



A G E N D A

**SPECIAL MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, SEPTEMBER 15, 2020, at 6:00 P.M.**

Pursuant to Governor Greg Abbott's temporary suspension of various provisions of the Texas Open Meetings Act and in an effort to protect the health and safety of the public, the public will not be allowed to attend the City Council meeting in person. Members of the public may view the City Council meeting live at no cost via the following Internet link: www.highlandvillage.org/HVTV.

Any person wishing to provide comments on any matter to be considered on this agenda, may email such comments to the City Secretary at amiller@highlandvillage.org by 1:00 p.m. on Tuesday, September 15, 2020.

MEET and GREET

City Council Chambers – 6:00 P.M.

- 1. Conduct a Meet & Greet with Board and Commission Applicants**

OPEN SESSION

City Council Chambers

- 2. Call Meeting to Order**
- 3. Prayer led by Mayor Pro Tem Lombardo**
- 4. Pledge of Allegiance to the U.S. and Texas flags led by Mayor Pro Tem Lombardo: "Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."**
- 5. Visitor Comments (Any person wishing to provide comments on any matter to be considered on this agenda should email such comments to the City Secretary at amiller@highlandvillage.org by 1:00 p.m. on Tuesday, September 15, 2020. In accordance with the Texas Open Meetings Act, the City Council 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.)**
- 6. 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**

7. City Manager/Staff Reports
8. Clarification of Consent Items listed on Today's City Council Meeting Agenda for September 15, 2020

Anyone appearing in person and wishing to address the City Council on any item posted on the City Council agenda for possible action, including matters placed on the Consent Agenda or posted as a Public Hearing, must complete a Speakers' Request Form available at the entrance to the City Council Chambers and present it to the City Secretary prior to the Open Session being called to order. Speakers may be limited to three (3) minutes and given only one opportunity to speak on an item. Other procedures regarding speaking on matters posted for action on the City Council agenda are set forth on the Speakers' Request Form. Subject to applicable law, the City Council reserves the right to modify or waive at any time the procedures relating to members of the public speaking on matters placed the Council's agenda.

CONSENT AGENDA

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

9. Consider Resolution 2020-2903 authorizing the City Manager to enter into an Interlocal Agreement with Texas Political Subdivisions for purposes of providing City Workers' Compensation Insurance for Fiscal Year 2020-2021
10. Consider Resolution 2020-2904 cancelling the September 22, 2020 City Council Meeting
11. Consider Resolution 2020-2905 authorizing the Purchase of Vehicles, Turf Equipment and Message Board from Silsbee Ford, Professional Turf Products, LP and Buyer's Barricades through the City's Cooperative Purchasing Agreement with the State of Texas Purchasing Co-op (GoodBuy) and the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative (BuyBoard); and authorizing the Purchase of Backhoes from RDO Equipment, Co. through the City's Cooperative Purchasing Agreement with the State of Texas Co-op (Sourcewell)

ACTION AGENDA

12. Consider Ordinance 2020-1277 approving and adopting the Fiscal Year 2020-2021 Annual Budget (2nd and final read)
13. Consider Ordinance 2020-1278 levying the Ad Valorem Taxes for the Year 2020 at a Rate of \$.56302 per \$100 Assessed Valuation on all Taxable Property within the Corporate Limits of the City of Highland Village as of January 1, 2020 (2nd and final read)
14. Consider Resolution 2020-2902 ratifying the Property Tax Revenue Increase reflected in the Fiscal Year 2020-2021 Budget

15. 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 11TH DAY OF SEPTEMBER, 2020 NOT LATER THAN 6:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the _____ day of _____, 2020 at
_____ am / pm by _____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 9

MEETING DATE: 09/15/2020

SUBJECT: Consider Resolution 2020-2903 authorizing an interlocal agreement with Texas Political Subdivisions for purposes of providing City workers compensation insurance for FY 2020-2021

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

The City has contracted with Texas Political Subdivisions (TPS) - an intergovernmental risk pool - for its workers compensation insurance for a number of years. TPS operates through the member cities' insurance brokers, which, in the City's case, is Higginbotham and Associates.

IDENTIFIED NEED/S:

The City needs to continue to purchase workers' compensation coverage for City employees in accordance with state law.

OPTIONS & RESULTS:

The renewal premium for FY 2021 from TPS is \$127,551, which is a \$5,547 increase from last year's amount of \$122,004. Increase in overall payroll was the primary factor, as the experience factor changed only slightly from last year.

