



## A G E N D A

**REGULAR MEETING OF THE  
HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION  
HIGHLAND VILLAGE MUNICIPAL COMPLEX, POLICE TRAINING ROOM  
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS  
TUESDAY, JULY 27, 2021, 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 28, 2020**
5. **Consider Approval of Proposed Budget Amendments for Fiscal Year 2020 – 2021**
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 2021 – 2022 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 23<sup>RD</sup> DAY OF JULY, 2021 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 \_\_\_\_\_, 2021 at  
\_\_\_\_\_ am / pm by \_\_\_\_\_.

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

AGENDA# 3

MEETING DATE: 07/27/2021

SUBJECT: Consider Appointment of Highland Village Community Development Corporation Officers

PREPARED BY: Ken Heerman, Assistant City Manager

### 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 – Elisabeth Mechem

Vice President – Vacant

Secretary/Treasurer – Vacant (Functions essentially provided by City Staff – previous boards have elected not to fill accordingly; 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 to elect officers for the HVCDC.

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

<b>AGENDA#</b> 4	<b>MEETING DATE:</b> 07/27/2021
<b>SUBJECT:</b>	<b>Consider Minutes of the July 28, 2020 Highland Village Community Development Corporation Meeting</b>
<b>PREPARED BY:</b>	<b>Karen McCoy – Executive Assistant</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)**

N/A

**RECOMMENDATION:**

To approve the July 28, 2020 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 28, 2020**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 28<sup>th</sup> day of July 2020 at 4:30 pm in the City Council Chambers.

**1. CALL TO ORDER**

President Mechem called the meeting to order at 4:30 p.m.

**ROLL CALL**

Present:	Mike Lombardo	Council Representative
	Elisabeth Mechem	Citizen Representative
	Barbara Fleming	Council Representative
	Tom Heslep	Council Representative
	Melinda Camp	Citizen Representative
	Charlotte Wilcox	Council Representative
Absent :	Dale Butler	Citizen Representative
Staff Members:	Michael Leavitt	City Manager
	Ken Heerman	Assistant City Manager
	Phil Lozano	Parks & Recreation Director
	Karen McCoy	Executive Assistant
	Andrew Boyd	Multi-Media Specialist

**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. Mr. Heerman further explained that while the Secretary/Treasurer are provided for in the bylaws, City staff complete the functions of those two positions.

Mrs. Wilcox nominated Elisabeth Mechem to be President. Mrs. Fleming made a motion to accept the nomination of Ms. Mechem as President.

Mrs. Wilcox nominated Melinda Camp as Vice-President. Mr. Lombardo made a motion to accept the nomination of Ms. Camp as Vice-President.

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
**MINUTES – JULY 28, 2020**

MRS. WILCOX MADE THE MOTION TO APPOINT ELISABETH MECHEM AS PRESIDENT, MELINDA CAMP AS VICE-PRESIDENT, AND TO LEAVE THE SECRETARY/TREASURER POSITION VACANT. MRS. FLEMING SECONDED THE MOTION.

Motion to approve carried 6 – 0.

**4. CONSIDER APPROVAL OF MINUTES OF THE REGULAR COMMUNITY DEVELOPMENT CORPORATION MEETING HELD ON JULY 23, 2019**

**APPROVED**

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

Motion to approve carried 6 – 0

**5. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2019 – 2020**

**APPROVED**

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.

- 4B Sales Tax \$1,348,631
  - ½ cent dedicated to two uses
    - Trails and soccer fields – maintenance
    - Soccer Fields
    - Fees / Rental \$44,000
  - Linear Park Fees – received with new developments
  - \$287 per platted lot - developer pays the City and used to extend our trail system.
- Operating budget \$579,217
- Personnel \$370,603 (64%) which is standard...
  - Four full time staff
- Operations \$208,614 (36%)
  - Primary components
    - Maintenance Contracts \$106,166
    - ROW Mowing (\$73,000)
    - Mulching services (\$22,000)
  - Park Maintenance \$40,955
    - Fertilizer application
    - Maintenance / repairs
    - Pesticide application
    - Athletic field maintenance
  - Utilities \$47,750

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
**MINUTES – JULY 28, 2020**

- Additional Support functions \$28,000 – reimburse the general fund of support functions, HR, IT, and administration services. – Self-supporting fund.
- Debt Service \$804,482
  - 2008 \$3M Issue – addition to trail system
  - 2009 \$3.8M Issue – addition to trail system
  - 2014 \$6.7M Issue – supplemented with TXDot remediation funds (for use of Copperas Branch Park) to build Doubletree Ranch Park. Used up most of the budget to complete that project.

