

**MINUTES OF THE REGULAR MEETING OF THE  
HIGHLAND VILLAGE CITY COUNCIL  
HELD AT THE HIGHLAND VILLAGE MUNICIPAL COMPLEX  
TUESDAY, AUGUST 14, 2018**

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

**Roll Call**

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist
	Karen Bradley	Administrative Assistant

**EARLY WORK SESSION**

**1. Receive an Update regarding Projects, Operations and Services from Upper Trinity Regional Water District (UTRWD)**

UTRWD Vice President Rich Lubke provided a status update to Council and City staff. He reported the transition to new Executive Director Larry Patterson has gone very well. He stated the Board of Directors are working well together, and that the Town of Northlake has joined the UTRWD as a new member entity.

He also reported on Lake Ralph Hall, which was constructed to help provide a future reliable water supply in the North Texas region. Over 8,000 acres has been purchased, including the entire dam site area. Mr. Lubke stated all approvals have been granted and UTRWD is waiting on their 404 Permit from the US Army Corps of Engineers, which he expects will be approved sometime early next year.

The UTRWD budget that was initially proposed included a 30% increase due to fees incurred from the purchase of additional water from the City of Dallas. However, Mr. Lubke reported the fee was less and their budget was updated to reflect only a 9% increase. Due to the growth in northeast Denton County, the new Tom Harpool Water Treatment Plant has been constructed and is nearing completion. There will be no cost to Highland Village residents relating to the new treatment plant.

**2. Discuss the Utility Fund Budget and Follow Up Discussion on the General Fund Budget and Special Revenue Funds for Fiscal Year 2018-2019**

**Utility Fund Budget**

Assistant City Manager Ken Heerman reported the utility rate structure change that was implemented last year is working as designed with enough funds in reserves to pay for repairs to three water wells that have failed this year. City Manager Michael Leavitt stated there is no proposed rate change for water or wastewater. There was only one Utility Fund Supplemental Request, which includes \$25,000 for an intern to prepare a GPS map of sewer manholes, storm inlets/outlets and any new City infrastructure projects.

### **Special Revenue Funds**

Mr. Heerman provided an overview of the Special Revenue Funds, which includes the Corps Leased Parks Fund. Copperas Branch Park and Pilot Knoll Park are leased from the U.S. Army Corps of Engineers (USACE).

He reported that Copperas Branch Park is supported from admission fees and permits received in the Special Revenue Fund. All fees must be designated and expended for operations, maintenance and improvements made to the park. A separate budget is adopted to track revenues and expenditures in accordance with the lease agreement with the USACE. The park has been used as a staging area for TxDOT during the reconstruction of IH-35 and was closed for the duration of the project, with the City receiving mitigation funds. Mr. Heerman reported there are no remaining I-15 mitigation funds. After being closed for 5 years, the park was recently returned to the City. Significant work was done to re-open the park for public use, with more work to follow. The Fiscal Year 2018-2019 Budget includes \$73,000 for a Copperas Master Plan Study. Mr. Leavitt reported the majority of the park is in a flood plain so that does limit what can be done there. He also added there is some unknown regarding use of the park as another staging area for the next phase of the IH-35 project.

In this year's budget, funds were allocated for the rehab of the overnight and day-use restrooms at Pilot Knoll Park, and the budget will end with a good fund balance.

### **FY 2019 Budget**

Mr. Heerman provided a suggested timeline for the budget process. Budget presentations and public hearings will continue at the August 28 and September 11 City Council meetings.

### **3. Clarification of Consent or Action Items listed on today's City Council Regular Meeting Agenda of August 14, 2018**

Relating to Agenda Item #19, City Manager Michael Leavitt reported with the recent rains a lot of pressure was taken off the water wells so the City did not have to move to Phase II of the water conservation measures. However, he reported the Highland Shores water well went into a failure; therefore, information on needed emergency repairs will be presented to Council at their August 28<sup>th</sup> meeting.

Relating to Agenda Item #14, Mr. Leavitt reported the lowest bid for the 2018 asphalt overlay project came in \$91,000 less than what was budgeted for the project. He wished to designate use of the leftover funds for engineering services related to a trail project in Chapel Hills, which would tie into the City's trail system. He reported this connection has been included in the overall trail plan for a long time and there has been recent citizen dialogue about this. Mr. Leavitt stated future funds could be included to complete the project. Consensus of Council was to move forward with this plan.

Early Work Session ended at 7:24 p.m.

**CLOSED SESSION**

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

(a) **Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

Council did not meet in Closed Session.

**OPEN SESSION**

5. **Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:35 p.m.

**Roll Call**

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Councilmember
	Barbara Fleming	Deputy Mayor Pro Tem
	Fred Busche	Mayor Pro Tem
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist

6. **Prayer to be led by Deputy Mayor Pro Tem Barbara Fleming**

Deputy Mayor Pro Tem Fleming gave the invocation.

7. **Pledge of Allegiance to the U.S. and Texas flags to be led by Deputy Mayor Pro Tem Barbara Fleming: *“Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”***

Deputy Mayor Pro Tem Fleming led the Pledge of Allegiance to the U.S. and Texas flags.

8. **Visitor Comments**

The following person spoke:

Tanner Wilson (4025 Creekwood, Flower Mound) – Mr. Wilson reported Highland Village resident Cross Hanas is an accomplished hockey player and has been selected to

compete in the Five Nations Tournament in Slovakia. Since there is no ice rink close to Highland Village, Mr. Wilson suggested building an ice rink in the city or the surrounding area.

**9. City Manager/Staff Reports**

• **HVTV Update**

The HVTV Update informed residents of the upcoming Highland Village Lions Club Balloon Festival to take place August 17-19 at Unity Park, the change to Community Waste Disposal for the City's solid waste services and the ability to request a larger recycling cart. The update also included a reminder to drivers to use caution and to be mindful of students since school is now back in session.

**10. 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**

Chief of Police Doug Reim provided an update on the annual Steak & Stetson event. This year the event will be held on September 22, includes a steak dinner, live entertainment, silent and live auctions, and dancing. Proceeds from the event will support the Special Olympics.

• **Swearing In Ceremony of New Police Officers**

Chief Reim swore in Officer Curtis Duncan-Pritchard and Officer Fabiola Ramirez. Their families and many officers from the Highland Village Police Department and Police Auxiliary were present.

**CONSENT AGENDA**

- 11. Consider Approval of Minutes of the Regular City Council Meeting held on July 24, 2018**
- 12. Consider Ordinance 2018-1249 Amending the Development and Use Regulations relating to the Property located at Lot 1, Barnett Center, Phase I, said Property being located in the Barnett Center PD-C Planned Development District, more commonly known as 2910 Justin Road (2<sup>nd</sup> and final read)**
- 13. Consider Ordinance 2018-1250 Adopting Amendments to the Fiscal Year 2017-2018 Budget (2<sup>nd</sup> and final read)**
- 14. Consider Resolution 2018-2764 Awarding and Authorizing a Contract with Reynolds Asphalt & Construction Company for the 2018 Asphalt Overlay Project**
- 15. Receive Investment Report for the Quarter Ending June 30, 2018**
- 16. Receive the Budget Reports for Period Ending June 30, 2018**

***Motion by Mayor Pro Tem Busche, seconded by Deputy Mayor Pro Tem Fleming, to approve Consent Agenda Items #11 through #16. Motion carried 7-0.***

**ACTION AGENDA**

17. **Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:**

**(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

**NO ACTION TAKEN**

Council did not meet in Closed Session.

18. **Discuss Ad Valorem Tax Rate for Year 2018 and Consider Taking 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 28, 2018 and September 11, 2018 on the Proposed Fiscal Year 2018-2019 Budget and Tax Rate**

**RECORD VOTE TAKEN (7 – 0)**

Assistant City Manager Ken Heerman reported Truth in Taxation requires two public hearings, preceded by required public hearing notices of the hearings and the proposed real property tax rate, before implementing a property tax rate if a rate is considered which will exceed the lower of the rollback or effective rate. He explained as the City's current tax rate of \$0.56802 is below the rollback rate of \$.602583, but exceeds the effective rate of \$0.54959, 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 rate. Mr. Heerman further reported 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.

With the current year increase in the tax roll, Mr. Heerman reported budget projections indicate there may be an opportunity to decrease the tax rate and still provide sufficient revenues to fund expenditures necessary to maintain current service levels. Staff recommended Council consider adoption of a tax rate of \$.56302, which is a ½-cent decrease from the current tax rate.

Mayor Wilcox asked if the same parameters would be used in 2020, which is when staff reported there is potential to consider another proposed ½-cent tax decrease. Mr. Heerman stated the same would be used at that time. Councilmember Kixmiller asked what the actual increase in property values was and how that relates to last year. Mr. Heerman reported 5.6%, which is consistent with the past 4 years. He stated over a longer period that historically, the existing valuation will increase approximately 2.5% each year, depending upon new growth. Mr. Heerman stated he does believe it will revert to the lower, but the last few years have been higher given the economy and dynamics of our local market.

***Motion by Councilmember Jaworski, seconded by Councilmember Kixmiller, to adopt a \$0.56302 per \$100 valuation be proposed for adoption as the City's Ad Valorem tax rate for the 2018 tax year and set August 28, 2018, and September 11, 2018, as the dates for holding public hearings to receive public comment on said tax rate and the 2018-2019 Fiscal Year budget.***

***City Secretary Angela Miller took a roll call vote on the motion, which carried 7-0:  
Councilmember Lombardo - Aye***

**Deputy Mayor Pro Tem Fleming - Aye**  
**Councilmember Kixmiller - Aye**  
**Mayor Wilcox - Aye**  
**Mayor Pro Tem Busche - Aye**  
**Councilmember Fiester – Aye**  
**Councilmember Jaworski - Aye**

19. **Consider Resolution 2018-2765 Ratifying the Emergency Declaration and Authorizing the City Manager to Negotiate and Execute Agreement(s) with Layne Christensen Company for Repairs to the Lake Vista and FM 407 Water Wells**  
**APPROVED (7 – 0)**

Public Works Director Scott Kriston reported that in July the City's Lake Vista well was taken out of service as it revealed motor start up issues. Later in July, the City's FM 407 well was also taken out of service as it revealed pump flow issues. After troubleshooting the problems, City staff discovered the Lake Vista well exhibited a direct short on the power lead to the submersible well motor and the FM 407 well was producing brass shavings in the raw water. Utility records show that the Lake Vista well pump was replaced in 2015 and the FM 407 well pump was replaced in 2012. The typical life expectancy of a well pump is approximately 5 years.

Pursuant to Section 6.17.B. of the City Charter, upon staff recommendation, the City Manager declared that an emergency existed and that the immediate procurement of goods and services related to returning the Lake Vista and FM 407 wells into proper working condition was necessary. Staff contacted both Weisinger Inc. (who has performed repairs on the City's wells previously), and Layne Christensen Company to obtain quotes to pull both well pumps for inspection and to provide repair quotes. Layne Christensen Company provided the lowest cost for this service and was able to mobilize more quickly than Weisinger. Utility staff scheduled Layne Christensen Company to mobilize on July 26, 2018 to pull the well pumps, take them back to their shop and troubleshoot them. To date, purchase orders in the amount of \$40,900 have been authorized by the City Manager relating to the repair services performed or authorized.

***Motion by Mayor Pro Tem Busche, seconded by Deputy Mayor Pro Tem Fleming, to approve Resolution 2018-2765. Motion carried 7-0.***

Councilmember Fiester asked if this warrants moving into Phase II water conservation. Mr. Kriston reported Phase II is not being enacted at this time; however, City staff is monitoring the City's water supply and demand closely to determine if it will be needed.

### **LATE WORK SESSION**

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

Councilmember Jaworski reminded everyone to be mindful of their speed when driving since school will be starting on Wednesday, August 15.

21. **Adjournment**

Mayor Wilcox adjourned the meeting at 8:19 p.m.

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Charlotte J. Wilcox, Mayor

**ATTEST:**

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Angela Miller, City Secretary