

**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX
LOCATED AT 1000 HIGHLAND VILLAGE ROAD
TUESDAY, AUGUST 8, 2017**

The City Council of the City of Highland Village, Texas met in Early Work Session on the 8th day of August, 2017 prior to the Regular Council Meeting.

Call to Order

Mayor Charlotte J. Wilcox called the meeting to order at 6:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Michelle Schwolert	Mayor Pro Tem
	Mike Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	Daniel Jaworski	Councilmember
Absent:	John McGee	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Scott Kriston	Public Works Director
	Linda Cornelius	Parks and Recreation Director
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Media Specialist
	Karen Bradley	Administrative Assistant

EARLY WORK SESSION

1. Discuss the Utility Fund Budget and Follow Up Discussion on the General Fund Budget and Special Revenue Funds for Fiscal Year 2017-2018

Assistant City Manager Ken Heerman reported water and sewer revenues are closely on target with staff projections. Relating to the Utility Working Capital summary, operations costs for FY 2016-2017 are a little higher due to the \$133,000 cost for pump repairs and reinstall of the Southwood Water Well. Mr. Heerman stated expenditures for next year shows an increase of \$300,000 due to capital projects, which will be slated annually from Operations revenue to fund needed projects without having to accrue any debt. The ending fund balance is projected at 78 days, rather than the preferred 80-90 days. The projected five year outlook does show projections to be in the mid-80s, which is based on the new rate structure.

The following items were proposed in the Utility Fund Supplemental Requests for Fiscal Year 2017-2018:

- ❖ Fence Installation at Lift Stations #7 and #8 - \$20,000
- ❖ Tractor Camera Replacement - \$35,000

- ❖ Pressurized Water Line Camera - \$70,000 (this was delayed until FY 2019)

Mr. Heerman reported a utility bond will be considered in conjunction with the November 2017 bond election; however it will be addressed separately as it is supported by utility funds. Projects include:

- ❖ Water Line Replacement
- ❖ Wastewater System Restoration
- ❖ Sewer Line Replacement
- ❖ Painting Southwood Water Tank

Mr. Heerman provided information on salaries and benefits. He reported, based on the city's linear miles of utility lines, the American Water Works Association (AWWA) Benchmark recommends twenty (20) positions; the City is currently at seventeen (17) positions and has remained at that number for the last ten (10) years.

2. Discuss Ordering a Bond Election to be held in the City of Highland Village on November 7, 2017

Mr. Heerman stated in the Capital Improvement Program budget submitted to Council in June, several capital projects were identified for consideration of a bond election referendum of Highland Village residents for issuance of municipal bonds. Direction from City Council during budget discussions was to slate November 2017 to hold an election to address reconstruction of several Highland Village streets, improvements to Unity Park, Sunset Park, Brazos Park Parking Lot extension, Victoria Park Walking Trail / Track, and Highland Village Road Trail segment.

Mr. Heerman reported reduction in Debt Service starting in FY 2017 provides a window to consider new debt issuance without the need to increase the tax rate. For the identified projects, General Obligation bonds, rather than Certificates of Obligation are suggested due to inclusion of various parks amenities. General Obligation bonds are used to finance only those assets which have been determined to be essential in the development of the City, and are generally utilized for new initiatives such as City facilities or programs to validate general support of city residents.

In order to have an election in November, the City Council must adopt a resolution to call, or order, the election. The election must be ordered not later than 90 days or earlier than 78 days prior to Election Day. This leaves a window of Wednesday, August 9 through Monday, August 21 to order the election. Since this falls outside of the regular meeting schedule for Council, staff is seeking direction from Council to set a date for a special meeting to order the election.

Council designated Monday, August 14 at 5:30 p.m. for a Special Meeting to consider ordering a bond election.

3. Discuss Collection of Delinquent Court and Utility Fees

Mr. Heerman reported with issued citations, a defined process through the Municipal Court allows an opportunity to pay the associated fine or dispute the charges with the Municipal Judge or if requested, a jury comprised of Highland Village residents. If the ultimate disposition results in a fine, defendants have an opportunity to pay the fine or set up time payments with the Court.

The Municipal Court makes a concerted effort to provide opportunity for defendants to satisfy their obligations and avoid warrant status. When a payment is missed during the payment plan, the court sends the defendant a Notice to Appear for a Show Cause

hearing, at which time the defendant may go before the judge to explain the missed payment and get back on the payment plan to avoid a warrant being issued. If the defendant fails to appear at the show cause hearing, a Capias Pro Fine warrant is issued at which time the amount owed will increase by \$50.00 for the warrant fee. If the defendant does not respond to the initial late notice by the response date, then an Arrest Warrant is issued.