Parks and Recreation Director, Phil Lozano, discussed the supplemental components of the budget.

- Supplemental
  - Removal of cedar fencing at Doubletree Ranch Park and replacing with metal railing \$8K
  - Sealing the pergola around the barn to prolong the life of the pergola \$9K
  - Additional River Rock at Doubletree Ranch Park landscape to maintain integrity of the park. \$10K (complete)
  - Splash pad sealant must be reapplied every 12-18 months. Staff learned the sealant process and the cost will significantly drop from \$23-26K a year to approximately \$6K annually.
  - Removed exercise equipment. Added shade structure, to playground. Added 2 synthetic surface chessboard checkerboard.

Mr. Lozano also spoke about the Aaron M. Hudson Memorial Bridge. He stated that Aaron was a Highland Village resident that gave his life while serving in Iraq. The City worked with the Corps of Engineers and a committee. The committee raised money and donations were received from others for this project. The unveiling and memorial was supposed to be in June, however the unveiling was pushed back due to Covid-19.

- Project Updates
  - Trails
    - HV Road 90% design phase
    - Victoria Park 99% - replacing walking track
    - Chapel Hill Trail Connection - 80% design phase

Mr. Lozano stated the city will go out for bid in September with construction beginning in late fall / early winter.

Regarding budget amendments, Mr. Heerman explained that each department is responsible to not exceed the amounts budgeted in each of three categories – Personnel, Services/Supplies, and Capital. Prior to submission to City Council; a proposed budget amendment is presented to the HVCDC Board and serve to re-appropriate funding to this year when expenditures were incurred.

Personnel- \$20,000 increase

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

- Majority of the increase is related to two (2) primary factors: reassignment of personnel specifically adding experience crew leader to 4B, and increased cost for health insurance compared to budget stemming from the actual coverage selected.



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Services / Supplies - \$20,000 decrease

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

- Maintenance Contracts – The utilization of contract mowing decreased in part by updated contract that removed Harlington practice soccer fields. This area is now owned by David Weekley Homes, which resulted in a \$28,000 annual reduction.

Capital - \$31,000 increase

Budget \$ -0- Revised \$31,000

- The addition of a playground at Doubletree Ranch Park with a synthetic grass area. A life-size chess feature was added with funding from the City Manager contingency line item. This amount is to be transferred via a budget amendment to this fund to offset the capital expenditure.

Mr. Heerman stated that these adjustments would be incorporated into the mid-year budget amendment submitted to City Council.

Board Chair Elisabeth Mechem asked if the WiFi/Internet tax that was discussed last year went in to the 4B Fund. Mr. Heerman explained that with our 8 ¼% sales tax that 1 cent goes to the general fund, 1/2 cent goes to 4B, and the other ½ cent goes to DCTA. The Board discussed the possibility of having WiFi in parks throughout the City, however decided to wait to discuss in more detail until the parks and city rentals are open again.

**MRS. FLEMING MADE THE MOTION TO APPROVE THE BUDGET AMENDMENTS AS PROPOSED. MR. LOMBARDO 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 2020 – 2021 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: the City Comprehensive Trail System and a Soccer Complex. As the Budget is an integral component of the FDCIP, it is presented together.

Assistant City Manager Heerman gave a brief overview of the highlights for the FY 2021 budget.

- 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

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challenges for the Parks Department with the increased workload. Overtime has increased as a result. For FY 2021, Personnel reflects a \$370,603 proposed budget – a \$46,372 increase from FY 2020.

- o Roughly \$12,000 of this increase reflects reallocation of personnel – specifically, addition of a seasoned Crew Leader.
- o Proposed Market Adjustment of 3% represents a \$5,580 increase
- o Increase overtime of \$4,200
- o Health insurance increase of \$12,000 resulting from changes in coverage selected by employees

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

- o 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 2021 reflected a reduction of \$18,334.
- o 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.
- o 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 are no equipment replacement or supplemental requests identified for FY 2021, which is formally noted in the FDCIP.

Assistant City Manager Heerman explained that with completion of Doubletree Ranch Park in FY 2017, the remaining bond proceeds are exhausted. 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 -

**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 2020-2021 Budget included therein.

Ms. Mechem opened the public hearing at 5:11 pm and asked for anyone wishing to speak. There being no one, Ms. Mechem closed the Public Hearing at 5:12.

**APPROVED**

**HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION MEETING**  
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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.

**MR. LOMBARDO MADE THE MOTION TO ADOPT THE ANNUAL UPDATES TO THE FACILITIES DEVELOPMENT CAPITAL IMPROVEMENT PROGRAM (FDCIP) AND THE PROPOSED FISCAL YEAR 2020 – 2021 BUDGET INCLUDED THEREIN. MR. HESLEP SECONDED THE MOTION.**

Motion to adopt carried 6 – 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 Mechem adjourned the meeting at 5:16 p.m.

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Elisabeth Mechem, President

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Karen McCoy, Executive Assistant

# HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

## BRIEFING

**AGENDA # 5**

**MEETING DATE: 07/27/2021**

**SUBJECT: Consider Approval of Proposed Budget Amendments for Fiscal Year 2021**

**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 Corporation's budget is presented to the Highland Village Community Development Corporation Board for consideration. Expenditures for Personnel are within the budgeted amount. Both Services / Supplies and Capital expenditures exceed budget largely due to the timing of the projects – much of the expenditure amount was projected for last budget year, but have been carried over to this fiscal year. Thus, in essence, the amendment will serve to re-appropriate funding to the current fiscal year when expenditures were incurred.

#### **Personnel \$30,000 decrease**

**Budget \$370,603 Revised \$340,603**

- Majority of decrease related to two primary factors: reassignment of personnel, retirement of experienced crew leader, decreased overtime, and change in health insurance selection compared to budget.

#### **Services / Supplies \$40,000 increase**

**Budget: \$208,614 Revised \$248,614**

- Park Maintenance - Unforeseen UV work in pump-house for Splash-pad \$7,100
- Surge protector repairs in barn \$11,424 (Winter storm damage)
- Pump-house - muriatic acid pump replacement \$465
- Pump-house - recirculation pump installation \$189
- Increased chemicals to treat weeds due to excessive rains \$3,000
- DTR Grand lawn remediation \$6,000

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 \$288,120 for FY 2021. .

**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	370,603	340,603	-30,000
HV Community Development Corp	Services / Supplies	208,614	248,614	40,000
<b>Net Change in Working Capital</b>				<b>-10,000</b>

**Reason for Request**

- **Personnel** – Majority of decrease related to two primary factors: reassignment of personnel, retirement of experienced crew leader, decreased overtime, and change in health insurance selection compared to budget.
- **Services / Supplies** –
  - Park Maintenance - Unforeseen UV work in pumphouse for Splash-pad \$7,100
  - Surge protector repairs in barn \$11,424 (Winter storm damage)
  - Pumphouse - muriatic acid pump replacement \$465
  - Pumphouse - recirculation pump installation \$189
  - Increased chemicals to treat weeds due to excessive rains \$3,000
  - DTR Grand lawn remediation \$6,000

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

**AGENDA# 6**

**MEETING DATE: 07/27/2021**

**SUBJECT: Conduct a Public Hearing and Consider Adoption of the Annual Updates to the Facilities Development Capital Improvement Program (FDCIP) and the Proposed FY 2022 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 2022 Budget Highlights

- Total base proposed non-capital expenditures for the FY 2022 operating budget reflects a slight increase of \$3,699 (.6%) from FY 2021.

### 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, has provided challenges for the Parks Department with the increased workload.
- For FY 2022, the proposed budget for Personnel is \$324,483 – a \$46,120 decrease from FY 2021.
  - Roughly one half, or about \$20,000 of the decrease reflects reallocation of personnel, and in particular, retirement of a seasoned crew leader.
  - A proposed Market Adjustment of 3%, representing \$4,580, partially offsets the decrease.
  - While health insurance premiums increased, the overall cost for insurance decreased due to changes in coverage selected by employees assigned to the 4B fund.

### Expenditures for Services / Supplies increased \$49,819.

- Changes in two primary areas resulted in the increase:
- Park Maintenance increased \$29,256 from \$44,355 to \$73,611.
  - Planned remediation for the grand lawn at Doubletree Ranch Park (\$10,000).
  - Pumphouse maintenance – replace UV Controllers (\$17,405) every three years.
- Beautification increased \$20,000 from \$6,000 to \$26,000.
  - Periodic landscape remediation for amenity stations

There is no equipment replacement identified for FY 2022.

Supplemental requests identified for FY 2022 are listed following:

<b>Supplemental Request Description</b>	<b>Proposed</b>
Water Softener system lease for splash pad (\$400 recurring)	\$ 1,994
Replace split rail fence with metal railing at Doubletree	8,000
Seal pergola at Doubletree	9,000
Replace lightning Warning System at Doubletree	17,281
Add upgrading electric service adjacent to Doubletree Barn to accommodate food trucks	18,000
Add concrete pad adjacent to Doubletree Pavilion to accommodate food trucks	30,000
Update landscaping and perform irrigation maintenance on trail system	30,000
Add Y-Strainer for Splash Pad	32,000
PFC Aaron Hudson Memorial Bridge lighting	35,000
<b>Total New FY 2021 Requests</b>	<b>\$ 181,275</b>

With completion of Doubletree Ranch Park in FY 2017, exhausting all remaining bond proceeds, the primary focus has been to target 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 as well as addressing periodic maintenance needs. However, increased sales tax receipts in FY 2021 have provided some capability to address supplemental requests. Most of the requests address maintenance issues, with a few – accommodation for food trucks at Doubletree and lighting for the Aaron Hudson Memorial Bridge - providing for enhanced service level.

#### Project Summary

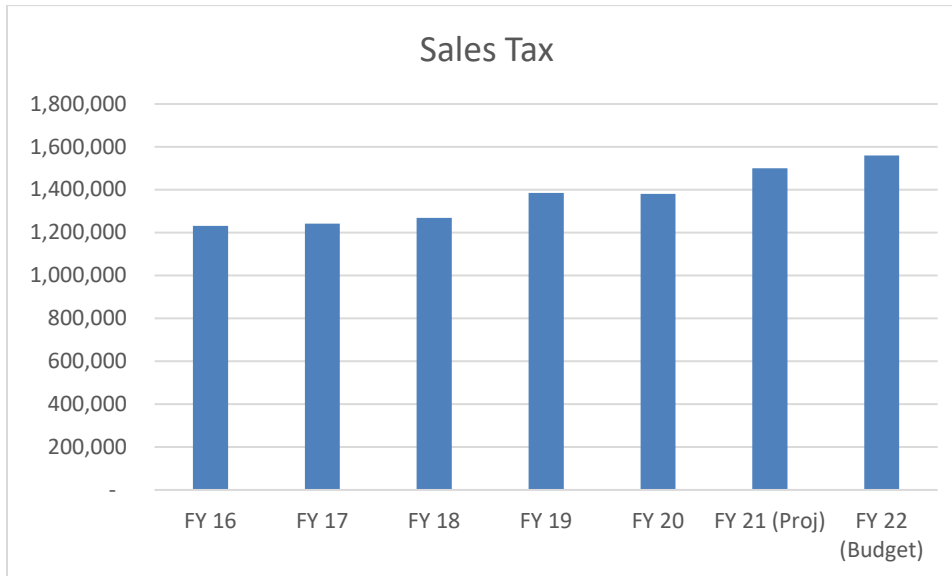
No projects are anticipated for FY 2022, as all remaining available funding was exhausted with completion of Doubletree Ranch Park.

Projected available bond proceeds (9/30/21) \$ - 0 -



## Financial Outlook

Sales tax revenues, the primary funding source for this fund, have reflected modest increases over the past several years, but with a slight decrease in FY 2020 due to 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, is 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 to date has seen a considerable rebound in collected revenues (13% over the FY 2021 budgeted amount).

Projections for FY 2022 are optimistic (4% over projected FY 2021 collections), reflective of the strong recovery this year. For future years, projected sales tax revenues 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 in the reliability of the 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.

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.

Since FY 2017, despite a desire to rebuild working capital balances, they have remained below our targets due to increased operational expenditures for 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 for the immediate time-frame, and debt service remaining at current levels through 2024, there is no expectation that working capital balances sufficient for new debt issuance over the next several years will be achieved. A respite from new projects will allow a redirected focus on the operational side to better evaluate future funding ability for projects. In fact, recent increased sales tax revenues – if continuing at current pace, will allow for increasing reserves. This in turn, coupled with expiring debt in FY 2024, will allow for considering additional debt issuance, if desired, in FY 2026 or 2027.

The only new project was construction of a trail section adjacent to Highland Village Road from City Hall to Sellmeyer included in the FY 2018 Bond Election. This project will provide a trail connection along Highland Village Road from FM 407 to Doubletree Ranch Park – and further connection to Copperas Branch Park. Construction on this trail will commence in FY 2021. Because this project was funded as a City general obligation backed by ad valorem taxes and not funded through the 4B Sales Tax, 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 the 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, 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 2022 in the HVCDC is projected at \$304,628, representing an increase from recent years, primarily resulting from strong sales tax performance 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 2022 Budget

	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>	<b>Budget 2020-21</b>	<b>Estimate 2020-21</b>	<b>Budget 2021-22</b>
<b>Beginning Fund Balance</b>	<b>\$ 30,522</b>	<b>\$ 98,100</b>	<b>\$ 70,647</b>	<b>\$ 109,677</b>	<b>\$ 288,120</b>
Sales Tax	1,384,757	1,381,630	1,348,631	1,500,000	1,560,000
Park Fees	27,979	7,869	9,000	22,100	24,000
Rental Income	26,672	10,408	35,000	30,000	35,000
Linear Park Fees	-	24,108	-	-	-
Interest Income	734	633	800	55	55
<b>Total Revenues</b>	<b>1,440,141</b>	<b>1,424,647</b>	<b>1,393,431</b>	<b>1,552,155</b>	<b>1,619,055</b>
<b>Expenditures</b>					
<i>Personnel</i>	311,613	330,860	370,603	304,110	324,483
Professional Services	59,064	59,663	106,166	94,006	97,786
Employee Development	-	461	2,635	2,635	2,635
Supplies / Equipment	82,041	117,707	52,063	97,729	274,256
Utilities	41,587	37,701	47,750	42,750	47,750
Other	-	-	-	-	-
<i>Total Services / Supplies</i>	182,693	215,531	208,614	237,120	422,427
<i>Capital</i>	43,431	30,392	-	-	17,281
<b>Total Expenditures</b>	<b>537,737</b>	<b>576,783</b>	<b>579,217</b>	<b>541,230</b>	<b>764,191</b>
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	<b>(834,827)</b>	<b>(836,286)</b>	<b>(832,482)</b>	<b>(832,482)</b>	<b>(838,357)</b>
<b>Net Increase / Decrease</b>	<b>67,578</b>	<b>11,578</b>	<b>(18,268)</b>	<b>178,443</b>	<b>16,507</b>
<b>Ending Fund Balance</b>	<b>\$ 98,100</b>	<b>\$ 109,677</b>	<b>\$ 52,379</b>	<b>\$ 288,120</b>	<b>\$ 304,628</b>

## Extended Five-Year Outlook

	<b>Budget 2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Beginning Fund Balance</b>	<b>\$ 288,120</b>	<b>304,628</b>	<b>497,082</b>	<b>755,268</b>	<b>1,357,377</b>
Sales Tax	1,560,000	1,606,800	1,655,004	1,688,104	1,721,866
Park Fees	24,000	24,400	30,100	30,100	30,100
Rental Income	35,000	40,000	44,000	48,000	55,000
Linear Park Fees	-	-	-	-	-
Interest Income	55	100	500	500	1,000
<b>Total Revenues</b>	<b>1,619,055</b>	<b>1,671,300</b>	<b>1,729,604</b>	<b>1,766,704</b>	<b>1,807,966</b>
<b>Expenditures</b>					
<i>Personnel</i>	324,483	339,084	354,343	370,289	386,952
Professional Services	97,786	92,933	103,933	92,933	103,933
Employee Development	2,635	2,635	2,635	2,685	2,685
Supplies / Equipment	274,256	110,301	72,231	83,321	117,231
Utilities	47,750	48,750	48,850	48,850	48,950
Other	-	-	-	-	-
<i>Total Services / Supplies</i>	422,427	254,619	227,649	227,789	272,799
<i>Capital</i>	17,281	1,700	1,700	1,700	1,700
<b>Total Expenditures</b>	<b>764,191</b>	<b>595,403</b>	<b>583,692</b>	<b>599,778</b>	<b>661,451</b>
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	(838,357)	(883,442)	(887,726)	(564,818)	(564,818)
<b>Net Increase / Decrease</b>	<b>16,507</b>	<b>192,454</b>	<b>258,186</b>	<b>602,109</b>	<b>581,698</b>
<b>Ending Fund Balance</b>	<b>\$ 304,628</b>	<b>497,082</b>	<b>755,268</b>	<b>1,357,377</b>	<b>1,939,075</b>

No Debt Financed Projects anticipated in three-year window. Restoration of working capital balances, coupled with reduction of debt service in FY 2025, 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

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### 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) **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 \$873,835, anticipating start in Summer / Fall 2021
- 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. (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 2022.**

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**RECOMMENDATION:**

Conduct public hearing and approve submitted FY 2022 Budget and annual updates to the HVDCD FDCIP.

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

**AGENDA# 7**

**MEETING DATE: 07/27/2021**

**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.