\$ 52,379

	<i>Proposed 2020-21</i>	<i>Proposed 2021-22</i>	<i>Proposed 2022-23</i>	<i>Proposed 2023-24</i>	<i>Proposed 2024-25</i>
Beginning Fund Balance	70,647	52,379	\$ 2,072	\$ 46,164	\$ 119,880
REVENUES					
4B Sales Tax	\$ 1,348,631	1,386,160	1,425,607	1,458,307	1,491,981
Park Fees	9,000	9,400	10,100	10,100	10,100
Rental Income	35,000	40,000	44,000	48,000	55,000
Concession Fees	-	0	0	0	0
Linear Park Fees	-	0	0	0	0
Interest Income	800	1,000	2,000	2,000	2,200
Total	1,393,431	1,436,560	1,481,707	1,518,407	1,559,281
EXPENDITURES					
Personnel					
<i>Salaries</i>	222,942	229,630	236,519	243,614	250,923
<i>Benefits</i>	147,661	154,306	161,250	168,506	176,089
Total Personnel	370,603	383,936	397,769	412,120	427,012
Services / Supplies					
<i>Professional Services</i>	106,166	93,666	105,166	93,766	105,666
<i>Employee Development</i>	2,635	2,635	2,635	2,685	2,685
<i>Supplies / Equipment</i>	52,063	119,523	49,753	49,543	70,153
<i>Utilities</i>	47,750	48,750	48,850	48,850	48,950
<i>Other</i>	-	-	-	-	-
Total Services / Supplies	208,614	264,574	206,404	194,844	227,454
Reimburse GF (Support)	28,000	28,000	28,000	28,000	28,000
Transfer from GF Reimburse GF (Debt Service)	804,482	810,357	805,442	809,726	486,818
Total Non-Capital Exp.	1,411,699	1,486,867	1,437,615	1,444,691	1,169,283
Equipment	-	-	-	-	-
Net Increase / (Decrease)	(18,268)	(50,307)	44,092	73,716	389,998
Working Capital Balance	\$ 52,379	\$ 2,072	\$ 46,164	\$ 119,880	\$ 509,878

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: \$220,908 (Eng. \$26,650, Construction \$194,258) Engineering funded with redirected savings from favorable street overlay bid, and this is in progress. Funding for construction not yet determined.
- 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

- Briarhill Blvd. Across from the Jr. HS West side between the District Trail and Shannon Lane 5' sidewalk connector Estimate \$80,000 **To be submitted as supplemental request for consideration in FY 2020 Street Budget.**
- Trail/Sidewalk connection on Castlewood Blvd. (west side) at FM 2499/Highland Shores

- Blvd. – Estimated cost: \$44,850 (Eng. \$5,850, Construction \$39,000)
- 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 trail access point (have easement from TxDOT for trail)

There are no proposed updates to the Facilities Development Capital Improvement Program (FDCIP) for FY 2021.

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RECOMMENDATION:
Approve submitted FY 2021 Budget and annual updates to the HVCCDC FDCIP.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION
BRIEFING

AGENDA# 7

MEETING DATE: 07/28/2020

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

PREPARED BY: Karen McCoy – Executive Assistant

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.