Once a warrant is issued, it is sent to the PD Dispatch for entry into the Regional Database which is controlled by the Dallas Marshalls Office where the warrant will remain active for the next 3 years or until the defendant is arrested during that time. Once the 3 year mark is up and no arrest has been made, the warrant is pulled from Regional and returned to the court for either further collection attempts or administrative closure. Often, further collection attempts are unsuccessful due to the fact that the offense occurred more than 3 years prior and the court has old contact information from the original citation. At year end FY 2016, the outstanding warrants totaled \$105,965.

Mr. Heerman also reported the City has delinquent receivables associated with uncollected utility billing charges. While the City has authority to suspend service until the account is paid, our practice has been to not take this action unless payment has not been received for the current month as well as the following month charges. Especially during summer months, this can amount to a substantial balance due. Some of these accounts will leave the City with these outstanding charges, with little recourse for the City to collect on these. At Year-end FY 2016, the Over-120 day delinquent balance totaled \$325,130.

The City currently contracts with Perdue Bandon Fielder Collins & Mott LLP for collection of delinquent property taxes. They are one of the largest, most-experienced firms in the State with collection of delinquent receivables, and specifically, their performance on behalf of the City has been excellent. In addition to delinquent property tax, they also provide collection services for Court and Utility. Adding these services to our contract is proposed for Council consideration.

Council directed staff to move forward with a contract for collection of delinquent court and utility fees.

4. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 8, 2017

Relating to Agenda Item #19, Councilmember Jaworski asked for clarification on how the process works. Assistant City Manager Ken Heerman reported the tax rate in the ordinance can be less than the rate contained in the motion, but cannot be greater than said rate.

Relating to Agenda Item #15, City Manager Michael Leavitt reported the lowest total base bid and add alternate bid received for the overlay project was \$126,916; there is \$200,000 budgeted for the project. If council does approve, Mr. Leavitt reported staff will look at potentially adding a project (a 25% increase is allowed). Mr. Leavitt has asked Public Works Director Scott Kriston to look at other potential areas for street repairs.

Mayor Wilcox announced Council would convene into Closed Session and she read Agenda Item #5.

CLOSED SESSION

5. Hold a closed meeting in accordance with the following sections of the Texas Government Code:

Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation including a potential suit regarding the provisions of SB 1004 approved in the 85th Regular Session of the Texas Legislature and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

Council concluded Closed Session at 7:19 p.m. and returned to open session.

Early Work Session ended at 7:20 p.m.

OPEN SESSION

6. Call to Order

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

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Michelle Schwolert	Mayor Pro Tem
	Mike Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Councilmember
	Daniel Jaworski	Councilmember
Absent:	John McGee	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Police Chief
	Scott Kriston	Public Works Director
	Laurie Mullens	Public Affairs Manager
	Andrew Boyd	Media Specialist

7. Prayer to be led by Councilmember Dan Jaworski

Councilmember Jaworski gave the invocation.

8. Pledge of Allegiance to the U.S. and Texas Flags to be led by Councilmember Dan Jaworski

Councilmember Jaworski led the pledge to the U.S. and Texas flags.

9. Visitor Comments

No one wished to speak.

10. City Manager/Staff Reports

- **HVTV Update**

Highland Village Lions Club Balloon Festival – this is the 30th year for the festival, which will be held on August 18-20 at Unity Park; in addition to the hot air balloons, there will be a Kids Zone, live music, food vendors, car show, and arts/crafts booths

Highland Village Utility Rate Change – the City has maintained the same utility rate for water and sewer services since 2007; a new rate structure will take effect in October and will provide sufficient revenue to fund associated expenditures for water and wastewater costs; the average residential bill will increase approximately \$20/month

Farmers Market – a European-Style Farmers Market is now open in the Highland Village Town Center every Sunday from 10:00 a.m. to 2:00 p.m. featuring fresh produce, Texas meats, prepared foods, specialty foods, beauty and skin care, arts and accessories

Adopt a Pet – check out www.HVPets.com to see all the loveable pets in the shelter that are in need of a good home; contact the Highland Village Pet Shelter to set up an appointment to meet your new pet

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

Deputy Mayor Pro Tem Fleming invited everyone to come out for the Lions Club Balloon Festival on August 18 – 21 at Unity Park. She also invited Council to participate in the opening ceremony on Friday, August 18 at 6:30 p.m. and to participate in the announcement of the poster contest winners on Saturday, August 19 at 6:30 p.m.

Councilmember Busche reminded everyone to be responsible and clean up after your pet when visiting the dog park.

- **Proclamation – Blood Cancer Awareness Month**

Mayor Wilcox presented Alexis Meyer from the North Texas Chapter of The Leukemia & Lymphoma Society a proclamation declaring September as Blood Cancer Awareness Month.