In general, a very proactive effort by City Staff to maintain a safe work environment has resulted in not only minimal lost work-time, but lower insurance premiums as well. The City receives a substantial discount due to the excellent safety record we have maintained. An experience factor is established based on our claim experience compared to the average of other entities in the risk pool. This factor is .70 for the next fiscal year which, while slightly increased from last year's factor of .69, still represents a 30% discount.

PROGRESS TO DATE: (if appropriate)

N/A

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The premium renewal amount slightly exceeds the budgeted amount for FY 2021 by \$1,593. However, as the premium is based on budgeted personnel salaries, a true-up with actual

expenditures typically provides a refund to the City. Based on historical data, this will bring us within the budgeted amount.

RECOMMENDATION:

To approve Resolution 2020-2903.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2020-2903

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING AN INTERLOCAL AGREEMENT WITH TEXAS POLITICAL SUBDIVISIONS FOR PURPOSES OF PROVIDING CITY WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2020-2021; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, workers' compensation insurance is a component of the City's employee benefit package; and

WHEREAS, the City has contracted with the Texas Political Subdivisions Intergovernmental Risk Pool for a number of years for the provision of workers' compensation insurance and has historically received a high level of service as well as substantial savings in insurance premiums over other potential carriers; and

WHEREAS, City Administration recommends a continuation of the interlocal agreement providing workers compensation insurance to the City for Fiscal Year 2020-2021; and

WHEREAS, the City Council of the City of Highland Village finds it to be in the public interest to concur in the above recommendation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HIGHLAND VILLAGE, TEXAS, THAT:

Section 1. The City Manager is hereby authorized to execute the necessary contract documents establishing an interlocal agreement with Texas Political Subdivisions to provide workers compensation insurance for the City and take such additional action as may be reasonable and necessary to comply with the intent of this Resolution.

Section 2. This Resolution shall be effective immediately upon its approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 15th DAY OF SEPTEMBER 2020.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kbl 9/10/2020:117874)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10

MEETING DATE: 09/15/2020

SUBJECT: Consider Resolution 2020-2904 canceling the September 22, 2020 City Council Meeting

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Section 3.13 of City of Highland Village City Charter states that the City Council shall have as many regular meetings as it shall deem necessary, provided it shall have at least one meeting each month to be held within the City limits. If (i) the business of the City is such that the number of items requiring City Council discussion and/or approval are too few to justify the staff time and costs related to preparing for a city council meeting, and (ii) matters pending which do require council approval can be delayed to a later meeting, then cancelation of a council meeting is from time to time proposed.

IDENTIFIED NEED/S:

In order to satisfy the 7-day requirement relating to state legislation regarding adoption of the tax rate, the City Council will hold a meeting on September 15, 2020. City staff determined that, for the sake of efficiency in time and resources, items that were scheduled for consideration at the September 22 meeting have been moved to the September 15 meeting, therefore, making the September 22 meeting unnecessary.

OPTIONS & RESULTS:

Canceling the Regular City Council meetings scheduled for September 22, 2020 would keep City Council from having to hold three meetings in the month of September 2020.

RECOMMENDATION:

To approve Resolution 2020-2904 canceling the September 22, 2020 City Council meeting.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2020-2904

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS CANCELING THE SEPTEMBER 22, 2020, CITY COUNCIL MEETING, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Section 3.13 of the City Charter of the City of Highland Village provides that the City Council shall have as many regular meetings as it shall deem necessary, provided it shall have at least one meeting each month to be held within the City limits; and

WHEREAS, the City Council customarily holds its regular meetings on the second and fourth Tuesdays of each month; and

WHEREAS, the City Council finds that canceling the regular meeting scheduled for September 22, 2020 will not adversely affect the operations of the City and will preserve City financial and human resources usually spent in preparation for such meetings.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

SECTION 1. The regular City Council meeting scheduled for September 22, 2020 is hereby canceled.

SECTION 2. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED this the 15th day of September, 2020.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 11

MEETING DATE: 09/15/2020

SUBJECT: Consider Resolution 2020-2905 Authorizing Purchase of vehicles from Silsbee Ford, Turf Equipment from Professional Turf Products, L.P. and a message board from Buyers Barricades through the City's Cooperative Purchasing Agreement with the State of Texas Purchasing Co-Op "GOODBUY" and the City's Cooperative Purchasing Agreement with Texas Local Government Purchasing Cooperative "BUYBOARD" and backhoes from RDO Equipment, Co. through the City's Cooperative Purchasing Agreement with the State of Texas Co-Op "SOURCEWELL"

PREPARED BY: Scott Kriston, Director of Public Works

BACKGROUND:

During the budget process, the Fleet Maintenance division works with each division in evaluating their present vehicle and equipment inventory and need for the upcoming budget year. The City criteria for vehicle replacement is based on vehicle mileage of approximately 100,000 miles, repair history and age of vehicle. Equipment replacement is based on the repair history, age, hours of service and increased needs for each division.

IDENTIFIED NEED/S:

In this fiscal budget year 2020/2021, under the equipment replacement schedule, staff identified the equipment that has met the city's criteria for replacement. Equipment being replaced will be brought forward to Council for authorization to be sold at auction.

PROGRESS TO DATE: (if appropriate)

In the process of taking bids as required by state law, City staff found that in working with the State of Texas Purchasing Co-Op "GOODBUY" and Texas Local Government Purchasing Co-Op "BUYBOARD" and State of Texas Purchasing Co-Op "SOURCEWELL", vehicles and equipment meeting or exceeding all specifications for the vehicles could be purchased for the best price. All Co-Op fees are included in the total prices.

"GOODBUY" and "BUYBOARD" obtained the needed vehicles, turf equipment and the message board through Silsbee Ford, Professional Turf Products, L.P. and Buyers Barricades.

"SOURCEWELL" obtained the needed backhoe equipment through RDO Equipment, Co.

<u>Division</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost</u>
Streets	1	2021 John Deere 410L Backhoe	\$119,147.68
Total Streets Purchase Cost			\$119,147.68
Drainage	1	Message board	\$16,049.00
Total Drainage Purchase Cost			\$16,049.00
Utility	1	2021 John Deere 410L Backhoe	\$119,147.68
Total Utility Purchase Cost			\$119,147.68
Parks & Rec.	1	2020 F-150 SUPER-CAB	\$31,417.50
	2	Toro Workman HDX-2WD Kubota	\$49,677.40
Total Parks & Rec. Purchase Cost			\$81,094.90
Police	1	2020 Interceptor	\$38,940.20
	1	2020 F-250 Crew cab ACO truck	\$68,823.20
Total Police Purchase Cost			\$107,763.40
			<u>TOTAL</u>
			\$443,202.66

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Approved in FY 2020/2021 Vehicle / Equipment Replacement Budget.

RECOMMENDATION:

To approve Resolution 2020-2905.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2020-2905

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE PURCHASE OF VEHICLES, TURF EQUIPMENT AND A MESSAGE BOARD FROM SILSBEE FORD, PROFESSIONAL TURF PRODUCTS, L.P. AND BUYERS BARRICADES THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE STATE OF TEXAS PURCHASING CO-OP (GOODBUY) AND THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH TEXAS LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD) AND BACKHOES FROM RDO EQUIPMENT, CO. THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE STATE OF TEXAS CO-OP (SOURCEWELL); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to its review of the City's vehicle and equipment in accordance with the City's replacement policies, City Administration has identified the need to replace seven vehicles for the Public Works, Parks and Police Departments; and

WHEREAS, City Administration, while in the process of soliciting bids in accordance with state law, determined that the purchase of the equipment and vehicles that comply with City specifications can be made for the lowest price from Silsbee Ford and Professional Turf Equipment, L.P., through the City's cooperative purchasing agreement with the State of Texas Co-Op ("GOODBUY") and the City's cooperative purchasing agreement with Texas Local Government purchasing agreement Co-Op "BUYBOARD" and backhoes from RDO Equipment, Co. through the City's Cooperative purchasing agreement with the State of Texas Co-Op "SOURCEWELL"; and

WHEREAS, the City Council of the City of Highland Village finds it to be in the public interest to authorize the above-described purchases.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

SECTION 1. The City Manager is hereby authorized to purchase on or after October 1, 2020, one (1) 2020 Super Cab Model Ford F-Series vehicle, one (1) Crew-Cab Ford F-250 vehicle, one (1) Police Interceptor vehicle from Silsbee Ford, two (2) Workman turf equipment through Professional Turf Products, L.P., one (1) Message Board through Buyers Barricades and two (2) backhoes through RDO Equipment Company through the City's cooperative purchasing agreements with GOODBUY, BUYBOARD and SOURCEWELL in the amount of \$443,202.66 from funds available in the FY 2020-2021 budget.

SECTION 2. This Resolution shall take effect immediately upon passage.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE,
TEXAS, ON THIS 15th DAY OF SEPTEMBER 2020.**

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:9/10/2020:117885)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: 09/08/2020

**SUBJECT: Consider Ordinance 2020-1277 (Second Reading) Adopting the
FY 2020-2021 Annual Budget**

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

City Staff initiated the FY 2021 Budget process in May of this year with departments reviewing programs and related costs in their respective areas. The budget was developed with Council in a series of workshops: the Capital Improvement Program was presented, followed by the General Fund Budget, Special Revenue Funds, and the Utility Fund. The proposed budget has been available on the City Web Site for review by residents. The final document presented is a joint product of Staff and Council to reflect priorities established by Council in the initial stages of this budget process. The required public hearing will be conducted at this meeting.

IDENTIFIED NEED/S:

The FY 2020/21 Budget is presented for Council approval. The presented budget mirrors the expressed consensus of Council from the budget work sessions.

Truth in Taxation, specifically Local Government Code Section 102.007, requires specific action in adoption of the budget. A vote to adopt the budget must be a record vote, and the adopted budget must contain a cover page that includes a number of specifically worded statements regarding revenue, delineation of the record vote to adopt the budget, tax rates, and debt obligation amounts. All the pertinent information is likewise included in the City Manager Recommended Budget posted on-line, save the record vote of council – which will be updated subsequent to the actual council vote.

Additionally, adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of council to ratify the property tax increase reflected in the budget. As this budget does indeed raise more revenue, this is to be presented as a separate companion agenda item with the second reading of the budget ordinance.

OPTIONS & RESULTS:

The complete budget is available for viewing on the City website, and is on file in the City Secretary's Office.

<https://www.highlandvillage.org/DocumentCenter/View/9194/FY-2021-CM-Recommended-Budget>

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

A budget ordinance follows. Fund expenditure totals are enumerated in the ordinance along with parameters regarding amendments to the approved budget.

RECOMMENDATION:

Council approved the first read of Ordinance 2020-1277 at their September 8, 2020 meeting. Recommendation is to approve the second read of Ordinance 2020-1277 adopting the FY 2020-2021 Budget.

CITY OF HIGHLAND VILLAGE

ORDINANCE NO. 2020-1277

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021, AND CATEGORY APPROPRIATIONS FOR EACH FUND AND DEPARTMENT, PROJECT AND ACCOUNT; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR INTER-FUND TRANSFERS; PROVIDING FOR INVESTMENT OF CERTAIN FUNDS; PROVIDING FOR FISCAL AND BUDGETARY POLICY GUIDELINES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, as required by Article VI of the City Charter, the City Manager has prepared and submitted to the City Council a Budget Estimate of expenditures and revenues of all city departments, activities and offices for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (“the FY 2020-2021 Budget”), and

WHEREAS, the proposed FY 2020-2021 Budget has been filed with the City Secretary of the City of Highland Village as required by law; and

WHEREAS, notice of public hearing upon the proposed FY 2020-2021 Budget has been duly and legally posted or published as required by law; and,

WHEREAS, said public hearing was held on September 8, 2020, and whereon full and final consideration was given the proposed FY 2020-2021 Budget; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that the proposed FY 2020-2021 Budget will be sufficient to provide the needed services to Highland Village residents.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS; THAT

SECTION 1. For the purpose of providing the funds necessary and proposed to be expended in the Budget of the City of Highland Village for the fiscal year beginning October 1, 2020 and ending September 30, 2021, the FY 2020-2021 Budget heretofore prepared by the City Manager and submitted to the City Council for its consideration and approval, said Budget for the different funds of the City of Highland Village are hereby fixed as follows:

General Fund	18,747,868
Debt Service Fund	2,843,219
Corps Leased Parks Fund	389,463
HV Drainage Utility Fund	545,683
Capital Projects Fund	2,771,154
Public Safety Special Revenue Fund	3,600
Park Development Fee Fund	-0-
PEG Fee Fund	28,600
Municipal Court Technology Fee Fund	12,525
Municipal Court Building Security Fund	-0-

Utility Fund	12,355,817
HV Community Development Fund	579,217
Total Funds	38,277,145

The above said budget is hereby approved for a total of \$38,277,145, and the available resources and revenues of the City of Highland Village for said fiscal year be and the same are hereby appropriated and set aside for the maintenance and operation of the various departments of the Government of the City of Highland Village, together with the various activities and improvements as set forth in said FY 2020-2021 Budget, and expenditures under these appropriations shall not exceed the enumerated line items unless and until the line item(s) shall be amended by a Council-approved budget amendment, and further the expenditures shall be in accordance with the uses and purposes of the respective departments, as such are more specifically identified by the line items, and activities as provided for in said FY 2020-2021 Budget. Amendments to the FY 2020-2021 Budget, including appropriations and expenditures which deviate from this FY 2020-2021 Budget shall be approved by the City Council by presentation of the item on a form in substantial conformity to that attached hereto as Exhibit A. Notwithstanding the foregoing, the City Manager is hereby authorized to make expenditures under this FY 2020-2021 Budget, without budget amendment, which exceed specific line items within expenditure categories, these categories being Personnel, Services/Supplies, and Capital. In no event shall expenditures for any department, expended under the City Manager's authority, exceed the departmental appropriation for said department.

SECTION 2. The Budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021, approved herein, is on file in the City Secretary Office.

SECTION 3. The expenditures during the fiscal year beginning October 1, 2020, and ending September 30, 2021, shall be made in accordance with the FY 2020-2021 Budget approved by this ordinance unless otherwise authorized by duly enacted ordinance of the City of Highland Village.

SECTION 4. The City Manager be and is hereby authorized in accordance with the provisions of Section 6.17 of the City Charter to approve expenditures up to the amount set forth in the financial policies adopted by the City Council, with any expenditure over such amount requiring the approval of the City Council.

SECTION 5. The City Manager be and is hereby authorized to make interfund transfers in accordance with budgeted appropriations during the fiscal year.

SECTION 6. The City Manager and/or the designated Investment Officer is authorized to invest idle funds, whether operating funds or bond funds in accordance with the City's Investment Policy as prescribed by the Public Funds Investment Act.

SECTION 7. The administration and execution of said budget for fiscal year beginning October 1, 2020 and ending September 30, 2021 shall be subject to certain fiscal and budgetary policies as adopted by the City Council.

SECTION 8. This Ordinance shall take effect immediately from and after its passage on second reading.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON FIRST READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Jon Kixmiller, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Tom Heslep, Councilmember – Place 5		
Robert Fiester, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH 7 VOTING “AYE” AND 0 VOTING “NAY,” AND TWO ABSENT, THIS ORDINANCE NO. 2020-1277 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 8th DAY OF SEPTEMBER 2020.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON SECOND AND FINAL READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Jon Kixmiller, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Tom Heslep, Councilmember – Place 5		
Robert Fiester, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2020-1277 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 15th DAY OF SEPTEMBER 2020.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:9/2/2020/117710)

**ORDINANCE NO. 2020-1277
EXHIBIT A**

**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>
<u>Expenditures</u>				
<u>Total</u>				-

Reason for Request

FUND BALANCE

GENERAL FUND BALANCE

Details: **Net Change \$ -**

UTILITY FUND WORKING CAPITAL BALANCE

Details: **Net Change \$**

**COUNCIL APPROVAL
REQUIRED**

**Inter-Departmental, offset by equal decrease
or offset by increase in revenue item.**

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 13

MEETING DATE: 09/15/2020

SUBJECT: Consider Ordinance 2020-1278 Levying the Ad Valorem Taxes for the Year 2020 at a Rate of \$.56302 Per \$100 Assessed Valuation on all Property Within the Corporate Limits of the City of Highland Village as of January 1, 2020

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

Texas Tax Code §26.05 requires a tax rate be adopted by official action following passage of a budget. The tax rate must be adopted in two separate components – Maintenance and Operations (M&O), and Interest and Sinking (I&S). The total tax rate of \$.56302/\$100 is unchanged from last year. Changes in the tax law for 2020 provide new terminology: the no-new-revenue tax rate (previously effective rate) is the rate that would provide the same amount of funds raised from property taxes for the current fiscal year, and the voter-approved tax rate (previously rollback rate) is the maximum tax rate that City Council may approve without requiring an election. State law requires a public hearing if the proposed tax rate exceeds the lower of the voter-approved tax rate or the no-new-revenue tax rate. The proposed tax rate of \$.56302/\$100 is below the voter-approved tax rate (calculated at \$.579082/\$100) – however slightly exceeding the no-new-revenue tax rate (calculated at \$.56087/\$100). Thus, state law requires one public hearing be held regarding the proposed tax rate, as well as placement of associated notices in the city's official newspaper, posting to the City Website, also broadcast on HVTV. State law also requires a public hearing be held prior to adoption of the city's annual budget. Accordingly, the notice was published and the public hearing held at this 9/8/2020 Council Meeting.

IDENTIFIED NEED/S:

Ordinance No. 2020-1277 provides for the adoption of the City's official budget for Fiscal Year 2020-21. Pursuant to the direction of the City Council, the City Manager has prepared the FY 2020-21 budget based on anticipated revenues to the City from various sources, including the assessment of taxes on real and business personal property located within the City. In order to provide for sufficient revenues to pay the City's operation and maintenance obligations as well as the City's outstanding debt obligations, the FY 2020-21 budget requires the City receive property tax revenues that would be generated through the adoption of the proposed tax rate. Staff has prepared for consideration, Ordinance No. 2020-1278 which provides for the adoption of a total tax rate of \$.56302 per \$100 valuation (composed of a Maintenance and Operation rate of \$0.478133 per \$100 valuation and a debt service rate of \$0.084887 per \$100 valuation) to fund the FY 2020-2021 budget.

- Because the proposed M&O tax rate will exceed the no-new-revenue M&O tax rate (previously M&O effective tax rate) of \$0.477483 per \$100 valuation, state law requires

certain language in larger font be included in the ordinance adopting the tax rate for the next fiscal year (see Section 2 of Ordinance No. 2020-1278).

- In addition, as the proposed tax rate exceeds the no-new-revenue tax rate, at least 60 percent of the governing body must vote in favor of the ordinance by a record vote. State law also requires that the motion approving an ordinance adopting a tax rate that is greater than the no-new-revenue tax rate include specific language (see **Recommendation** section below).

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The ordinance adopting the tax rate follows this briefing.

RECOMMENDATION:

Council approved the first read of Ordinance No. 2020-1278 at their September 8, 2020 meeting. Staff recommends approval of Ordinance No. 2020-1278 on second and final read. State law requires the motion to approve the ordinance be made in the following form:

“I move that the property tax rate be increased by the adoption of a tax rate of \$.56302, which is effectively a 0.4 percent increase in the tax rate and, therefore, I further move that Ordinance No. 2020-1278 be approved on second and final read.”

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2020-1278

AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2020 AT A RATE OF \$0.56302 PER \$100 ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF HIGHLAND VILLAGE AS OF JANUARY 1, 2020; TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF HIGHLAND VILLAGE; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; APPROVING THE 2020 TAX ROLL CERTIFIED BY THE CHIEF APPRAISER OF THE DENTON CENTRAL APPRAISAL DISTRICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, assessments and renditions of all taxable property in the City of Highland Village have been made for the year 2020 by the Denton Central Appraisal District; and

WHEREAS, the City Council has approved Ordinance No. 2020-1277 adopting the City's annual budget for fiscal year 2020-2021; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that a total tax rate of \$0.56302 per \$100 assessed valuation should be adopted in order to provide funds necessary for the operations and maintenance obligations of the City and to fund required debt payments; and

WHEREAS, the City Council of the City of Highland Village, Texas, upon full consideration of the matter, is of the opinion the tax rate hereinafter set forth is proper and should be approved and adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

SECTION 1. There should be and is hereby levied for the year 2020 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Highland Village, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.56302 on each \$100 assessed value of taxable property, which tax shall be apportioned and distributed as follows:

- (a) For the purpose of defraying the current operational and maintenance expenses of the municipal government of the City, a tax of \$0.478133 on each one hundred dollars (\$100.00) assessed value of all taxable property within the City of Highland Village.
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Highland Village, not otherwise provided for, a tax of \$0.084887 on each one hundred dollars (\$100.00) of assessed value of taxable property within the City of Highland Village and shall be applied to the payment of interest and maturities of all such outstanding debt, including paying agent fees.

SECTION 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.1 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$1.

SECTION 3. All ad valorem taxes shall become due and payable on October 1, 2020, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2021. There shall be no discount for payment of taxes prior to February 1, 2021. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent on the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2021, incurs a total penalty of twelve percent of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent for each month or portion of a month the tax remains unpaid. Taxes for the year 2015 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2014 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2015 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

SECTION 4. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

SECTION 5. The assessments and renditions for the year 2020 on all taxable property and the Tax Roll certified by the Chief Appraiser of the Denton Central Appraisal District as presented to the City Council are hereby approved.

SECTION 6. The fact that it is necessary that this Ordinance be enacted in order to authorize the collection of ad valorem taxes for the fiscal year 2020-2021 requires that this Ordinance shall take effect immediately from and after its passage on second reading, as the law in such cases provides.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON FIRST READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1	x	
Jon Kixmiller, Councilmember-Place 2	x	
Mike Lombardo, Councilmember – Place 3	x	
Barbara Fleming, Councilmember – Place 4	x	
Tom Heslep, Councilmember – Place 5	x	
Robert Fiester, Councilmember – Place 6	x	
Daniel Jaworski – Councilmember – Place 7	x	

WITH 7 VOTING “AYE” AND 0 VOTING “NAY,” AND TWO ABSENT, THIS ORDINANCE NO. 2020-1278 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 8th DAY OF SEPTEMBER 2020.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE ON SECOND AND FINAL READING, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Charlotte Wilcox, Mayor- Place 1		
Jon Kixmiller, Councilmember-Place 2		
Mike Lombardo, Councilmember – Place 3		
Barbara Fleming, Councilmember – Place 4		
Tom Heslep, Councilmember – Place 5		
Robert Fiester, Councilmember – Place 6		
Daniel Jaworski – Councilmember – Place 7		

WITH VOTING “AYE” AND VOTING “NAY,” THIS ORDINANCE NO. 2020-1267 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 15TH DAY OF SEPTEMBER 2020.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:9/1/2020:117713)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14

MEETING DATE: 09/15/2020

SUBJECT: Consider Resolution No. 2020-2902 Ratifying the Property Tax Revenue Increase Reflected in the 2020-21 Fiscal Year Budget

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

City Staff initiated the FY 2021 Budget process in May of this year with departments reviewing programs and related costs in their respective areas. The budget was developed with Council in a series of workshops: the Capital Improvement Program was presented, followed by the General Fund Budget, Special Revenue funds, and the Utility Fund. The proposed budget has been available in the Office of the City Secretary on the City's Web Site for review by residents for the required period of time. The final document presented is a joint product of Staff and Council to reflect priorities established by Council in the initial stages of this budget process. A public hearing was conducted as required by law and the City Charter at the September 8th meeting.

IDENTIFIED NEED/S:

In accordance with Local Government Code §102.007(c), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of Council to "ratify the property tax increase reflected in the budget". Essentially, this action acknowledges that Council is aware this budget will cost more than last year's budget. As this budget does indeed raise more revenue, this is required action.

OPTIONS & RESULTS:

While the property **tax rate is unchanged** from last year, overall tax dollars are increased – this year collecting \$13,522,104 compared to \$13,274,851 last year. The \$247,253 increase is reflective of a 1.9 percent increase in valuation, inclusive of new valuation of \$22,513,440 added to the tax base.

PROGRESS TO DATE: (if appropriate)

N/A

RECOMMENDATION:

To approve Resolution No. 2020-2902, "ratifying the property tax increase reflected in the budget" as required by Local Government Code §102.007(c).

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2020-2902

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE 2020-2021 FISCAL YEAR BUDGET; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year; and

WHEREAS, the City Council has approved Ordinance No. 2020-1277 adopting the 2020-2021 fiscal year budget which will require the City to raise more revenue from property taxes than in the 2019-2020 fiscal year budget by an amount of \$247,253, which is a 1.9% increase from the 2019-2020 fiscal year budget, of which \$126,755 is tax revenue to be raised from new property added to the tax roll this year; and

WHEREAS, the City Council of the City of Highland Village, Texas, desires to ratify the property tax increase reflected in Ordinance No. 2020-1277 approving the 2020-2021 Fiscal Year Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, THAT:

SECTION 1. The property tax increase reflected in the 2020-2021 Fiscal Year Budget and approved pursuant to Ordinance No. 2020-1277 is hereby ratified.

SECTION 2. This Resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED THIS THE 15TH DAY OF SEPTEMBER 2020.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:9/10/2020:117884)