

**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 27, 2021**

The Highland Village Community Development Corporation of the City of Highland Village, Texas met on the 27th day of July 2021 at 4:34 pm in the City Council Chambers.

1. CALL TO ORDER

President Mechem called the meeting to order at 4:34 p.m.

ROLL CALL

Present:	Mike Lombardo	Council Representative
	Elisabeth Mechem	Citizen Representative
	Barbara Fleming	Council Representative
	Jared Christianson	Citizen Representative
	Dan Jaworski	Council Representative
	Dale Butler	Citizen Representative
Absent:	Tom Heslep	Council Representative
Staff Members:	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 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.

Mr. Jaworski nominated Elisabeth Mechem as President. Mrs. Fleming seconded the motion.

Ms. Mechem nominated Jared Christianson as Vice-President. Mrs. Fleming seconded the motion.

Mr. Jaworski nominated Barbara Fleming as Secretary/Treasurer. Mr. Lombardo seconded the motion.

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MS. MECHEM MADE THE MOTION TO APPOINT ELISABETH MECHEM AS PRESIDENT, JARED CHRISTIANSON AS VICE-PRESIDENT, AND BARBARA FLEMING AS SECRETARY/TREASURER.

Motion to approve carried 6 – 0.

4. CONSIDER APPROVAL OF MINUTES OF THE REGULAR COMMUNITY DEVELOPMENT CORPORATION MEETING HELD ON JULY 28, 2020

APPROVED

MR. JAWORSKI MADE THE MOTION TO APPROVE THE MINUTES. MR. BUTLER SECONDED THE MOTION.

Motion to approve carried 6 – 0

5. CONSIDER APPROVAL OF PROPOSED BUDGET AMENDMENTS FOR FISCAL YEAR 2020 – 2021

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. 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 - \$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
- Doubletree Ranch Grand lawn remediation \$6,000 (a portion of the amount will be refunded by LISD at the end of the year; however the amount is not known at this time.)

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Mr. Heerman stated 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 \$288,120 for FY 2021.

MR. JAWORSKI 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 2021 – 2022 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 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

- 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).

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- 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.

Parks and Recreation Director, Phil Lozano, gave an overview of the supplemental items for the FY 2022 Budget.

Supplemental requests identified for FY 2022 total \$181,275.

- Water softener system lease for splash pad
- Replace split rail fence with metal railing – Doubletree Ranch Park
- Seal pergola at Doubletree Ranch Park
- Replace lightning Warning system as Doubletree
- Upgrade electric service adjacent to Doubletree Barn to accommodate food trucks
- Add concrete pad adjacent to Doubletree Pavilion to accommodate food trucks
- Update landscaping and perform irrigation maintenance on the trail system
- Add Y-Strainer for Splash Pad
- Lighting for the PFC Aaron Hudson Memorial Bridge

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 -

Mr. Heerman stated that 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-2022 due to the pandemic.

Mr. Heerman relayed to the Board that he is optimistic about projections for FY 2022 with 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.

The working capital balance for year-end FY 2022 in the HVDCD 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.

Projects for future consideration – listed in priority order:

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- Highland Village Rd – service center to Sellmeyer Ln - \$561,200 (in process & part of the 2018 Parks Bond Issue)
- Highland Village Rd – City Hall to Service Center - \$361,100 (in process & part of the 2018 Parks Bond Issue)
- Chapel Hill City Trail / FM2499 Pedestrian Tunnel Connector - \$220,908 (Engineering funded with redirected savings from favorable street overlay bid – in progress)
- Marauder Park Trail Head - \$391,000
- Pilot Knoll Trail Connection – Connection from FM2499 Sidealk 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. –\$44,850
- Highland Shores Blvd. at Highland Village Rd. South Side 5’ sidewalk/trail connector where bike lane ends due to right turn lane, connect to City Trail \$8,665.
- Trail connector from Marauder Park Trail under FM 2499 Bridge to connect to Shoreline access point (have easement from TxDOT for trail)

Assistant City Manager, Heerman stated there are no proposed updates to the FDCIP for FY 2022.

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 2021-2022 Budget included therein.

Ms. Mechem opened the public hearing at 5:27 pm and asked for anyone wishing to speak. There being no one, Ms. Mechem closed the Public Hearing at 5:27 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.

MR. BUTLER 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. MS. MECHEM 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.)*

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DISCUSSION ITEM ONLY

None

8. ADJOURNMENT

President Mechem adjourned the meeting at 5:29 p.m.

Elisabeth Mechem, President

Karen McCoy, Executive Assistant