- **Announcement of the Annual Steaks & Stetsons Fundraising Event**

Police Chief Doug Reim reminded everyone of the Annual Steaks & Stetsons Fundraising Event benefitting Special Olympics Texas. The event will be held on Saturday, September 9 at 6:00 p.m. at the Circle R Ranch located in Flower Mound. Tickets are still available and proceeds from this event go to supporting 5,300 adults and children with intellectual disabilities from 10 counties in the Greater Fort Worth area.

Special Olympics Texas is a nonprofit organization that provides year-round training and athletic competition for more than 58,300 children and adults. Chief Reim reported last year's event raised almost \$80,000. Special Olympics Athlete Colby Bannister also spoke regarding the event stating the Special Olympics has helped him set & achieve

goals, and has changed his life by opening opportunities for him. Colby is 31 years old and has served on the Special Olympics Texas Board of Directors for 6 years.

CONSENT AGENDA

12. Consider Approval of Minutes of the Regular Meeting held on July 28, 2017
13. Consider Ordinance 2017-1229 Adopting Amendments to the Fiscal Year 2016-2017 Budget (2nd and final read)
14. Consider Resolution 2017-2692 Authorizing the Purchase of Mowing Equipment for the Parks and Recreation Department through the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard) and Authorizing the Purchase of One (1) Police Vehicle through the City's Cooperative Purchasing Agreement with the State of Texas Purchasing Co-op (TxSmartBuy)
15. Consider Resolution 2017-2694 Awarding and Authorizing a Contract with Reynolds Asphalt & Construction Company for the 2017 Asphalt Overlay Project
16. Receive Investment Report for the Quarter Ending June 30, 2017
17. Receive Budget Report for Period Ending June 30, 2017

Motion by Councilmember Lombardo, seconded by Councilmember Jaworski, to approve Consent Agenda Items #12 through #17. Motion carried 6-0.

ACTION AGENDA

18. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:
Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation including a potential suit regarding the provisions of SB 1004 approved in the 85th Regular Session of the Texas Legislature and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

Motion by Councilmember Busche, seconded by Deputy Mayor Pro Tem Fleming, that the City Manager be authorized to hire the law firm of Bickerstaff Heath Delgado Acosta LLP to represent the City, along with other Texas cities, in litigation challenging the constitutionality of part or all of Chapter 284 of the Texas Local Government Code enacted during the 85th Regular Session of the Texas Legislature as Senate Bill 1004. Motion carried 6-0.

19. Discuss Ad Valorem Tax Rate for Tax Year 2017 and Consider Taking a Record Vote if Proposed Tax Rate Exceeds the Lower of the Rollback or the Effective Tax Rate and Consider Setting Two Public Hearing Dates of August 22, 2017 and September 12, 2017 on the Proposed Fiscal Year 2017-2018 Budget and Tax Rate
RECORD VOTE TAKEN (6 – 0)

Assistant City Manager Ken Heerman advised that Truth in Taxation requires two public hearings before implementing a property tax rate if a rate is considered which will exceed the lower of the rollback or effective rate. He explained that as the City's current

tax rate of \$0.56963 exceeds both the effective rate of \$0.54305 and rollback rate of \$0.568022, Council must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item for any rate that exceeds the effective tax rate of \$0.54305. Mr. Heerman advised that this vote does not commit Council to a tax rate; however, the Council cannot ultimately adopt a tax rate that exceeds the rate that is proposed in the motion approved by the Council. He explained that the vote must be a record vote and the motion must specify the desired rate.

Motion by Councilmember Jaworski, seconded by Councilmember Busche, that \$0.568022 per \$100 valuation be proposed for adoption as the City's Ad Valorem tax rate for the 2017 tax year and set August 22, 2017, and September 12, 2017, as the dates for holding the public hearings to receive public comment on said tax rate and the 2017-2018 fiscal year budget.

City Secretary Angela Miller took a roll call vote on the motion:

Councilmember Lombardo - Aye

Mayor Pro Tem Schwolert - Aye

Mayor Wilcox - Aye

Councilmember Busche - Aye

Deputy Mayor Pro Tem Fleming – Aye

Councilmember Jaworski - Aye

Councilmember McGee was absent. Motion carried 6-0.

