



**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 25, 2023, at 4:30 P.M.**

**OPEN SESSION**  
**Training Room**

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 and Approve Change of Registered Agent for the Highland Village Community Development Corporation**
5. **Consider approval of Minutes of the Regular Community Development Corporation Meeting held on July 26, 2022**
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 2023 – 2024 Budget included Therein**
7. **Status Reports on Current Projects and Discussion on Future Agenda Items** *(A Board member 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 21<sup>ST</sup> DAY OF JULY, 2023 NOT LATER THAN 5:00 P.M.**

  
**Angela Miller, City Secretary**

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or email [citysecretary@highlandvillage.org](mailto:citysecretary@highlandvillage.org) for additional information.

Removed from posting on the \_\_\_\_\_ day of \_\_\_\_\_, 2023 at \_\_\_\_\_ am / pm by \_\_\_\_\_.

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

<b>AGENDA#</b> 3	<b>MEETING DATE:</b> 07/25/2023
<b>SUBJECT:</b>	<b>Consider Appointment of Highland Village Community Development Corporation Officers</b>
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>

### BACKGROUND:

Officers are defined in the Highland Village Community Development Corporation by-laws as including a 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. 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 – Vacant

Vice President – Vacant

Secretary/Treasurer – Vacant (Functions essentially provided by City Staff). However, the City Attorney has advised that state law requires a member of the board be elected to serve as the corporation's secretary, even if the duties of the secretary are largely performed by City staff.

### 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 members to elect officers for the HV CDC.

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

<b>AGENDA#</b> 4	<b>MEETING DATE:</b> 07/25/2023
<b>SUBJECT:</b>	<b>Consider Changing the Highland Village Community Development Corporation Registered Agent to reflect Angela Miller</b>
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>

**BACKGROUND:**

A registered agent is an individual that will be the corporation's official point of contact to receive service of process, other legal documents, and official communications from the state.

**IDENTIFIED NEED/S:**

The corporation's current registered agent is no longer employed by the City and no longer lives in the state of Texas. By law, a corporation must have a registered agent who resides in the state. Thus, a new registered agent needs to be appointed.

**OPTIONS & RESULTS:**

The City Secretary serves as the custodian for the official documents of the City, and would be an appropriate choice to appoint as the registered agent. This requires an individual, rather than a position. Thus, the recommendation is to appoint Angela Miller as the registered agent for the Highland Village Community Development Corporation. Once the Board approves the appointment, the appropriate filing will be made with the Texas Secretary of State to make the change.

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

N/A

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

None.

**RECOMMENDATION:**

To designate Angela Miller as the registered agent for the Highland Village Community Development Corporation.

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

<b>AGENDA#</b> 5	<b>MEETING DATE:</b> 07/25/2023
<b>SUBJECT:</b>	<b>Consider Minutes of the July 26, 2022 Highland Village Community Development Corporation Meeting</b>
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>

**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)**

None.

**RECOMMENDATION:**

To approve the July 26, 2022 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 COUNCIL CHAMBERS  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS  
TUESDAY, JULY 26, 2022**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 26<sup>th</sup> day of July 2022 at 4:30 pm in the PD Training Room.

**1. CALL TO ORDER**

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

**ROLL CALL**

Present:	Elisabeth Mechem	Citizen Representative
	Jon Kixmiller	Council Representative
	Dan Jaworski	Council Representative
	Tom Heslep	Council Representative
	Karla Limon	Citizen Representative
Absent :	Jared Christianson	Citizen Representative
	Mike Lombardo	Council Representative
Staff Members:	Ken Heerman	Assistant City Manager
	Paul Stevens	City Manager
	Phil Lozano	Parks & Recreation Director
	Karen McCoy	Executive Assistant
	Andrew Boyd	Multi-Media Specialist
	Heather Miller	Assistant Finance Director
	Michael McWhorter	Budget & Accounting Administrator

**2. VISITOR COMMENTS**

None

**3. 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 that must be filled each year. Staff completes the functions for the Secretary/Treasurer position, however this position must now be filled by a representative per the recommendation of City Attorney, Kevin Laughlin.

Council Representative Kixmiller nominated Elisabeth Mechem as President. Council Representative Jaworski seconded the motion.

Council Representative Jaworski nominated Jared Christianson as Vice-President. Council Representative Kixmiller seconded the motion.

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
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Council Representative Jaworski nominated Karla Limon as Secretary/Treasurer. Council Representative Heslep seconded the motion.

**DAN JAWORSKI MADE THE MOTION TO APPOINT ELISABETH MECHEM AS PRESIDENT, JARED CHRISTIANSON AS VICE-PRESIDENT, AND KARLA LIMON AS SECRETARY/TREASURER. TOM HESLEP SECONDED THE MOTION.**

Motion to approve carried 5 – 0.

**4. CONSIDER APPROVAL OF MINUTES OF THE REGULAR COMMUNITY DEVELOPMENT CORPORATION MEETING HELD ON JULY 27, 2021**

**APPROVED**

**JON KIXMILLER MADE THE MOTION TO APPROVE THE MINUTES. TOM HESLEP SECONDED THE MOTION.**

Motion to approve carried 5 – 0

**5. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2021 – 2022**

**APPROVED**

**(KH combined presentation of 5 and 6. Action taken separately)**

Mr. Heerman that sales tax has been strong and above projections. Rental income is back up some after being down during the pandemic. Picture is good for our revenues. Personnel is right on target. Services/Supplies were a little bit above projected.

Assistant City Manager and Board Liaison Ken Heerman gave an overview of the Highland Village Community Development Corporation Budget before discussing the proposed budget amendments. He stated that 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 provide the level of budgetary control. Mr. Heerman further explained that should the need arise for reallocation between categories or departments, budget amendments are then presented to City Council for consideration.

Personnel - \$37,500 increase  
Budget \$402,427 Revised \$439,927

Reason for request:

- Professional Services - Landscape Architectural Services for fencing options for the Doubletree Ranch Park splash pad. \$12,500
- Splash Pad material cost to make the repairs to enable 2022 season - \$25,000 (Splash pad surfacing scheduled for replacement, but unable to get materials in light of supply chain issues)

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
**MINUTES – JULY 26, 2022**

Mr. Heerman indicated that these adjustments would be incorporated into the mid-year budget amendments that are submitted to City Council. The projected year-end working capital balances are projected at \$451,066 for FY 2022.

**TOM HESLEP MADE THE MOTION TO APPROVE THE BUDGET AMENDMENTS AS PROPOSED. JON KIXMILLER SECONDED THE MOTION.**

Motion to adopt carried 5 – 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 2023 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 regards to the approved 4B projects and uses the ½ cent sales tax for the City Comprehensive Trail System and a Soccer Complex. As the Budget is an integral component of the FDCIP, it is presented together. The purpose of the FDCIP is to provide awareness, to see the projects the city is proposing and then have an opportunity to provide feedback.

Mr. Heerman gave an overview of the FY 2023 Budget Highlights:

Total base proposed non-capital expenditures for the FY 2023 operating budget reflects a slight decrease of \$23,755 (-3.2%) from FY 2022.

**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 the maintenance of all city trails, Lakeside Community Park, and Doubletree Ranch Park. Parks employees are funded by the General Fund and are also used to supplement as needed. Addition of the Splash Pad at Doubletree Ranch Park, in addition to the other amenities, continues to provide challenges for the Parks Department with the increased workload.
- For FY 2023, the proposed budget for Personnel is \$331,609 – a \$10,275 increase (3.2%) from FY 2022.
  - This increase is primarily reflective of an overall 5% increase suggested to at least partially address the impact of inflation for employees and to stem turnover that is being experienced industrywide.
  - While health insurance premiums increased, the overall cost for insurance only marginally increased due to changes in coverage selected by employees assigned to the 4B fund.

Expenditures for Services / Supplies totaling \$385,678 decreased by \$16,749 from last year's budget amount of \$402,427.

- Park Maintenance decreased \$18,799 from \$237,605 to \$218,806.





**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
**MINUTES – JULY 26, 2022**

Rental income projections for Doubletree Ranch Barn was increased \$22,000 reflective of two changes:

- Addition of HVAC to the Barn main rental area and updating rental fees more reflective of area rates for similar facilities.
- Sales tax revenues, the primary revenue source for this fund, have experienced a robust recovery in the two years following the pandemic.

No Debt Financed Projects anticipated in three-year window. Restoration of working capital balances is anticipated to provide capability for consideration of debt issuance in FY 2026 or 2027.

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
  - Briarhill Blvd. Across from the Jr. HS West side between the District Trail and Shannon Lane 5' sidewalk connector

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

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
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Projects

- Highland Village Road (Service Center to Sellmeyer Ln.) 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)
  - o These two sections were bid as one project (also including trail around Victoria Park), utilizing 2018 Bond proceeds
  - o Bid Construction Cost \$883,350, anticipating completion in Summer / Fall 2022
- 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 to utilize available 2018 bond proceeds.
- 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 at FM 2499 at Highland Shores Blvd. Estimated cost: \$44,850
- Highland Shores Blvd at Highland Village Road 5' sidewalk/trail connector where bike lane ends due to right turn lane and connect to City Trail. Estimate \$8,665
- Trail Connection from Marauder Park Trail under FM2499 Bridge to connect to Shoreline access point. City has easement from TxDOT for trail

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)
- 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)

There are no proposed updates to the Facilities Development Capital Improvement Program (FDCIP) for FY 2023.

**PUBLIC HEARING CONDUCTED**

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
**MINUTES – JULY 26, 2022**

Ken Heerman stated the 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 2022-2023 Budget included therein.

Ms. Mechem opened the public hearing at 5:56 pm and asked for anyone wishing to speak. There being no one, Ms. Mechem closed the Public Hearing at 5:57 pm.

**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 2020 – 2021 Budget.

**TOM HESLEP MADE THE MOTION TO ADOPT THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2021 – 2022 BUDGET INCLUDED THEREIN. JON KIXMILLER SECONDED THE MOTION.**

Motion to adopt carried 5 – 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***

None

**7. ADJOURNMENT**

President Mechem adjourned the meeting at 5:59 p.m.

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President

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Karen McCoy, Executive Assistant

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

<b>AGENDA# 6</b>	<b>MEETING DATE:</b>	<b>07/25/2023</b>
<b>SUBJECT:</b>	<b>Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed FY 2024 Budget Included Therein</b>	
<b>PREPARED BY:</b>	<b>Ken Heerman, Assistant City Manager</b>	

### 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 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 2024 Budget Highlights

- Total base proposed non-capital expenditures for the FY 2024 base operating budget reflects an increase of \$44,890 (6.1%) from FY 2023.

#### 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, 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, continues to provide challenges for the Parks Department with the increased workload.

- The primary factor of the budget increase is related to personnel costs. For FY 2024, the proposed budget for Personnel is \$363,179 – a \$31,570 increase (9.5%) from FY 2023.
    - This increase is primarily reflective of an overall 7.25% increase suggested to at least partially address the continuing impact of inflation for employees and to stem turnover that is being experienced industrywide.
    - Additionally, health insurance premiums increased somewhat modestly. This is also affected by changes in coverage selected by employees assigned to the 4B fund.
- Expenditures for Services / Supplies totaling \$420,998 increased \$13,328 from last year’s budget amount of \$407,678.
- Park Maintenance increased \$16,447 from \$224,806 to \$241,253.
    - This increase is primarily comprised of a periodic maintenance item at Doubletree Ranch Park – re-staining concrete around event center (\$25,000) as well as replacement of the Splash Pad Pumphouse door – replacing with double-wide doors to accommodate large equipment (\$22,000). These expenditures are partially offset by a budgeted project in FY 2023 - adding lighting at the PFC Aaron Hudson Memorial Bridge that is not repeated in FY 2024. There are also a few projects carried over from FY 2023 that are again budgeted for FY 2024: Landscape and irrigation maintenance at amenity stations (\$40,000) and painting / staining at Doubletree Ranch Event Center totaling \$76,000.

Equipment replacement identified for FY 2024 includes two mowers totaling \$52,000 and replacement of ceiling fans at the DTR Pavilion (inclusive of needed electrical modifications) totaling \$20,000.

Supplemental requests identified for FY 2024 are listed following:

<b>4B Supplemental Requests FY 2024</b>		
<b>Supplemental Request Description</b>	<b>Proposed</b>	<b>Funded</b>
Convert Kitchen at DTP Event Center to a party room that is available for rental	\$ 60,000	
Preliminary design services for FM 407 Village Connector	\$ 65,000	
Switch to in-house Mowing of Trails ROW, adding 2 positions and initial essential equipment (Anticipate \$17K ongoing savings compared to outsourcing after first year).	9,632	
	<b>\$ 134,632</b>	<b>\$ -</b>

With completion of Doubletree Ranch Park in FY 2017, exhausting all remaining bond proceeds, the primary focus has been to target ongoing maintenance at Doubletree Ranch 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 as well as addressing periodic maintenance needs. However, increased sales tax receipts in FY 2022 and FY 2023 have provided capability to address supplemental requests. Two of the requests provide opportunity for both cost savings and additional revenue opportunity:

- The event center space consists of a large event room and a smaller party room. They can be rented together or separately. There has also been a kitchen available since the building was constructed, but has been seldom utilized. Converting this to another room for rental would provide more options for customers as well as added revenue.
- The City has contracted services for Right-of-Way (ROW) mowing for a number of years. However, in the past few years, costs have increased substantially – along with sub-par performance issues for the services provided. We determined that a review was needed to compare performing this service in-house as an alternative. The scope of services includes City ROW and City parks as well as the trail ROW that is funded through the 4B. In total, this would require two additional full-time employees, along with seasonal part-time employees. Initial capital costs of needed mowing equipment totals \$90,980, with recurring costs of \$175,782 (personnel and a truck lease). The associated cost portion for 4B would be \$55,318 recurring – compared to the current contract amount of \$72,666, providing an ongoing savings of \$17,348. For the first year, the related initial capital cost would be \$26,980, thus resulting in an incremental increase of \$9,632 for the first year only.
- The other presented supplemental is intended to provide an initial design for the 407 Village Connector that is consistent with the vision outlined in the recently updated Comprehensive Master Plan. This design is intended to provide leverage to secure potential grants which have potential to dramatically reduce construction costs in the future.

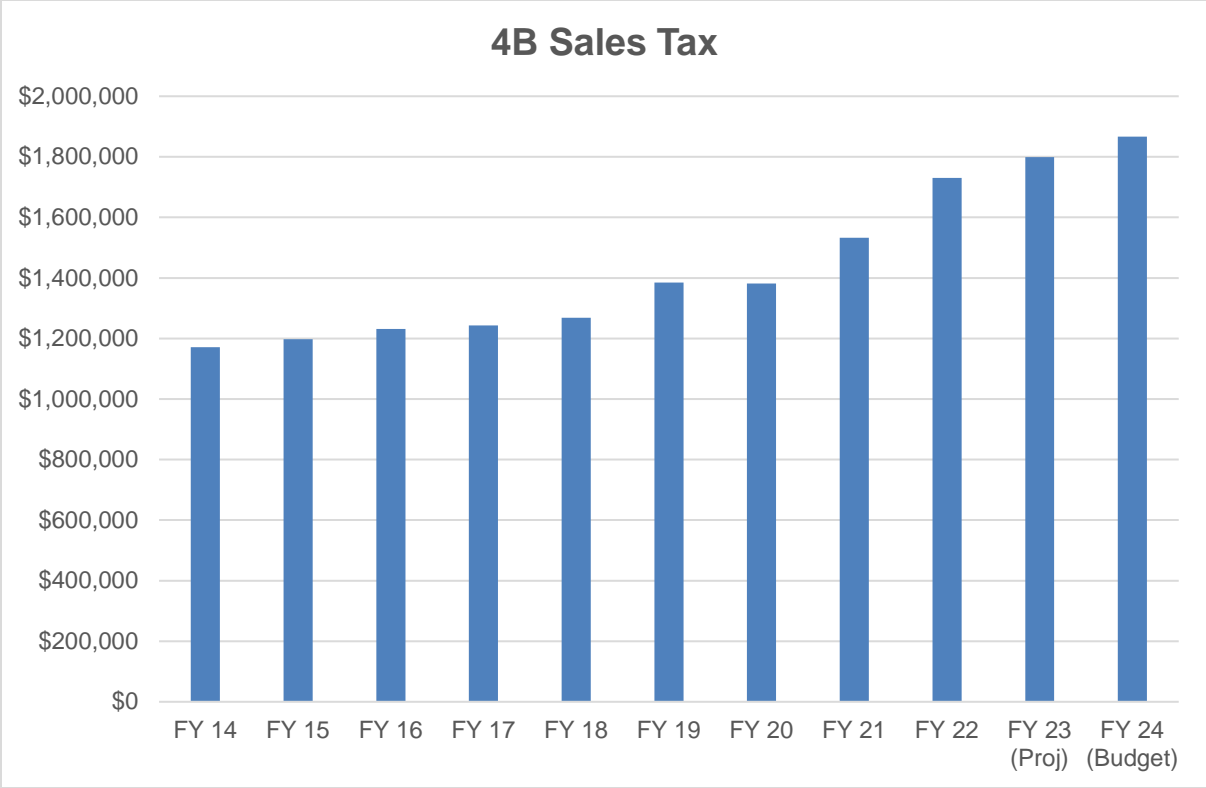
## **Project Summary**

No projects anticipated for FY 2024.

Projected available bond proceeds (9/30/23) \$ - 0 - . There will be no bond proceeds available until the next debt issuance.

## **Financial Outlook**

Sales tax revenues, the primary revenue source for this fund, have experienced a robust recovery in the two years following the pandemic.



Increases of just 1% and 2.1% in FY 2017 through FY 2018, was followed with a 9.2% increase in FY 2019. The FY 2020 sales tax revenues reflected the first decrease in quite some time due to ramifications of COVID-19 shutdowns. However, given the severity of economic ramifications stemming from the shutdown, experiencing only a slight reduction for FY 2020 was an outstanding outcome. A Supreme Court ruling allowing collection of sales tax on Internet sales has resulted in a positive impact, as internet related sales largely offset losses from local retail and restaurant sales. FY 2021 reflected a robust recovery of 11% increase over FY 2020, followed by a 12.9% increase in FY 2022. Projections for FY 2023 are more subdued compared to the last two years at 4%. But in consideration of inflation challenges and a looming possible recession, retail sales have remaining strong.

Projections for FY 2024 are clouded by the continuing challenging economic conditions of inflation, increasing interest rates to stem the inflation, and a still possible recession resulting from this. Thus, for next year, sales tax revenue expectations are slightly reduced to just under 4%. Future sales tax revenues are expected to reflect more subdued increases of around 3% – 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 in the reliability of the income stream, but with no expectation of an explosion of revenues. But, with a higher threshold of established retail sales, we have achieved a positive level of revenue to support ongoing operations and ability to increase working capital balances.

To provide a perspective on the current financial picture of this fund, it is helpful to review actions of recent years. The \$6.7M debt issuance in 2014, coupled with the previously received



remediation monies (\$2.8M) from the I-35 widening project, effectively provided funding for substantial completion of the three remaining identified major projects: Doubletree Ranch Park, Castlewood Trail (also including the tie-in to the 2499 pedestrian tunnel), and Lakeside Community Park. An additional \$281,152 in funding from Operations in FY 2017 to accommodate the final cost of the last remaining project (Doubletree Ranch Park), resulted in a reduced working capital balance.

For a number of years subsequent to FY 2017, despite a desire to rebuild working capital balances, they remained below our targets due to increased operational expenditures for the new amenities. Increases in sales tax revenues, coupled with leveling of operations expenditures and expiring debt has now provided opportunity to have expectation of net increases each year to build working capital balances. Sufficient balances will provide for new debt issuance if desired in the next two or three years.

There has not been ability to fund new projects over the past several years. However, that perspective is changing. The recently updated Comprehensive Master Plan can provide guidance to priority determination for new projects as sufficient balances are soon expected. The FM 407 Village Connector project is clearly an identified priority, but will not necessarily supersede all the other potential trail projects. But given the scope of this project it is important to develop a working concept and determine what grants can be obtained. Once that is determined, a plan forward will be to evaluate what matching funds are needed for this project. DCTA also recently established a program to return a portion of sales tax receipts to the participating cities that can be used for transportation projects. These funding sources will be considered in concert once a scope is determined for the Connector project. Expectation is for the working capital available to be evaluated for the appropriate mix of provision of matching funds as well as potential debt issuance.

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 (with consideration to convert to in-house), costs associated with maintenance activities, and debt service. The HVDC has an agreement with the City to repay the debt service the City issued on behalf of the HVDC. As Doubletree Ranch Park is a mixture of 4B approved expenditures (soccer facilities and trail components) and general fund programming (splash pad), funding has also been provided from the General Fund to address certain amenities. Trail development, with related project expenditures, is the primary mission of the corporation, which are primarily funded with proceeds from the issuance of debt. 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 2024 in the HVDC is projected at \$1,686,883, representing a substantial increase from recent years, primarily resulting from strong sales tax performance starting in FY 2021. As the primary revenue source is sales tax, which comes with an associated higher degree of volatility, a reasonably healthy level of reserves is suggested.

## Proposed FY 2024 Budget

HV Community Development Fund	Actual FY 2022	Budget FY 2023	Estimate FY 2023	Base FY 2024	Suppltl FY 2024	Budget FY 2024
<b>Beginning Fund Balance</b>	<b>\$ 356,703</b>	<b>\$ 451,066</b>	<b>\$ 650,601</b>	<b>\$1,222,939</b>		<b>\$ 1,222,939</b>
Sales Tax	1,730,003	1,739,289	1,798,959	1,867,154	-	1,867,154
Park Fees	24,797	3,500	3,500	3,500	-	3,500
Rental Income	17,685	81,500	73,300	87,500	-	87,500
Linear Park Fees	-	-	-	-	-	-
Miscellaneous	1,475	-	-	-	-	-
Interest Income	2,593	500	34,843	63,764	-	63,764
<b>Total Revenues</b>	<b>1,776,553</b>	<b>1,824,789</b>	<b>1,910,602</b>	<b>2,021,918</b>		<b>2,021,918</b>
<b>Expenditures</b>						
<i>Personnel</i>	308,474	331,609	301,744	363,179	43,318	406,497
Professional Services	65,833	103,786	76,306	76,306	(7,666)	68,640
Employee Development	2,176	2,635	1,628	4,988	-	4,988
Supplies / Equipment	218,676	243,507	153,029	281,954	61,980	343,934
Utilities	49,139	57,750	57,750	57,750	-	57,750
Other	-	-	-	-	12,000	12,000
<i>Total Services / Supplies</i>	335,824	407,678	288,713	420,998	66,314	487,312
<i>Capital</i>	-	287,000	182,226	72,000	25,000	97,000
<b>Total Expenditures</b>	<b>644,298</b>	<b>1,026,287</b>	<b>772,683</b>	<b>856,177</b>	<b>134,632</b>	<b>990,809</b>
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	(838,357)	(565,581)	(565,581)	(567,165)	-	(567,165)
<b>Net Increase / Decr</b>	<b>293,899</b>	<b>232,921</b>	<b>572,338</b>	<b>598,576</b>	<b>(134,632)</b>	<b>463,944</b>
<b>Ending Fund Balance</b>	<b>\$ 650,601</b>	<b>\$ 683,987</b>	<b>\$ 1,222,939</b>	<b>\$1,821,515</b>		<b>\$ 1,686,883</b>

## Extended Five-Year Outlook

HV Community Development Fund	Budget FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>Beginning Fund Balance</b>	<b>\$ 1,222,939</b>	<b>1,686,883</b>	<b>2,448,197</b>	<b>3,279,291</b>	<b>4,202,417</b>
Sales Tax	1,867,154	1,924,481	1,982,565	2,042,521	2,104,411
Park Fees	3,500	3,900	4,300	4,300	4,300
Rental Income	87,500	95,600	99,800	101,000	102,000
Linear Park Fees	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest Income	63,764	65,000	65,000	66,000	66,000
<b>Total Revenues</b>	<b>2,021,918</b>	<b>2,088,981</b>	<b>2,151,665</b>	<b>2,213,821</b>	<b>2,276,711</b>
<b>Expenditures</b>					
<i>Personnel</i>	406,497	424,790	443,905	463,881	484,755
Professional Services	68,640	76,306	76,470	83,737	83,737
Employee Development	4,988	1,628	1,628	1,929	1,628
Supplies / Equipment	343,934	128,169	127,358	118,938	146,758
Utilities	57,750	57,750	60,310	60,310	62,967
Other	12,000	-	-	-	-
<i>Total Services / Supplies</i>	487,312	263,853	265,766	264,914	295,090
<i>Capital</i>	97,000	75,000	50,000	-	-
<b>Total Expenditures</b>	<b>990,809</b>	<b>763,643</b>	<b>759,671</b>	<b>728,795</b>	<b>779,845</b>
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	<b>(567,165)</b>	<b>(564,025)</b>	<b>(560,900)</b>	<b>(561,900)</b>	<b>(557,025)</b>
<b>Net Increase / Decr</b>	<b>463,944</b>	<b>761,313</b>	<b>831,094</b>	<b>923,126</b>	<b>939,841</b>
<b>Ending Fund Balance</b>	<b>\$ 1,686,883</b>	<b>\$ 2,448,197</b>	<b>\$ 3,279,291</b>	<b>\$ 4,202,417</b>	<b>\$ 5,142,257</b>

No Debt Financed Projects anticipated in three-year window. Restoration of working capital balances is anticipated to provide capability for consideration of debt issuance in FY 2026 or 2027.

## 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
- Chapel Hill City Trail / FM 2499 Pedestrian Tunnel Connector (Funding with available 2018 bond proceeds).

### 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
- Briarhill Blvd. Across from the Jr. HS West side between the District Trail and Shannon Lane 5' sidewalk connector

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

#### Projects

- Highland Village Road (Service Center to Sellmeyer Ln.) Cost: \$561,200 (Eng. \$73,200, Construction \$488,000) **Substantially complete (Included in 2018 Parks Bond Issue)**
- Highland Village Road (City Hall to Service Center) Estimated cost: \$361,100 (Eng. \$47,100, Construction \$314,000) **Substantially complete (Included in 2018 Parks Bond Issue)**
  - o These two sections were bid as one project (also including trail around Victoria Park), utilizing 2018 Bond proceeds
  - o Bid Construction Cost \$861,737
- 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)
- 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)

**There are no proposed updates to the Facilities Development Capital Improvement Program (FDCIP) for FY 2024.**

**RECOMMENDATION:**

Conduct public hearing and approve submitted FY 2024 Budget and annual updates to the HVDCD FDCIP.

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

<b>AGENDA#</b> 7	<b>MEETING DATE:</b> 07/25/2023
<b>SUBJECT:</b>	Status Reports on Current Projects and Discussion on Future Agenda Items
<b>PREPARED BY:</b>	Ken Heerman, Assistant City Manager

**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.