20. **Consider Ordinance 2017-1230 Adopting Section 1.02.017 of the Code of Ordinances Establishing Monthly and Annual Limits on the Amount of Time Spent to Produce Public Information for a Requestor (1st of two reads)**

APPROVED 1ST READ (6 – 0)

City Secretary Angela Miller reported during the 85th Regular Session of the Texas Legislature, H.B. 3107 was passed amending the Public Information Act to allow government entities to establish reasonable monthly and yearly limits on the amount of time that personnel of the governmental entity is required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor, without recovering its costs attributable to that personnel time. H.B. 3107 allows City's to address harassing, repetitive, and/or redundant public information requests asking for a large amount of information (known as "vexatious requests"), which can impose great financial and time burdens on a City. Vexatious requests typically require City personnel to divert their time spent on normal tasks to locate, compile, and reproduce the requested information.

A *yearly time limit* established may not be less than thirty-six (36) hours for a requestor during a twelve-month period that corresponds to the fiscal year of the City. A *monthly time limit* established may not be less than fifteen (15) hours for a requestor for a one-month period beginning on the 1st date of each month. Ms. Miller reported the City's ordinances do not currently have provisions setting a time limit for requestors and proposed Ordinance 2017-1230 would establish that any requestor of public information will be charged personnel costs in accordance with Texas Government Code for all time in excess of thirty-six (36) hours in any given twelve-month period commencing on October 1 of each year or fifteen (15) hours in a given monthly period commencing on the 1st date of each month.

Motion by Deputy Mayor Pro Tem Fleming, seconded by Mayor Wilcox, to approve the first read of Ordinance 2017-1230 adopting Section 1.02.017 of the Code of

Ordinances Establishing Monthly and Annual Limits on the Amount of Time Spent to Produce Public Information for a Requestor. Motion carried 6-0.

21. Consider Ordinance 2017-1231 adopting Article 14.07 of the Code of Ordinances Establishing Regulations for Construction, Placement and Excavation in Rights-of-Way and Public Easements, providing for the adoption of design guidelines and establishment of certain fees, and repealing Divisions 3 and 4 of Article 14.02 of the Code of Ordinances (1st of two reads)

APPROVED 1ST READ (6 – 0)

City Manager Michael Leavitt reported during their 85th Regular Session, the Texas Legislature enacted Chapter 284 of the Texas Local Government Code which relates to the installation of equipment, specifically wireless network equipment, in public rights-of-way. Chapter 284 limits individual cities' abilities to regulate the location of such equipment. This is contrary to the historical right of Texas cities to regulate the improvements that are located within its streets and alleys and to levy a reasonable and fair charge for the use of public right-of-way by private businesses. Proposed Ordinance 2017-1231 establishes regulations for construction, placement and excavation of city rights-of-way and public easements and adopts fees for the administration of the right-of-way management ordinance.

Councilmember Jaworski asked why this would not go through the Planning and Zoning Commission. City Attorney Kevin Laughlin stated this is not a zoning regulation; this ordinance enacts the rate schedule that is established by state law and caps what cities are allowed to charge. Mr. Leavitt reported a comprehensive revision to the City's right-of-way management regulations will be presented to Council in the near future.

Motion by Councilmember Jaworski, seconded by Deputy Mayor Pro Tem Fleming, to approve first read of Ordinance 2017-1231 adopting Article 14.07 of the Code of Ordinances Establishing Regulations for Construction, Placement and Excavation in Rights-of-Way and Public Easements, providing for the adoption of design guidelines and establishment of certain fees, and repealing Divisions 3 and 4 of Article 14.02 of the Code of Ordinances. Motion carried 6-0.

LATE WORK SESSION

22. Discuss Potential Date(s) for Town Hall Meeting

Mr. Leavitt stated Council had previously mentioned holding a Town Hall Meeting regarding the recent utility rate increase and future bond election. He suggested meeting in mid to late September. After some discussion, the consensus of Council was to hold a meeting on September 14 at the Municipal Complex or DuVall Center, with September 18 as a secondary date, if needed. Deputy Mayor Pro Tem Fleming stated she would be out of town on September 18.

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

35Express Project Update

Mr. Leavitt provided the following update:

The August Monthly Report will be the final update on the 35Express project as almost all major operations are scheduled to be completed this month.

The final surface paving for the northbound and southbound I-35E main lanes will continue through late summer. There will be various nightly main lane closures along the I-35E corridor for this work and motorists should be prepared for short term uneven pavement conditions and rough surfaces.

The Oak Drive/Lake Dallas Drive intersection has opened. The northbound to southbound U-turn at the intersection will open in August.

The additional northbound and southbound I-35E main lanes, frontage road lanes and pedestrian/bike paths on the Lewisville Lake bridges are scheduled to open this summer.

Work on Highland Village Road at the southbound I-35E frontage road is scheduled to be completed in August.

Work on Copperas Branch Park and Highland Lakes Park has begun and is scheduled for completion this summer.

24. Adjournment

Mayor Wilcox adjourned the meeting at 8:40 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary