CITY OF Highland Village

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, 2026 at 6:00 P.M.

EARLY WORK SESSION
Training Room – 6:00 P.M.

Convene Meeting in Open Session

1. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for September 15, 2026

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session.)

CLOSED SESSION

2. Hold a Closed Meeting in accordance with the following Section(s) of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and/or any Matter including, but not limited to, any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)
(b) Section 551.089 – Deliberation Regarding the Deployment, or Specific Occasions for Implementation of Security Devices

OPEN SESSION
City Council Chambers – 7:00 P.M.

3. Call Meeting to Order

4. Prayer led by Mayor Pro Tem Brian Fiorenza

5. Pledge of Allegiance to the U.S. and Texas flags led by Mayor Pro Tem Brian Fiorenza: ***"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."***

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

- **Presentation of a Proclamation recognizing Highland Village Mayor for the Day**

7. City Manager/Staff Reports

- **DCTA Board Meeting Update**
- **Receive a Presentation on the Parks and Recreation Facility and Amenity Marketing Plan**
- **Receive a Demonstration on New Flood Education Tools and Resources available on the City's Website**

8. Visitor Comments (*Anyone wishing to address the City Council must complete a Speakers' Request Form and return it to the City Secretary. 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. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)*

Anyone 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. An item will be moved to the Action Agenda for discussion if a Speaker's Request Form is submitted indicating the person desires to comment on an item posted on the Consent Agenda.

9. Consider approval of Minutes of the City Council Special Work Session held on July 21, 2026

10. Consider Ordinance 2026-1338 adopting Amendments to the Fiscal Year 2025-2026 Budget (*2nd and final read*)

11. Consider Resolution 2026-3253 approving a Negotiated Settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., a Mid-Tex Division regarding the Company's 2026 Rate Review Mechanism Filing

12. Receive Budget Reports for Period ending July 31, 2026

ACTION AGENDA

13. Take action, if any, on Matters discussed in Closed Session in accordance with the following Section(s) of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and/or any Matter including, but not limited to, any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)
(b) Section 551.089 – Deliberation Regarding the Deployment, or Specific Occasions for Implementation of Security Devices

14. Receive a Presentation of City Manager Recommended Budget and Conduct a Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2026-2027

15. Consider Ordinance 2026-1339 approving and adopting the Fiscal Year 2026-2027 Annual Budget (*1st of two rea*ds)

16. Consider Ordinance 2026-1340 levying the Ad Valorem Taxes for the Year 2026 at a rate of $0.528541 per $100 Assessed Valuation on all Taxable Property within the Corporate Limits of the City of Highland Village as of January 1, 2026 (*1st of two reads*)

17. Consider Resolution 2026-3254 authorizing an Automatic Aid Agreement for Fire and Emergency Services

LATE WORK SESSION

(Items may be discussed during Early Work Session, time permitting)

18. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific 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.)

19. 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 9TH DAY OF SEPTEMBER 2026.

Angela Miller

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 for additional information.

Removed from posting on the ___________ day of _________________________________, 2026 at ___________

am / pm by ____.

CITY OF HIGHLAND VILLAGE TAXPAYER IMPACT STATEMENT

House Bill 1522, passed by the Texas Legislature in 2025, amends section 551.043 of the Texas Government Code to require that the notice of a meeting required to be posted under section 551.043(a) of the Texas Open Meetings Act, at which a governmental body will discuss or adopt a budget for the governmental body, must include a taxpayer impact statement showing, for the median-valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year.

The City of Highland Village has proposed a budget for the City's 2026-2027 fiscal year. The City intends to adopt its budget on or before September 30, 2026.

- **Value of Median-Valued Homestead Property in the City: $550,381**
- **Property Tax Bill for the Current Fiscal Year ($0.500984): $2,757.32**
- **Estimated Property Tax Bill for the Upcoming Fiscal Year if the City Adopts the Proposed Budget and Tax Rate ($0.528541): $2,908.99**
- **Estimated Property Tax Bill for the Upcoming Fiscal Year if the City Adopts a Balanced Budget Funded at the No-New-Revenue Tax Rate ($0.508557, includes debt rate of $0.081581): $2,799.00**

The estimates in this Impact Statement are valid only for the proposed budget and proposed tax rate that the City Council will discuss at its meetings on **September 15, 2026 and September 22, 2026**. The proposed budget and the proposed tax rate may each be amended by City Council at any time before their final adoption. If the City Council intends to discuss the proposed budget at a subsequent meeting, the City will include a Taxpayer Impact Statement in the notice for that meeting which will include updated estimates based on any amendments to the proposed budget and proposed tax rate.

I hereby certify that the foregoing Taxpayer Impact Statement was included in the public notice for the City Council meeting to be held on **September 15, 2026 and September 22, 2026**.

Paul Stevens

Paul Stevens, City Manager

September 9, 2026

Date

CITY COUNCIL MEMORANDUM
AGENDA ITEM 6

MEETING DATE: September 15, 2026

SUBJECT: Mayor and Council Reports on Items of Community Interest

PREPARED BY: Valerie Strubelt, Deputy City Secretary

BACKGROUND

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.

- Presentation of a Proclamation recognizing Highland Village Mayor for the Day

Proclamation

The City of Highland Village

Whereas, the City of Highland Village recognizes that our youth are the future leaders of our city, county, state and nation, and understands the importance of increasing students' knowledge of the operations and complexities of local government; and

Whereas, McAuliffe Elementary School has provided Highland Village students in grades Kindergarten through fifth grade with a high-quality education; and

Whereas, the City of Highland Village offered a "Mayor for the Day" opportunity to one lucky student that aims to foster and encourage leadership in our young students; and

Whereas, fourth grade student Hudson Netsch was the successful recipient.

NOW THEREFORE, on behalf of the City Council and City Staff, I, Charlotte Wilcox, Mayor of the City of Highland Village, do hereby congratulate and recognize

"Hudson Netsch as the Highland Village Mayor for the Day"

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed on this 15th day of September 2026.

____

Charlotte J. Wilcox, Mayor

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

MEETING DATE: September 15, 2026

SUBJECT: City Manager/Staff Reports – DCTA Board Meeting Report for August 27, 2026

PREPARED BY: Paul Stevens, City Manager

BACKGROUND

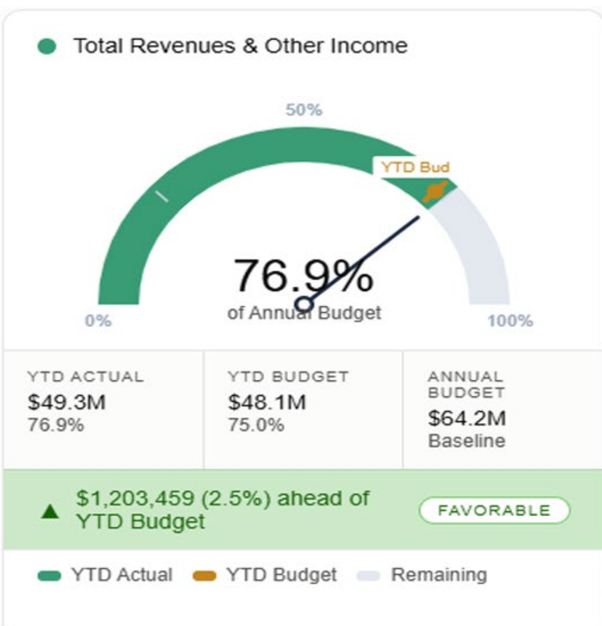
Following is a report from the DCTA Board Meeting, which was held on August 27, 2026. Consent agenda items were all approved and are as follows:

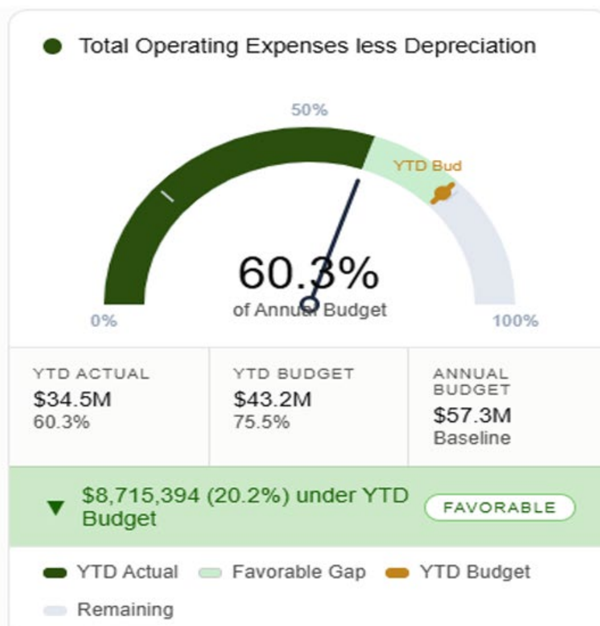
1. Consider Approval of Regular Meeting Minutes dated July 23, 2026
2. Consider Approval of Task Order #3 with River North Transit, LLC dba Via Transportation for GoZone Member City Demand Response Service for the Period of One (1) Year Beginning October 1, 2026, through September 30, 2027
3. Consider Approval of Task Order #4 with River North Transit, LLC dba Via Transportation for City of Frisco GoZone Demand Response Service for the Period of One (1) Year Beginning October 1, 2026, through September 30, 2027 in an Amount Not to exceed $2,900,232.
4. Consider Approval of Task Order #4 with zTrip for City of Frisco Demand Response Paratransit Service for the Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount not to Exceed $257,000.
5. Consider Approval of Task Order #6 with Lyft for City of Frisco Demand Response Paratransit Services for a Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount Not to Exceed $11,845
6. Consider Approval of Task Order #7 with Lyft, Inc. for Coppell Mobility Services for On-Demand Rideshare for a Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount Not to Exceed $73,000
7. Consider Approval of Task Force #8 with Lyft, Inc. for University of North Texas (UNT) Late Night Service for a Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount Not to Exceed $118,450
8. Consider Approval of the Second Amended and Restated Interlocal Agreement with the City of Allen for Collin County Rides Transit Services for a Period of Three (3) Years Beginning October 1, 2026, through September 30, 2029 with the Option for One (1) Additional Two (2) Year Period Expiring September 30, 2031, in an Amount Not to Exceed $856,473 and Authorize the Chief Executive Officer (CEO) to Execute Such Agreement
9. Consider Approval of the Second Amended and Restated Interlocal Agreement with the Town of Fairview for Collin County Rides Transit Services for a Period of Three (3) Years Beginning on October 1, 2026, through September 30, 2029, with the Option for One (1) Additional Two (2) Year Period Expiring September 30, 2031, in an amount Not to Exceed $95,164 and Authorize Chief Executive Officer (CEO) to Execute Such Agreement.
10. Consider Approval of Task Order #3 with zTrip for Collin County Rides Transit Services for a Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount Not to Exceed $360,630
11. Consider Approval of Task Order #5 with Lyft for Collin County Rides Transit Services for a Period of One (1) Year Beginning October 1, 2026, through September 30, 2027, in an Amount not to Exceed $12,566

12. Consider Authorizing the Chief Executive Officer (CEO) to Execute a Renewal of the Microsoft Enterprise Agreement (EA) with SHI Government Solutions, Inc. through the Texas Department of Information Resources (DIR) Cooperative Contract DIR-CPO-5237, for a Period of Three Years Beginning September 1, 2026, through August 31, 2029, in an Amount Not to Exceed $171,341.64
13. Consider Authorizing the Chief Executive Officer (CEO) to Execute an Agreement with the Sales Tax Assurance LLC d/b/a HdL Companies for Sales and Use Tax Compliance Review, Recovery, and Consulting Services for a Period of Three (3) years Beginning September 1, 2026, through August 31, 2029, with an Option for Two (2) Additional One (1) Year Terms Through August 31, 2031, in an Amount Not to Exceed a Fixed Cost of $7,200 Annually, Plus Contingency for Recovered Sales Taxes
14. Consider Authorizing the Chief Executive Officer (CEO) to Execute Two (2) Purchase Agreements with Swiftly, Inc. through Vertosoft, LLC utilizing The Interlocal Purchasing System (TIPS) Contract #250106 – for Onboard Technology Hardware, Installation, Commissioning, and Licensing for Nine (9) Bus Fleet Vehicles in an Amount of $160,512.13

The regular agenda items were as follows:

1. **Discuss and Consider Approval of Monthly Financial Statement, Grant Report and Investment Report for the Period Ending June 30, 2026, and Receive an Update Regarding Finance Operations**





CITY OF Highland Village

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

2. **Conduct a Public Hearing and Consider Approval of a Resolution to Adopt the Proposed Denton County Transportation Authority (DCTA) Fiscal Year (FY) 2027 Operating and Capital Budget, Long-Range Financial Plan, and Budget Contingency Plan beginning October 1, 2026, and ending September 30, 2027**

A public hearing on the adoption of the budget was held and unanimously approved. Following are slides summarizing the adopted budget. The approval of the Long-Range Financial Plan was delayed after further input from the Board.

FY 2027 Budget Updates – since July Board Meeting

DCTA

	(July Briefing)	(Proposed for Adoption)		
Revenue	**Proposed Revised FY27**	**Recommended FY27**	**$ Change**	**Notes**
MaaS – Purchased Transportation	$144,000	$116,800	-$27,200	Coppell Lyft PT cost plus 60% Admin Fee

Expense	Proposed Revised FY27	Recommended FY27	$ Change	Notes
MaaS – Purchased Transportation *	$1,706,807	$1,689,807	-$17,000	Coppell Lyft per task order is $73,000 for FY27
Rail – General Service (officers on a train)	$469,199	$483,705	$14,506	Officers on the train initially budgeted $300K and firmer numbers show $314,506
Total			**-2,494**	

* Account also includes Guaranteed Ride Home, UNT Late Night & Vanpool

Capital	Proposed Revised FY27	Recommended FY27	$ Change	Notes
Fleet Purchase - Bus	$2,700,000	$2,730,000	$30,000	Cost per bus $901,000 + $6,000 inspection and incidentals to total $910,000/bus

FY 2027 Budget Summary

DCTA

Operating Budget		
BUS OPERATIONS		
Demand Response – Directly Operated[1]	$	1,077,493
Fixed Route – Directly Operated[2]	$	5,672,693
MOBILITY SERVICES		
GoZone	$	15,515,443
Collin County Rides	$	487,896
Contracted Mobility as a Service[3]	$	1,689,807
Bus Admin & Support Services	$	8,195,823
A-train	$	17,318,469
General & Administrative	$	11,363,306
Total	**$**	**61,320,930**

(1) Includes Access and Frisco and demand response for Denton, Highland Village, Lewisville
(2) Includes Connect, UNT shuttle, North Texas Express
(3) Contracted Mobility as a Service Vanpool, Coppell Lyft, UNT Lyft

Capital Budget	
Total FY2027 Proposed Capital	$20,361,193

* includes TAM

Debt Service	
Total FY2027 Debt Service (P+I)	$1,990,108

G&A to OPEX	2023	2024	2025	2026	2027
OpEx	$42.4	$46.9	$45.1	$54.3	$61.3
G&A	$5.9	$7.1	$8.0	$11.4	$11.4
G&A %	13.9%	15.1%	17.7%	20.9%	18.5%

2026: Approved Budget

2027: Proposed Budget

Note: of the $11.4M in G&A approximately $1.7M are operational expenses for work plan objectives including marketing enhancements, community involvement, and planning initiatives. At $9.7M G&A vs total OPEX is $9.7M / $61.3M = 15.8%

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

Financial Overview
FY27 Balanced Budget - Recommended

REVENUE
$81,087,596

Sales Tax	$41,820,000
Fed. Op. & Capital Grant	$27,157,578
Contract Service Revenue	$5,550,317
Investment Income	$3,500,000
Passenger Revenue	$2,884,701
Misc. Revenue	$175,000

OPERATING EXPENSES
$61,320,930

Purchased Transportation	$30,835,636
Salary & Benefits	$15,550,572
Outsourced Services	$8,050,101
Materials & Supplies	$3,112,054
Insurance	$2,110,249
Utilities	$756,700
Employee Development	$624,198
Leases	$281,420

CAPITAL
$16,561,193

G&A Projects	$8,950,000
Rail Projects	$3,546,193
Bus Projects	$4,065,000

DEBT SERVICE
$1,990,108

2020 issuance	
Principal	$855,000
Interest	$61,628
FY27 Debt Service	$916,628
2021 issuance	
Principal	$1,005,000
Interest	$68,480
FY27 Debt Service	$1,073,480

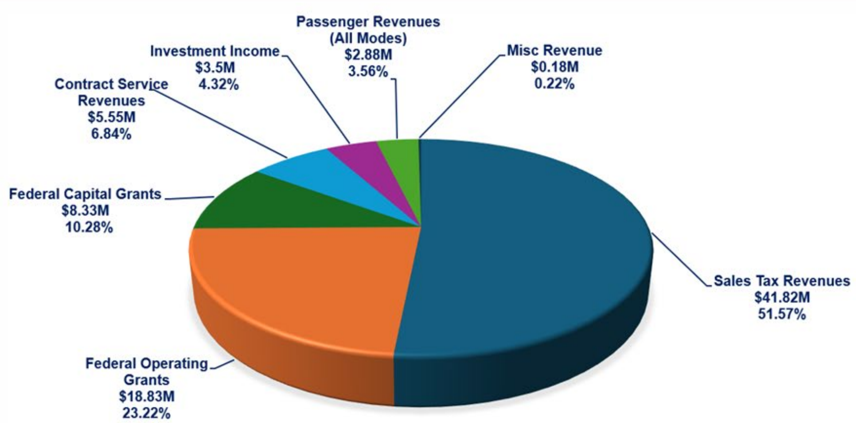
SUMMARY

Revenue	$81,087,596
Operating Expenses	($61,320,930)
Capital	($16,561,193)
Debt Service	($1,990,108)

$1,215,365
Available for TAM & capital projects

Total FY2027 "Adopted" Revenue

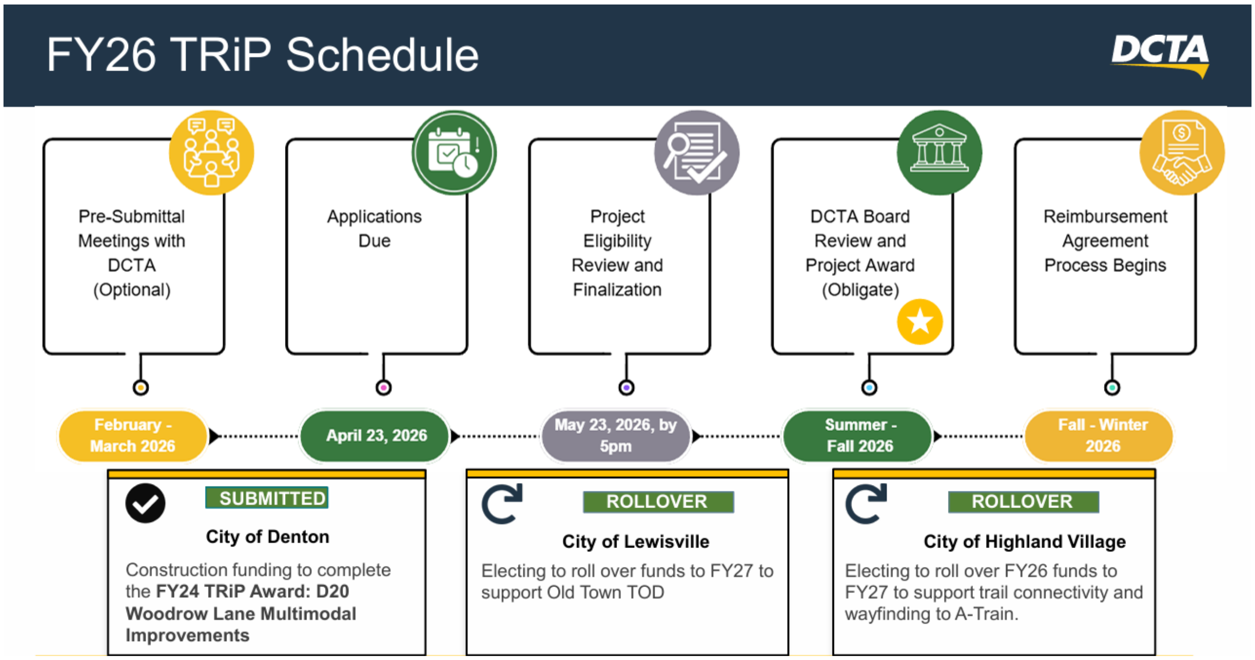
DCTA



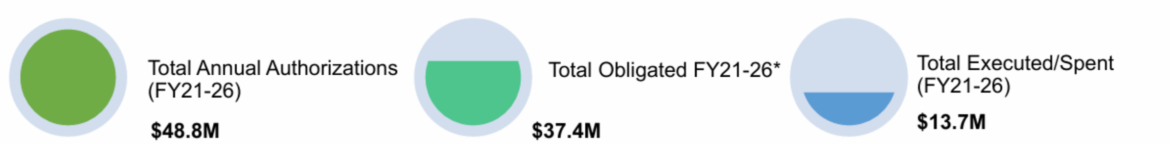
Total Revenue **$81,087,596**

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

3. Discuss and Consider Approval of Fiscal Year 2026 Transportation Reinvestment Program (TRiP) Project Submission



FY26 Available Funding



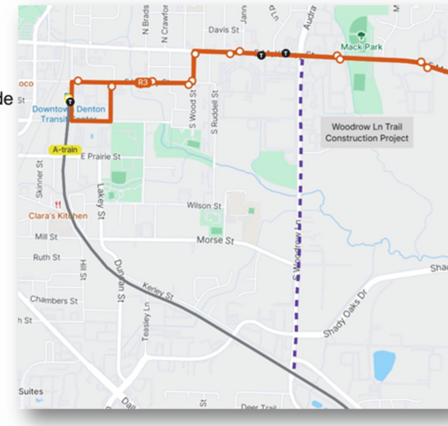
	CITY OF DENTON	CITY OF HIGHLAND VILLAGE	CITY OF LEWISVILLE	TOTAL
FY26 TRiP Call for Projects				
FY26 Funding Allocation	$1,844,274	$188,191	$1,731,359	$3,763,825
FY21-25 Cumulative TRiP Program Rollover*	$0	$1,777,485	$7,717,087	$9,494,572
FY26 Call For Projects Available Funding	**$ 1,844,274**	**$1,965,676**	**$9,448,446**	**$13,258,397**

City of Denton Request: Woodrow Ln/Trail Improvement

DCTA

PROJECT SUMMARY

The project will support the final construction costs of the D20 TRiP Award ("Woodrow Lane Multimodal Improvements") within the same project limits of Woodrow Lane between East McKinney Street and Spencer Road (DCTA A-Train), providing multimodal mobility enhancements for non-motorized and shared mobility users, incorporating a combination of side paths, on-street paths, and/or bike lanes, with user safety as a primary focus. **Additional construction funds are being requested to complete the project based on the updated planning analysis completed within the D20 project.**



PROJECT STATUS & PROPOSED MILESTONES

Project Status:	Design (D20)
Schedule:	Spring 2026 (Design D20)
	Spring 2027 (Construction)

REQUESTED FUNDING

City Funding Commitment:	**$155,726**
Estimate at Completion:	**$2,000,000 (Construction)**
TRiP 2024 Funding Award:	**$850,000 (Planning, Design, Construction)**
TRiP 2026 Funding Request:	**$1,844,274**
Combined TRiP Funds for Project	**$2,694,274**

4. Discuss and Consider Authorizing the Chief Executive Officer (CEO) to Apply for the Fiscal Year (FY) 2026 Bus and Bus Facilities Grant Competitive Program with Local Matching Funds in the Amount of $813,000 to Purchase (3) 35' Diesel Transit Buses at a Total Estimated Cost of $2,913,000

35-foot Bus Fleet Plan Update

Assumes current UNT route configuration and three new ISP Phase 3 routes

DCTA

	FY27–FY30 · synced with the LRFP				FY31 onward · requires further coordination					
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2006 Gilligs · 7 (retiring)	6* 1	6* 1	4* 3	1* 3	1					
2006 Gilligs · 2 (refurbished)	1* 1*	1* 1*	2*	2*	2*	2*	2*	2*	1* 1	1
2011 Gilligs · 6	6*	6*	6*	6*	6*	4* 2	4			
2016 Gilligs · 4	4*	4*	4*	4*	4*	4*	4*	4		
2017 Gilligs · 3	3*	3*	3*	3*	3*	3*	3*	3*	3	
2020 Gilligs · 3 (DART)	3*	3*	3*	3*	3*	3*	3*	3*	3*	3*
FY26 buy · 6	6*	6*	6*	6*	6*	6*	6*	6*	6*	6*
FY27 buy · 3 (grant won)	3	3	3*	3*	3*	3*	3*	3*	3*	3*
FY28 buy · 5 (this grant buys 3)		5	5	5*	5*	5*	5*	5*	5*	5*
FY29–34 buys · 18			2	2	2*	4*	9*	12*	15*	18*
El Dorados · 6	3* 3	3*	3*	3						
Need for service	33	33	33	33	33	33	33	33	33	33
Usable fleet (35-ft)	33	33	34	33	34	34	35	34	33	35

Assumes status quo on UNT service as of FY2027 and the three ISP routes approved later this year · an asterisk marks a bus counted in the usable fleet

***used for service:** In service · EBUL · Repower (6 mo) · Past useful life
not available: Procured · In build · Out of service · Disposed

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

Program & Financial Summary

DCTA

FY26 Bus Program – 5339(b)

- Replacement, rehabilitation, purchase, or lease of buses and related equipment.
- Rehabilitation, purchase, construction, or lease of bus-related facilities.

Available Funding

FY26 Buses and Bus Facilities Competitive Program: ~$21 million total.

Maximum award per applicant: 10% of total available — ~$2.1 million.

DCTA Funding Request

Cost per Bus (quote)	$901,000
Contingency	$70,000
Total Cost per Bus	$971,000
Number of Buses	3
Total Project Cost	**$2,913,000**
Less Federal Grant Cap	$2,100,000
Local Share	**$813,000**
Local Share as % of Total	27.9%

Per Bus Cost - $971,000

- Per-bus price rose from $734K (FY25/26) to $901K (FY26 quote) driven by the new State of Washington DES purchasing contract.
- Price includes contingency for potential cost increases (estimated at 7%) and bus inspection costs (estimated at $6K per bus).

Bus Price Increase: FY25 to FY26

DCTA

FY25 Application

- Washington State DES cooperative purchasing contract #06719
- Base price, 35' Gillig diesel bus: $565,555
- Per-bus cost presented to Board (including contingency): $773,000

FY26 Application

- Washington State DES cooperative purchasing contract #04824
- Base price, 35' Gillig diesel bus: $713,758
- Per-bus cost requested from Board (including contingency): $971,000

+26.2%
Increase in Base Bus Price

+25.6%
Increase in Total Per-Bus Cost (with Contingency)

- *Both figures reflect the same 35' Gillig diesel bus specification. The increase is driven by a new Washington State DES cooperative purchasing contract (#04824), which superseded the contract (#06719) used for the FY25 application.*

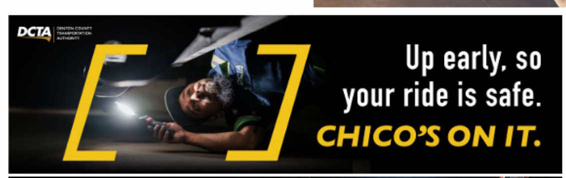
FY26 Bus Program Grant Timeline	
Applications Due	September 21, 2026 (10:59 pm CT)
FTA Project Evaluations	September – December 2026
FTA Project Selections Announcement	December 2026
Pre-Award Authority	Ineligible unless authorized by FTA in writing
DCTA Obligation Timeline	Within 30 days of project inclusion in the Statewide Transportation Improvement Program (STIP)

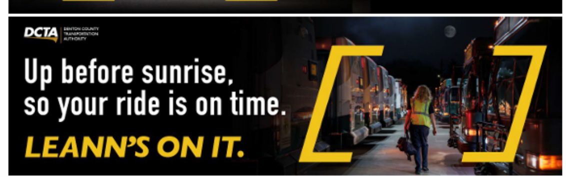
5. **Discuss Update on Denton County Transportation Authority (DCTA) Marketing and Communications Program**

Focus in Fiscal 2026

DCTA

- Consistent messaging across all channels
- Humanize DCTA
- Modernize our marketing
- Focus on who DCTA is and the **value** we bring
- Messaging that speaks to stakeholders and customers
- Advertise on multiple fronts
  - Events
  - Outreach
  - Advertising
  - Sponsorships





CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

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2 X APTA AdWheel Award WINNERS! 🎉

DCTA

GRAND AWARD

Best Marketing and Communications on Workforce Development

- **ONLY 3 Awards** given in our ridership category
- Will be awarded in **October 2026** at APTA TRANSform & Expo, APTA's flagship event

FIRST PLACE

Comprehensive Campaign

- Presented in February 2026 at APTA MCX Workshop

6. Discuss Update on the A-train Enhancement Program

The A-train Enhancement Program is a multi-year, multi-phase initiative to improve regional connectivity, service reliability, capacity, safety, and customer experience along the A-train corridor. The program is being advanced through three (3) coordinated work streams: the Curve and Speed Improvement Project; the Downtown Carrollton Extension and Platform, currently in preliminary engineering; and corridor capacity improvements supporting expanded service hours and future 15 minute headways.

PTC Update – Evolution since February

DCTA

Survey of the DGNO fleet and inspection of DCTA wayside equipment have replaced February placeholder with an informed estimate.

WHAT FEBRUARY 2026 ASSUMED

A maximum not-to-exceed figure, on limited time and information

- Entire DGNO fleet would need I-ETMS installed
- An extensive, undefined double-tracking scenario
- All signal equipment replaced with I-ETMS-ready equipment

WHAT AUGUST 2026 FOUND

The estimate now reflects inspected conditions

- DGNO already has I-ETMS on all of its locomotives
- A significant amount of signal equipment should be reusable
- Upgrade the existing system rather than add unknown double track

PTC SCENARIO	FEB 2026 ROM	AUG 2026 REVIEW	WHAT CHANGED
Extend E-ATC *Option 1 — recommended now*	$1.62M	**$4M – $5.5M**	**Higher —** scope now carries CAD and back-office updates plus shared grade-crossing work with DGNO.
Convert to I-ETMS *Option 2 — programmed future phase*	$178.82M	**$41.5M – $80.5M**	**Lower —** all three February assumptions fell away; the remaining spread is whether existing VHLC wayside equipment can be reused.
Dual-equip DGNO *Option 3 — not carried forward*	$31.60M	**$22.2M – $33.3M**	**Confirmed —** broadly unchanged, now itemized against 27 DGNO locomotives.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

PTC Decision – Two Paths Evaluated

DCTA

A PTC compatibility decision is only required where DCTA and DGNO share track. RSE evaluated three options; they resolve into two paths.

RECOMMENDED PATH · OPTIONS 1 + 2

Extend E-ATC now, convert to I-ETMS later

Option 1 — Extend the existing E-ATC system across the new Western Alignment

RECOMMENDED

$4M – $5.5M

Parallel to the overall signal construction and testing schedule

Option 2 — Convert the DCTA system to I-ETMS (future phase)

$41.5M – $80.5M

24-month implementation; range turns on wayside equipment reuse

- Temporal separation with DGNO remains available through Option 1
- Signals and crossings are built to I-ETMS specification from the start
- E-ATC stays in revenue service while all 11 DMUs convert

OPTION 3 · NOT CARRIED FORWARD

Dual-equip DGNO locomotives with E-ATC

Equip up to 27 DGNO locomotives so freight can operate on E-ATC territory; DCTA retains E-ATC

NOT VIABLE

$22.2M – $33.3M

Includes the full Option 1 signal cost; $17.5M–$26.5M is 27 locomotives

What the spend does not buy

- No regional interoperability with DGNO or neighboring railroads
- No 15-minute headways; only limited expanded service hours
- No wireless crossings
- E-ATC obsolescence remains unresolved
- Temporal separation is given up, and requires FRA regulatory relief
- None of the locomotive investment is reusable toward I-ETMS
- Option 2 is still required afterward — nothing is deferred

Next Steps / Path Forward

DCTA

1 **Proceed on the Western Alignment and extend the existing E-ATC system**

Option 1. Dual equipping of DGNO locomotives (Option 3) is not carried forward — it delivers none of the capability of I-ETMS and defers none of its cost.

CURRENT PHASE

2 **Program the I-ETMS conversion as a future, separately authorized phase**

Option 2. Design Option 1 signals and grade crossings to I-ETMS specification so the work carries forward rather than being replaced.

FUTURE PHASE

3 **Deliver expanded service hours in the interim by bus bridge or GoZone**

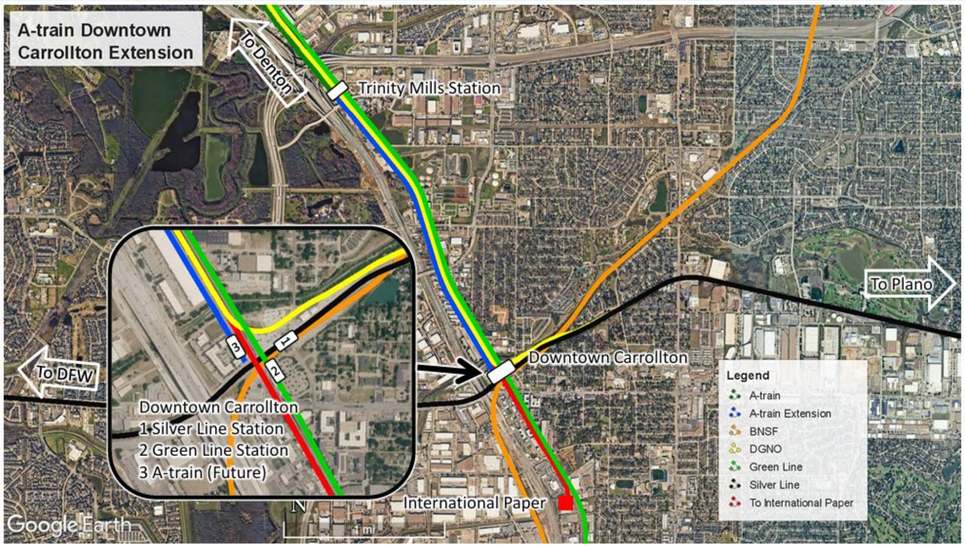
Modeling confirms span of service can be addressed by a mode other than rail. Size to observed evening demand and reassess as ridership develops.

INTERIM

CITY COUNCIL MEMORANDUM
AGENDA ITEM 7

DT Carrollton Design Update

DCTA



Upcoming Briefings

DCTA

FEB 2026	MAY 2026	AUG 2026	SEP 2026	DEC 2026
✓	✓	✓		
Revised cost estimate, design alternatives	**Design update, Quiet Zone assessment**	**PTC assessment update / recommendations**	**Delivery method assessment**	**Final cost estimates / funding opportunities**
Downtown Carrollton	*Updated design opportunities/ DT Carrollton crossings*	*Service Hours expansion and PTC recommendation*	*Project and Program-level analysis for delivery*	*Program timeline finalization/ funding update*

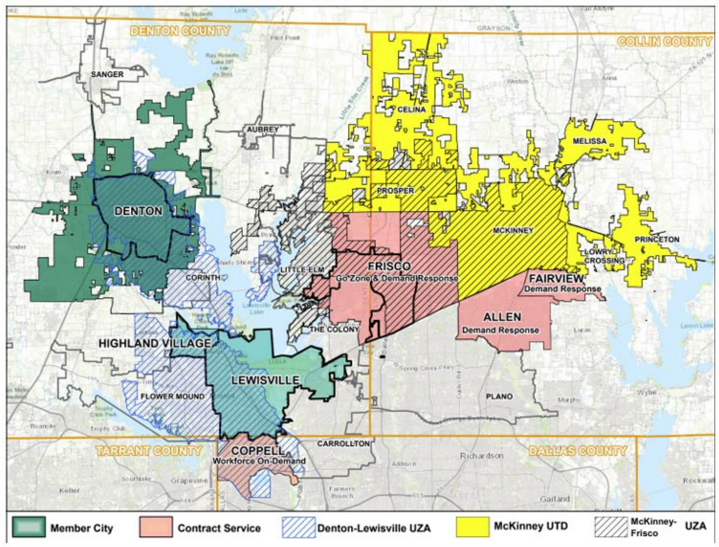
7. Discuss Update on McKinney Urban Transit District Demand Response Contract Service Opportunity

Background The McKinney Urban Transit District (MUTD) Board of Directors, via City of McKinney staff, made contact with Dallas Area Rapid Transit (DART), Denton County Transportation Authority (DCTA) and STAR Transit in early August, inviting the agencies to provide "a presentation to the McKinney Urban Transit District (MUTD) Board of Directors regarding future transit service for the McKinney Urbanized Area. The McKinney Urbanized Area (the "MUA") includes the cities of McKinney, Celina, Princeton, Prosper, Melissa, and Lowry Crossing (also referred to as the "MUTD Service Area"). The current Interlocal Agreement for the provision of transit services within the MUA is set to expire by December 31, 2026." DART is the current provider of transportation services to the MUTD. If provided, presentations are due September 21, 2026 and will be presented to the MUTD Board on October 5, 2026. According to the website, the service is an “on-demand share ride service to residents within Celina, Lowry Crossing, McKinney, Melissa, Princeton, and Prosper. Riders must be over the age of 18 and meet eligibility in at least one of the following categories: Senior (65+), Individual with a disability, or Low income. Fares are based on distance, and riders are able to travel throughout Collin County with the use of shared vehicles and a dedicated wheelchair-accessible fleet depending on need and availability. Riders may use the program to get to medical appointments, work, grocery stores, etc.”

McKinney Urban Transit District (MUTD) Contracted Elderly & Disabled Demand Response Service

DCTA

- Six MUTD Board members represent cities of Service Area:
  - Celina
  - Lowry Crossing
  - McKinney
  - Melissa
  - Princeton
  - Prosper
- Service Hours:
  - Weekday: 6 AM – 6 PM
  - Weekend: 8 AM – 8 PM
- Service Eligibility
  - Age 65 years or older
  - Age 18 years with qualifying disability
- Currently Operated by DART



McKinney Urban Transit District (MUTD) Contracted Elderly & Disabled Demand Response Service

DCTA

- McKinney staff issued “Request for Presentations” on August 4. Proposed timeline:
  - September 2: deadline for requests for information / questions
  - September 14: responses provided
  - September 21: presentation documents due to City of McKinney
  - October 5: presentations delivered at MUTD Board meeting
- Current service profile (based on available information – in development)
  - ~75,000 trips per year
  - ~20% dedicated WAV trips
  - ~80% non-dedicated TNC trips
  - ~60%: 7 miles or less
  - ~35%: 7 – 23 miles
  - ~5%: more than 23 miles
- Seeking feedback on submitting a service plan and presentation in response to request that:
  - Provides service and financial proposal to MUTD under terms compliant with DCTA Board policy
  - Is nonbinding. DCTA Board retains authority to approve or reject any Agreement that results from the effort.
- DCTA staff will keep Board apprised on status as process moves forward.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 9

MEETING DATE: September 15, 2026

SUBJECT: Consider approval of Minutes of the City Council Special Work Session held on July 21, 2026

PREPARED BY: Angela Miller, City Secretary

<u>BACKGROUND</u>
Minutes are approved by a majority vote of Council and listed on the Consent Agenda.

Council is encouraged to contact the City Secretary's Office prior to the meeting if there are any suggested changes. Upon doing so, staff can make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote, or could be moved to a future meeting for approval.

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

<u>BUDGETARY IMPACT</u>
N/A

<u>RECOMMENDATION</u>
To approve minutes of the City Council Special Work Session held on July 21, 2026.

MEETING MINUTES OF THE SPECIAL WORK SESSION
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, JULY 21, 2026 at 6:00 P.M.

Convene Meeting in Open Session

1. Call Meeting to Order

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

Present:	Charlotte J. Wilcox	Mayor
	Brian A. Fiorenza	Mayor Pro Tem
	Shawn Nelson	Deputy Mayor Pro Tem
	Hogan Heathington	Councilmember
	Kevin Cox	Councilmember
	Rhonda Hurst	Councilmember
	Dan Jaworski	Councilmember
Staff Members:	Paul Stevens	City Manager
	Angela Miller	City Secretary
	Heather Miller	Finance Director
	Adriana Martin	Assistant Finance Director
	Mike McWhorter	Budget and Accounting Administrator
	Doug Reim	Chief of Police
	Scott Green	Fire Chief
	Scott Kriston	Public Works Director
	Phil Lozano	Parks and Recreation Director
	Kim Lopez	Human Resources Director
	Sunny Lindsey	Information Services Director
	Laurie Mullens	Marketing and Communications Director

2. Continue Presentation and Discussion on the General Fund Budget for Fiscal Year 2026-2027

Finance Director Miller reported the presentation is a continuation of the budget discussion held at the July 14, 2026 City Council meeting. She reviewed items discussed or requested by Council, which included moving Movies in the Park to the list of Decision Items and adding a new supplemental for a Traffic Signal Study for FM2499/Live Oak. Director Miller reviewed revenues and reported the preliminary proposed tax rate of $0.533701 was used to prepare the proposed FY 2027 base budget, subject to the certified tax roll from the Denton Central Appraisal District (DCAD).

Director Miller reported City staff carefully reviewed expenditures to eliminate or defer costs wherever practical prior to presenting the proposed budget. She reviewed the reductions and deferrals, which had been incorporated into the base budget presented at the previous City Council meeting, and resulted in a budget savings of approximately $606,821. Council discussed the planned cost reductions in vehicle lease payments, tree-maintenance, deferral of blade servers and immutable-backup archive, and extending the desktop/laptop replacement cycle.

Council then reviewed the Decision Items in detail, with significant discussion focused on three vacant positions: Executive Administrative Assistant, Information Services Help Desk Technician, and Streets Superintendent. Human Resources Director Lopez advised that retaining the positions while leaving them unfunded/frozen would preserve flexibility to respond to future vacancies and attrition. Council discussed a future comprehensive staffing study, use of interns and professional services, and the expectation that overall staffing will need to remain relatively flat as the City operates in a built-out environment.

In looking at the Decisions Items, Council supported retaining the 2% COLA with targeted market adjustments, retaining the 401(a) and retirement health savings contributions, and having the City absorb the employee premium increase, continuing the hiring freeze for the three identified positions for FY 2026-2027 without eliminating the positions, with the positions reflected again in future-year forecasts, concrete panel replacement(s), and the following events: Celebrate Highland Village, TXFallenPD, and Christmas at the Ranch.

Council also reviewed the Supplemental Requests. There was general support for the Axon contract upgrade, enhanced firefighter cancer screening, the independent promotional process, and the public-facing AED station. Council discussed the traffic signal study for FM 2499/Live Oak and acknowledged continuing resident concerns at the intersection. With concern that the study would not guarantee any change, and possible additional implementation costs that could reach six figures, consensus was to remove/defer the study for the current budget year and revisit the issue as future development or other funding opportunities arise.

Councilmember Heathington stepped away from the meeting at 8:35 p.m., and returned at 8:38 p.m.

The Police motorcycle program was discussed separately because the motorcycles would be purchased from previously authorized tax-note funding and officer equipment/training could be paid from eligible law-enforcement special revenue funds rather than the General Fund. Council discussed benefits of the motorcycle program, possible ordinance changes/updates, and the public perception of purchasing motorcycles while increasing taxes and reducing other programs. No final decision on the motorcycle purchase was made during the work session.

Council reviewed the effect of the proposed reductions on the five-year General Fund forecast and fund-balance percentage. At the conclusion of the discussion, Council indicated general agreement with the revised budget direction based on the voter-approved rate. Director Miller stated she would incorporate the changes and present an updated five-year forecast at the next budget meeting.

3. Adjournment

Mayor Wilcox adjourned the meeting at 9:36 p.m.

____

Charlotte J. Wilcox, Mayor

ATTEST:

____
Angela Miller, City Secretary

CITY COUNCIL MEMORANDUM
AGENDA ITEM 10

MEETING DATE: September 15, 2026

SUBJECT: Consider Ordinance 2026-1338 Authorizing Amendments to the Fiscal Year 2025-2026 Budget (*2nd and final read*)

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

Each department is responsible for not exceeding the budgeted amounts in each of the 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.

This is the first amendment presented to Council this fiscal year. This amendment mirrors the year-end projections detailed in the budget discussions. Some of the proposed adjustments reflect encumbrances from FY 2024-2025 that will actually be paid in FY 2025-2026. This amendment is to ensure sufficient appropriation for the year-end projections. In total, projected General Fund expenditures of $24,589,218 are $1,619,405 under the original budget of $26,208,623. Projected General Fund revenues of $22,707,154 reflect a decrease of $267,437 from the original budget of $22,974,591. The projected FY 2026 year-end fund balance is $10,697,001 – exceeding the original budgeted projected amount by $2,300,091, largely due to the actual FY 2025 fund balance exceeding projections. The presented amendments primarily ensure sufficient appropriation for each category; however, not all deviations from the budget amount are enumerated.

General Fund

Primary factors comprising the majority of the requested increased budget appropriation:

- Personnel budget changes in various departments are suggested to address factors incurred during the year that were not known when budgeted, such as mid-year adjustments, personnel changes, unanticipated overtime, insurance coverage election, etc. Also, some personnel expenditures are budgeted in a single department, such as incentive pay, with actual expenditures charged to the respective departments. The total financial effect of this variance is favorable; however, this year the City Secretary, Communications and Marketing, Streets, and Parks departments came in over budget, and $63,000 will be added to account for the overage.

- Expenditures other than personnel are adjusted by a collective total of $1,185,000. These adjustments were netted with $1,807,00,000 in budget savings. A large portion of these changes are related to five items:

    - Maintenance – Payments for the leased vehicle program are currently budgeted within the Maintenance Department. In accordance with accounting principles, vehicle acquisitions through the lease program should be classified as capital expenditures within the department. Additionally, the principal and interest portions of the lease payments should be recorded as debt service rather than as supplies and services. Accordingly, this amendment reallocates $3,000 among the appropriate expenditure categories to ensure proper accounting and budgetary classification.

Maintenance – Supplies/Services	($902,000)
Police – Capital	$77,000
Streets – Capital	$135,000
Maintenance – Capital	$143,000
Debt Service – Principal	$688,000
Debt Service – Interest	$144,000
Other Finance Sources	($282,000)
	$3,000

- Human Resources - $37,000 increase in supplies and services for cost of outside consultant services for sensitive personnel matters.
- Information Services - $41,000 increase in supplies and services for video server replacement and system upgrades.
- Maintenance - ($700,000) decrease in capital related to the City Hall electrical upgrades and purchase of a generator being delayed to FY 2027. $95,000 increase in supplies and services related to the replacement of the Public Works and Duvall Center roofs that was anticipated to be completed in FY 2025 but actually completed in FY 2026.
- Recreation – ($74,000) decrease in supplies/service due to lower-than-anticipated costs from the Celebrate Highland Village, Village Glow, and Christmas at the Ranch events. Additionally, costs for software integration services for the automatic gates at Copperas Branch and Pilot Knoll Parks were reallocated to the Corp Leased Park Fund.

Other suggested amendments are to reflect minor changes in the actual expense compared to the budgeted amount

Utility Fund

- Utility Administration - $5,000 increased credit card utilization fees (split with General Fund).

Capital Projects Fund

The issuance of the 2024 $2,805,000 Tax Note was approved by Council at the August 27, 2024 Council Meeting. A budget amendment of $270,000 is requested to account for equipment ordered and purchased in FY 2026.

- Parks - $60,000 – Small tractor was expected to be delivered in FY 2025. Instead, it was delivered in FY 2026.
- Drainage Utility - $210,000 – A dump truck with a cost of $175,000 was expected to be delivered in FY 2025. Instead, it was delivered in FY 2026. A mini track loader costing $35,000 was originally budgeted in the Drainage Utility Fund. A request is being submitted to fund it through the 2024 Tax Note.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 10

Special Revenue Funds -

- Corps Leased Parks – $6,000 – Additional cost of anti-trespassing strips.
- Drainage Utility – ($31,500) – Mini track loader reallocated to the Capital Projects Fund to be funded by the 2024 Tax Note.
- HV Community Development - $103,000 - Costs associated with design study for FM 407 Village Connector, FM 2499 Tunnel Erosion Study, and lease payments on a crew work truck.
- Municipal Court Tech Fund - $1,000 – The actual cost of the Video Magistrate subscription fee was higher than budgeted.

Individual allocations are detailed in the worksheets attached to this briefing.

Council approved the first read of Ordinance No. 2026-1338 adopting amendments to the Fiscal Year 2025-2026 Budget as its meeting on August 25, 2026.

BUDGETARY IMPACT
Budgetary changes to Fund Balance are detailed on the request worksheet following.

RECOMMENDATION
To approve the Ordinance No. 2026-1338 adopting amendments to the Fiscal Year 2025-2026 Budget on second and final reading.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 10

Budget Amendment Request Worksheet
Line Item for Proposed Change:

DEPARTMENT	Category	Current Budget (Annual)	Proposed Budget (Annual)	Increase / (Decrease)
CITY MANAGER	Personnel	485,286	450,286	(35,000)
CITY MANAGER	Supplies/Services	145,093	151,093	6,000
FINANCE	Personnel	915,569	849,569	(66,000)
FINANCE	Supplies/Services	599,762	618,762	19,000
FINANCE	Capital	9,700	10,700	1,000
HUMAN RESOURCES	Personnel	504,758	417,758	(87,000)
HUMAN RESOURCES	Supplies/Services	219,981	256,981	37,000
CITY SECRETARY	Personnel	285,767	300,767	15,000
CITY SECRETARY	Supplies/Services	204,471	186,471	(18,000)
INFORMATION SERVICES	Personnel	914,887	896,887	(18,000)
INFORMATION SERVICES	Supplies/Services	432,730	473,730	41,000
MARKETING & COMMUNICATION	Personnel	394,130	403,130	9,000
POLICE	Personnel	6,292,233	5,962,233	(330,000)
POLICE	Capital	-	77,000	77,000
FIRE	Personnel	3,816,649	3,671,649	(145,000)
COMMUNITY SERVICES	Supplies/Services	104,560	35,560	(69,000)
STREETS	Personnel	983,521	1,017,521	34,000
STREETS	Supplies/Services	1,058,719	1,075,719	17,000
STREETS	Capital	-	135,000	135,000
MAINTENANCE	Personnel	506,450	467,450	(39,000)
MAINTENANCE	Supplies/Services	1,931,724	1,124,724	(807,000)
MAINTENANCE	Capital	750,000	193,000	(557,000)
PARKS	Personnel	1,746,343	1,751,343	5,000
PARKS	Supplies/Services	883,156	903,156	20,000
RECREATION	Supplies/Services	437,545	363,545	(74,000)
DEBT SERVICE - PRINCIPAL	Debt Service - Principal	-	688,000	688,000
DEBT SERVICE - INTEREST	Debt Service - Interest	-	144,000	144,000
OTHER FINANCING SOURCES	Other Financing Sources	(624,906)	(906,906)	(282,000)
UTILITY ADMINISTRATION	Personnel	360,115	376,115	16,000
UTILITY ADMINISTRATION	Supplies/Services	184,950	189,950	5,000
CORPS LEASED PARKS	Personnel	266,330	282,330	16,000
CORPS LEASED PARKS	Supplies/Services	476,423	482,423	6,000
CAPITAL PROJECTS - PARKS	Capital	63,000	123,000	60,000
CAPITAL PROJECTS - DRAINAGE	Capital	30,000	240,000	210,000
DRAINAGE UTILITY	Personnel	429,393	451,393	22,000
DRAINAGE UTILITY	Supplies/Services	265,607	270,607	5,000
DRAINAGE UTILITY	Capital	31,500	-	(31,500)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 10

Budget Amendment Request Worksheet

Line Item for Proposed Change:

DEPARTMENT	Category	Current Budget (Annual)	Proposed Budget (Annual)	Increase / (Decrease)
HV COMMUNITY DEVELOPMENT	Personnel	406,647	341,647	(65,000)
HV COMMUNITY DEVELOPMENT	Supplies/Services	362,660	465,660	103,000
MUNICIPAL COURT TECHNOLOGY FEE	Supplies/Services	3,600	4,600	1,000
General Fund		**Net Change**		**(1,279,000)**
Utility Fund		**Net Change**		**21,000**
Corps Leased Parks		**Net Change**		**22,000**
Capital Projects Fund		**Net Change**		**270,000**
Drainage Utility Fund		**Net Change**		**(4,500)**
HV Community Dev Fund		**Net Change**		**38,000**
Municipal Court Tech Fund		**Net Change**		**1,000**
All Funds		**Net Change**		**(931,500)**

Reason For Request

Personnel - (Various departments) – Actual charges vary from budget resulting from various issues: employee changes in selected insurance coverage, retirements (pmt of accrued balances), certifications, promotions, etc).

City Manager - Supplies/Services - $6,000 == Higher than anticipated usage of legal services

Finance - Services / Supplies - $20,000 == Increased in general liability insurance; addition of new vehicles and equipment to insure.

Finance - Capital Outlay - $1,000 == Cost of copier anticipated to be higher than originally budgeted.

Human Resources - Supplies/Services - $37,000 == Cost of outside consultant for sensitive HR matters.

City Secretary - Supplies/Services - ($18,000) == Reduction in Council event participation.

Information Services - Supplies/Services - $41,000 == Video server replacement, Laserfische and Cityworks upgrades

Police - Capital - $77,000 == Acquisition of vehicle through the lease program - reclassified from Maintenance.

Community Services - Supplies/Services - ($69,000) == Engaging consultant to update the International Building Code deferred to FY 2027.

Streets - Services / Supplies - $17,000 == Increased electrical utility costs.

Streets - Capital - $135,000 == Acquisition of vehicles through the lease program - reclassified from Maintenance

Maintenance - Supplies/Services - ($807,000) == Roof replacement at Public Works and Duval center expected to be completed in FY 2025 - completed in FY 2026 -$95,000, netted with vehicle lease costs allocated to departments, debt service, and other sources (uses) for accounting purposes ($902,000).

Maintenance - Capital - ($557,000) == Municipal complex electrical improvements expected to be completed in FY 2026 - only incurred engineering cost - ($700,000), netted with vehicle acquistion from the lease program - $143,000.

Parks - Supplies/Services - $20,000 == Contract weekend restroom cleaning, outsourced irrigation backflow testing.

Recreation - Supplies/Services - ($74,000) = Reduction in cost of events/programs including Celebrate Highland Village, Village Glows, and Christmas at the Ranch. Automatic gate integration cost moved to the Corp Lease Parks Fund.

Debt Service - Principal - $688,000 == Principal payments on the vehicle lease program - reclassified from Maintenance Supplies/Services

Debt Service - Interest - $144,000 == Interest payments on the vehicle lease program - reclassified from Maintenance Supplies/Services

CITY COUNCIL MEMORANDUM
AGENDA ITEM 10

Budget Amendment Request Worksheet
Line Item for Proposed Change:

Other Finance Sources - ($282,000) == Financing sources for vehicles aquired from the lease program.
Utility Administration - Services / Supplies - $5,000 == Increased credit card utilization fees (split with General Fund).
Corps Leased Parks - Supplies/Services - $6,000 == Additional cost of anti trespass strips.
Capital Projects - Parks - Capital - $60,000 == Small tractor funded by 2024 Tax Notes expected delivery in FY 2025. Deferred to FY 2026**.**
Capital Projects - Drainage Utility - Capital - $210,000 == Dump truck funded by 2024 Tax Note expected delivery in FY 2025 - delivered in FY 2026 $175,000. Mini Track Loader funded by the 2024 Tax Note - $35,000.
Drainage Utility - Supplies/Services - $5,000 == Costs associated with pond maintenance.
Drainage Utility - Capital - ($31,500) == Mini Track Loader funded by the 2024 Tax Note.
HV Community Development - Supplies/Services - $103,000 == Costs associated with design study for FM 407 Village Connector**,** FM 2499 Tunnel Erosion Study, and lease payments on crew work vehicle.
Municipal Court Tech Fund - Supplies/Services - $1,000 == Actual Video Magistrate subscription fee came in higher than expected.

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2026-1338

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ADOPTING AMENDMENTS TO THE FISCAL YEAR 2025-2026 BUDGET; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Highland Village, Texas, has lawfully adopted a budget for fiscal year 2025-2026 ("2025-2026 Budget"); and

WHEREAS, the City Manager has prepared, as required by Article VI, Section 6.08 of the City Charter, an amendment to certain appropriations and expenditures in the 2025-2026 Budget, and has submitted same to the City Council for its review and approval, a copy of which is attached to this Ordinance; and

WHEREAS, the City Council of the City of Highland Village has determined that this budget amendment is necessary and appropriate to preserve and protect the health, safety and welfare of the citizens of the City of Highland Village as well as other persons in the City.

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

SECTION 1. The amendments to the 2025-2026 Budget, attached hereto as Exhibit "A" and incorporated herein by reference, are hereby authorized, approved, and adopted.

SECTION 2. If any section, subsection, paragraph, sentence, clause, phrase or word in this Ordinance or application thereof to any person or circumstance is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect, and to this end, the provisions of this Ordinance are declared severable.

SECTION 3. This Ordinance shall take effect immediately from and after its passage on second reading.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THE FIRST READING, THIS THE 25th DAY OF AUGUST 2026.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS ON THE SECOND READING, THIS THE 15th DAY OF SEPTEMBER 2026.

APPROVED:

____

Charlotte Wilcox, Mayor

ATTEST:

____
Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Kevin B. Laughlin, City Attorney

Ordinance No. 2026-1338
Exhibit "A"

Budget Amendment Request Worksheet

Line Item for Proposed Change:

DEPARTMENT	Category	Current Budget (Annual)	Proposed Budget (Annual)	Increase / (Decrease)
CITY MANAGER	Personnel	485,286	450,286	(35,000)
CITY MANAGER	Supplies/Services	145,093	151,093	6,000
FINANCE	Personnel	915,569	849,569	(66,000)
FINANCE	Supplies/Services	599,762	618,762	19,000
FINANCE	Capital	9,700	10,700	1,000
HUMAN RESOURCES	Personnel	504,758	417,758	(87,000)
HUMAN RESOURCES	Supplies/Services	219,981	256,981	37,000
CITY SECRETARY	Personnel	285,767	300,767	15,000
CITY SECRETARY	Supplies/Services	204,471	186,471	(18,000)
INFORMATION SERVICES	Personnel	914,887	896,887	(18,000)
INFORMATION SERVICES	Supplies/Services	432,730	473,730	41,000
MARKETING & COMMUNICATION	Personnel	394,130	403,130	9,000
POLICE	Personnel	6,292,233	5,962,233	(330,000)
POLICE	Capital	-	77,000	77,000
FIRE	Personnel	3,816,649	3,671,649	(145,000)
COMMUNITY SERVICES	Supplies/Services	104,560	35,560	(69,000)
STREETS	Personnel	983,521	1,017,521	34,000
STREETS	Supplies/Services	1,058,719	1,075,719	17,000
STREETS	Capital	-	135,000	135,000
MAINTENANCE	Personnel	506,450	467,450	(39,000)
MAINTENANCE	Supplies/Services	1,931,724	1,124,724	(807,000)
MAINTENANCE	Capital	750,000	193,000	(557,000)
PARKS	Personnel	1,746,343	1,751,343	5,000
PARKS	Supplies/Services	883,156	903,156	20,000
RECREATION	Supplies/Services	437,545	363,545	(74,000)
DEBT SERVICE - PRINCIPAL	Debt Service - Principal	-	688,000	688,000
DEBT SERVICE - INTEREST	Debt Service - Interest	-	144,000	144,000
OTHER FINANCING SOURCES	Other Financing Sources	(624,906)	(906,906)	(282,000)
UTILITY ADMINISTRATION	Personnel	360,115	376,115	16,000
UTILITY ADMINISTRATION	Supplies/Services	184,950	189,950	5,000
CORPS LEASED PARKS	Personnel	266,330	282,330	16,000
CORPS LEASED PARKS	Supplies/Services	476,423	482,423	6,000
CAPITAL PROJECTS - PARKS	Capital	63,000	123,000	60,000
CAPITAL PROJECTS - DRAINAGE	Capital	30,000	240,000	210,000
DRAINAGE UTILITY	Personnel	429,393	451,393	22,000
DRAINAGE UTILITY	Supplies/Services	265,607	270,607	5,000
DRAINAGE UTILITY	Capital	31,500	-	(31,500)

Ordinance No. 2026-1338
Exhibit "A"

Budget Amendment Request Worksheet

Line Item for Proposed Change:

DEPARTMENT	Category	Current Budget (Annual)	Proposed Budget (Annual)	Increase / (Decrease)
HV COMMUNITY DEVELOPMENT	Personnel	406,647	341,647	(65,000)
HV COMMUNITY DEVELOPMENT	Supplies/Services	362,660	465,660	103,000
MUNICIPAL COURT TECHNOLOGY FEE	Supplies/Services	3,600	4,600	1,000
General Fund		**Net Change**		**(1,279,000)**
Utility Fund		**Net Change**		**21,000**
Corps Leased Parks		**Net Change**		**22,000**
Capital Projects Fund		**Net Change**		**270,000**
Drainage Utility Fund		**Net Change**		**(4,500)**
HV Community Dev Fund		**Net Change**		**38,000**
Municipal Court Tech Fund		**Net Change**		**1,000**
All Funds		**Net Change**		**(931,500)**

Reason For Request

Personnel - (Various departments) – Actual charges vary from budget resulting from various issues: employee changes in selected insurance coverage, retirements (pmt of accrued balances), certifications, promotions, etc).

City Manager - Supplies/Services - $6,000 == Higher than anticipated usage of legal services

Finance - Services / Supplies - $20,000 == Increased in general liability insurance; addition of new vehicles and equipment to insure.

Finance - Capital Outlay - $1,000 == Cost of copier anticipated to be higher than originally budgeted.

Human Resources - Supplies/Services - $37,000 == Cost of outside consultant for sensitive HR matters.

City Secretary - Supplies/Services - ($18,000) == Reduction in Council event participation.

Information Services - Supplies/Services - $41,000 == Video server replacement, Laserfische and Cityworks upgrades

Police - Capital - $77,000 == Acquisition of vehicle through the lease program - reclassified from Maintenance.

Community Services - Supplies/Services - ($69,000) == Engaging consultant to update the International Building Code deferred to FY 2027.

Streets - Services / Supplies - $17,000 == Increased electrical utility costs.

Streets - Capital - $135,000 == Acquisition of vehicles through the lease program - reclassified from Maintenance

Maintenance - Supplies/Services - ($807,000) == Roof replacement at Public Works and Duval center expected to be completed in FY 2025 - completed in FY 2026 -$95,000, netted with vehicle lease costs allocated to departments, debt service, and other sources (uses) for accounting purposes ($902,000).

Maintenance - Capital - ($557,000) == Municipal complex electrical improvements expected to be completed in FY 2026 - only incurred engineering cost - ($700,000), netted with vehicle acquistion from the lease program - $143,000.

Parks - Supplies/Services - $20,000 == Contract weekend restroom cleaning, outsourced irrigation backflow testing.

Recreation - Supplies/Services - ($74,000) = Reduction in cost of events/programs including Celebrate Highland Village, Village Glows, and Christmas at the Ranch. Automatic gate integration cost moved to the Corp Lease Parks Fund.

Debt Service - Principal - $688,000 == Principal payments on the vehicle lease program - reclassified from Maintenance Supplies/Services

Debt Service - Interest - $144,000 == Interest payments on the vehicle lease program - reclassified from Maintenance Supplies/Services

Ordinance No. 2026-1338
Exhibit "A"

Budget Amendment Request Worksheet

Line Item for Proposed Change:

Other Finance Sources - ($282,000) == Financing sources for vehicles aquired from the lease program.
Utility Administration - Services / Supplies - $5,000 == Increased credit card utilization fees (split with General Fund).
Corps Leased Parks - Supplies/Services - $6,000 == Additional cost of anti trespass strips.
Capital Projects - Parks - Capital - $60,000 == Small tractor funded by 2024 Tax Notes expected delivery in FY 2025. Deferred to FY 2026**.**
Capital Projects - Drainage Utility - Capital - $210,000 == Dump truck funded by 2024 Tax Note expected delivery in FY 2025 - delivered in FY 2026 $175,000. Mini Track Loader funded by the 2024 Tax Note - $35,000.
Drainage Utility - Supplies/Services - $5,000 == Costs associated with pond maintenance.
Drainage Utility - Capital - ($31,500) == Mini Track Loader funded by the 2024 Tax Note.
HV Community Development - Supplies/Services - $103,000 == Costs associated with design study for FM 407 Village Connector**,** FM 2499 Tunnel Erosion Study, and lease payments on crew work vehicle.
Municipal Court Tech Fund - Supplies/Services - $1,000 == Actual Video Magistrate subscription fee came in higher than expected.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 11

MEETING DATE: September 15, 2026

SUBJECT: Consider Resolution 2026-3253 Approving a Negotiated Settlement Between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp. Mid-Tex Division Regarding the Company's 2026 Rate Review Mechanism Filing

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

Highland Village, along with 181 other Mid-Texas Cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Steering Committee of Cities Served by Atmos ("ACSC"). In 2007, the ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018.

On or about April 1, 2026, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2025, entitled it to additional system-wide revenues of $291.1 million. This was reduced to $273.6 million due to limitations in the RRM tariff. ACSC consultants conducted discovery and prepared a report detailing additional adjustments totaling $ 20.2 million. This translates into a $ 253.4 million increase (i.e. $273.6– $20.2 = $253.4). The Company has agreed to settle the case for $ 260.5 million. This is a reduction of over $30 million to the Company's request. This includes payment of ACSC's expenses.

Average Bill Impact

The impact of the settlement on average residential rates is an increase of $13.37 on a monthly basis, or 14.15 percent. The increase for average commercial usage will be $44.82 or 9.9 percent.

BUDGETARY IMPACT

Not applicable.

RECOMMENDATION

To approve Resolution 2026-3253 approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp. regarding the company's 2026 Rate Review Mechanism Filing.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3253

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2026 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Highland Village, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2026, Atmos Mid-Tex filed its 2026 RRM rate request with ACSC Cities based on a test year ending December 31, 2025; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2026 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $260.5 million on a system-wide basis with an Effective Date of October 1, 2026; and

WHEREAS, ACSC agrees that Atmos' plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

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

Section 1. The findings set forth in this Resolution are hereby in all things approved.

Section 2. Without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of $260.5 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2026 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. Despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $260.5 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2026 RRM filing.

Section 7. To the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. The meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. If any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. Consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2026.

Section 11. A copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED BY THE CITY COUNCIL OF HIGHLAND VILLAGE, TEXAS this 15th DAY OF SEPTEMBER 2026.

APPROVED:

____

Charlotte J. Wilcox, Mayor

ATTEST:

____

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____

Kevin B. Laughlin, City Attorney

(kbl:9/2/2026:4937-4149-6269 v1)

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 24.35 per month
Rider CEE Surcharge	$ 0.05 per month[1]
Total Customer Charge	$ 24.40 per month
Commodity Charge – All Ccf	$ 1.03839 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 115.50 per month
Rider CEE Surcharge	$ 0.00 per month[1]
Total Customer Charge	$ 115.50 per month
Commodity Charge – All Ccf	$ 0.27784 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Attachment 1

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service
Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Overpull Fee
Upon notification by Company of an event of interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (0.14)
Rate C – Commercial Sales	$ (0.49)
Rate I – Industrial Sales	$ (10.47)
Rate T – Transportation	$ (10.47)

Attachment 1

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Unprotected Excess Deferred Income Tax Amortization

The allocated RRM Cities balance of the Unprotected portion of the Excess Deferred Income Taxes ("EDIT") remaining after implementation of rates at October 1, 2026 shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for a one-month period. The refund amount by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (4.45)
Rate C – Commercial Sales	$ (14.80)
Rate I – Industrial Sales	$ (319.02)
Rate T – Transportation	$ (319.02)

Maximum Allowable Operating Pressure ("MAOP") Hydrostatic Testing Cost Recovery

The allocated RRM Cities balance of the MAOP Hydrostatic Testing Cost as of December 31, 2025 is to be recovered through a monthly rate. This monthly rate shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for approximately twelve (12) months or until all approved costs are recovered from the applicable customer classes. The monthly recovery rate by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ 0.30
Rate C – Commercial Sales	$ 0.98
Rate I – Industrial Sales	$ 21.17
Rate T – Transportation	$ 21.17

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \quad \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

Bl_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$$WNA_i = WNAF_i \times q_{ij}$$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

Attachment 1

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.78	0.1448	91.89	0.8018
Austin	9.07	0.1318	213.26	0.9418
Dallas	12.87	0.1937	192.49	1.1269
Waco	9.39	0.1261	159.17	0.8068
Wichita Falls	10.61	0.1364	133.65	0.6965

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Shared Services: Pension Account Plan	Shared Services: Post-Employment Benefit Plan	Mid-Tex Direct: Pension Account Plan	Mid-Tex Direct: Post-Employment Benefit Plan	Mid-Tex Direct: Supplemental Executive Benefit Plan	Adjustment Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2026 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 200,382	$ (490,197)	$ 951,536	$ (3,288,240)	$ 72,926	
2	Allocation Factor	46.66%	46.66%	87.00%	87.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	$ (2,095,337)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	80.27%	80.27%	36.19%	36.19%	8.73%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	$ 75,047		$ 299,646			$ 374,693
11	Total Post-Employment Benefit Plan		$ (183,588)		$ (1,035,492)		(1,219,080)
12	Total Supplemental Executive Benefit Plan					$ 6,367	6,367
13	Total (Ln 10 + Ln 11 + Ln 12)	$ 75,047	$ (183,588)	$ 299,646	$ (1,035,492)	$ 6,367	$ (838,020)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 12

MEETING DATE: September 15, 2026

SUBJECT: Receive Budget Reports for Period Ending July 31, 2026

PREPARED BY: Mike McWhorter, Budget & Accounting Administrator

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BACKGROUND
In accordance with the City Charter, Section 6.12, paragraph D, a budget report is submitted monthly for Council Review.

The budget report submitted for July represents the tenth report in the Fiscal Year.

BUDGETARY IMPACT
N/A

RECOMMENDATION
Council to receive the budget reports for the period ending July 31, 2026.

General Fund Summary
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	Revised Budget (Includes Budget Amendments)	Year to Date	Variance	% Received
Property Tax	$ 14,969,600	**$ 14,969,600**	**$ 14,724,661**	$ (244,939)	98%
Sales Tax	3,910,512	**3,910,512**	**2,566,291**	(1,344,221)	66%
Franchise Fees	1,623,763	**1,623,763**	**1,084,968**	(538,795)	67%
Licensing & Permits	288,973	**288,973**	**244,646**	(44,327)	85%
Park/Recreation Fees	198,650	**198,650**	**181,417**	(17,233)	91%
Public Safety Fees	910,815	**910,815**	**827,314**	(83,501)	91%
Rents	171,973	**171,973**	**166,664**	(5,309)	97%
Municipal Court	153,962	**153,962**	**120,593**	(33,369)	78%
Interest Income	631,343	**631,343**	**394,126**	(237,217)	62%
Miscellaneous	115,000	**115,000**	**98,214**	(16,786)	85%
Total Revenues	$ 22,974,591	**$ 22,974,591**	**$ 20,408,893**	$ (2,565,698)	89%
Other Sources					
Transfers In	$ 534,000	**$ 534,000**	**$ -**	$ (534,000)	0%
Sale of Assets	$ 106,906	**$ 106,906**	**$ 28,137**	$ (78,769)	26%
Total Available Resources	$ 23,615,497	**$ 23,615,497**	$ 20,437,030	$ (3,099,698)	87%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office	$ 630,379	**$ 630,379**	**$ 458,846**	$ 171,534	73%
Finance (includes Mun. Court)	1,525,031	**1,525,031**	**1,218,592**	306,438	80%
Human Resources	724,739	**724,739**	**535,584**	189,155	74%
City Secretary Office	490,238	**490,238**	**375,451**	114,786	77%
Information Services	1,487,617	**1,487,617**	**1,214,441**	273,176	82%
Marketing and Communications	512,538	**512,538**	**432,714**	79,824	84%
Police	7,038,831	**7,038,831**	**5,242,316**	1,796,515	74%
Fire	4,410,517	**4,410,517**	**3,306,535**	1,103,982	75%
Community Services	523,538	**523,538**	**354,615**	168,923	68%
Streets/Drainage	2,297,894	**2,297,894**	**1,389,277**	908,617	60%
Maintenance	3,188,174	**3,188,174**	**2,205,842**	982,332	69%
Parks	2,686,199	**2,686,199**	**2,152,246**	533,954	80%
Recreation	692,927	**692,927**	**501,391**	191,536	72%
Total Expenditures	**$ 26,208,623**	**$ 26,208,623**	**$ 19,387,851**	$ 6,820,772	74%
Capital Summary	**(Included in totals above - summary information only)**				
Equipment Replacement	$ 1,307,522	$ 1,307,522	**$ 215,844**	$ 1,091,678	17%
Other Uses					
Transfers Out	$ 16,000	**$ 16,000**		16,000	0%
Total Expenditures	$ 26,224,623	**$ 26,224,623**	**$ 19,387,851**	$ 6,836,772	

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	11,006,036	**11,926,247**	**11,926,247**
+ Net Increase (Decrease)	(2,609,126)	**(2,609,126)**	**1,049,180**
Ending Fund Balance	$ 8,396,910	**$ 9,317,121**	**$ 12,975,427**

General Fund Expenditure Summary
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 17,519,954	**$ 17,519,954**	**$ 13,350,311**	$ 4,169,643	76%
Services / Supplies	7,381,147	**7,381,147**	**5,821,696**	1,559,451	79%
Capital	1,307,522	**1,307,522**	**215,844**	1,091,678	17%
	$ 26,208,623	**$ 26,208,623**	**$ 19,387,851**	$ 6,820,772	74%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 12,255,393	**$ 12,255,393**	**$ 9,378,228**	$ 2,877,165	77%
Employee Benefits	5,264,561	**5,264,561**	**3,972,083**	1,292,478	75%
Total Personnel	$ 17,519,954	**$ 17,519,954**	**$ 13,350,311**	$ 4,169,643	76%
Services / Supplies					
Professional Services	$ 2,241,229	**$ 2,241,229**	**$ 1,976,628**	$ 264,601	88%
Employee Development	427,927	**427,927**	**257,308**	170,619	60%
Office Supplies / Equipment	1,685,666	**1,685,666**	**1,517,894**	167,772	90%
Utilities	406,540	**406,540**	**318,786**	87,754	78%
Other	2,619,785	**2,619,785**	**1,751,080**	868,705	67%
Total Services / Supplies	$ 7,381,147	**$ 7,381,147**	**$ 5,821,696**	$ 1,559,451	79%
Capital					
Equipment / Vehicles	$ 1,307,522	**$ 1,307,522**	**$ 215,844**	$ 1,091,678	17%
Total Capital	$ 1,307,522	**$ 1,307,522**	**$ 215,844**	$ 1,091,678	17%
Total General Fund Expenditure Summary	$ 26,208,623	**$ 26,208,623**	**$ 19,387,851**	$ 6,820,772	74%

General Fund Revenue
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Received
Property Tax	$ 14,969,600	**$ 14,969,600**	**$ 14,724,661**	$ (244,939)	98%
Sales Tax	3,910,512	**3,910,512**	**2,566,291**	(1,344,221)	66%
Franchise Fees	1,623,763	**1,623,763**	**1,084,968**	(538,795)	67%
Licensing & Permits	288,973	**288,973**	**244,646**	(44,327)	85%
Park/Recreation Fees	198,650	**198,650**	**181,417**	(17,233)	91%
Public Safety Fees	910,815	**910,815**	**827,314**	(83,501)	91%
Rents	171,973	**171,973**	**166,664**	(5,309)	97%
Municipal Court	153,962	**153,962**	**120,593**	(33,369)	78%
Interest Income	631,343	**631,343**	**394,126**	(237,217)	62%
Miscellaneous	115,000	**115,000**	**98,214**	(16,786)	85%
Total Revenues	$ 22,974,591	**$ 22,974,591**	**$ 20,408,893**	$ (2,565,698)	89%

City Manager Office
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 485,286	**$ 485,286**	**$ 343,361**	$ 141,926	71%
Services / Supplies	145,093	**145,093**	**115,485**	29,608	80%
Capital	-	**-**	**-**	-	0%
	$ 630,379	**$ 630,379**	**$ 458,846**	$ 171,534	73%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	372,433	**372,433**	**$ 264,376**	$ 108,057	71%
Employee Benefits	112,853	**112,853**	**78,985**	33,869	70%
Total Personnel	$ 485,286	**$ 485,286**	**$ 343,361**	$ 141,926	71%
Services / Supplies					
Professional Services *(City-wide legal - $98,500)*	$ 128,400	**128,400**	**$ 107,026**	$ 21,374	83%
Employee Development	9,705	**9,705**	**8,445**	1,260	87%
Supplies / Equipment	1,700	**1,700**	**13**	1,687	1%
Utilities	-	**-**		-	0%
Other *(Contingency + Data Processing)*	5,288	**5,288**	**-**	5,288	0%
Total Services / Supplies	$ 145,093	**$ 145,093**	**$ 115,485**	$ 29,608	80%
Capital					
Equipment / Vehicles	-	-	-	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total City Manager	$ 630,379	**$ 630,379**	**$ 458,846**	$ 171,534	73%

Finance Department
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 915,569	**$ 915,569**	**$ 668,939**	$ 246,629	73%
Services / Supplies	599,762	**599,762**	**549,653**	50,109	92%
Capital	9,700	**9,700**	**-**	9,700	0%
	$ 1,525,031	**$ 1,525,031**	**$ 1,218,592**	$ 306,438	80%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 665,302	**$ 665,302**	**$ 500,292**	$ 165,010	75%
Employee Benefits	250,266	**250,266**	**168,647**	81,619	67%
Total Personnel	$ 915,569	**$ 915,569**	**$ 668,939**	$ 246,629	73%
Services / Supplies					
Professional Services *(City-wide liability insurance - $248,141/ DCAD - $123,392)*	$ 566,046	**$ 566,046**	**$ 536,617**	$ 29,429	95%
Employee Development	11,296	**11,296**	**5,874**	5,422	52%
Supplies / Equipment	8,020	**8,020**	**7,162**	858	89%
Utilities	-	**-**		-	0%
Other *(Data Processing Equipment + Supplies)*	14,400	**14,400**	**-**	14,400	0%
Total Services / Supplies	$ 599,762	**$ 599,762**	**$ 549,653**	$ 50,109	92%
Capital					
Equipment / Vehicles	**9,700**	**9,700**	**-**	9,700	0%
Total Capital	$ 9,700	**$ 9,700**	**$ -**	$ 9,700	0%
Total Finance Department	$ 1,525,031	**$ 1,525,031**	**$ 1,218,592**	$ 306,438	80%

Human Resources
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 504,758	**$ 504,758**	**$ 319,384**	$ 185,374	63%
Services / Supplies	219,981	**219,981**	**216,201**	3,780	98%
Capital	-	**-**	**-**	-	0%
	$ 724,739	**$ 724,739**	**$ 535,584**	$ 189,155	74%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 355,389	**$ 355,389**	**$ 228,297**	$ 127,092	64%
Employee Benefits	149,369	**149,369**	**91,087**	58,283	61%
Total Personnel	$ 504,758	**$ 504,758**	**$ 319,384**	$ 185,374	63%
Services / Supplies					
Professional Services	$ 104,016	**$ 104,016**	**$ 144,715**	$ (40,699)	139%
Employee Development	99,940	**99,940**	**68,852**	31,088	69%
Supplies / Equipment	1,425	**1,425**	**223**	1,202	16%
Utilities	-	**-**		-	0%
Other *(Safety Programs)*	14,600	**14,600**	**2,410**	12,190	17%
Total Services / Supplies	**$ 219,981**	**$ 219,981**	**$ 216,201**	$ 3,780	98%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Human Resources	$ 724,739	**$ 724,739**	**$ 535,584**	$ 189,155	74%

City Secretary Office
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 285,767	**$ 285,767**	**$ 242,347**	$ 43,420	85%
Services / Supplies	204,471	**204,471**	**133,105**	71,366	65%
Capital	-	**-**	**-**	-	-
	$ 490,238	**$ 490,238**	**$ 375,451**	$ 114,786	77%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 207,831	**$ 207,831**	**$ 173,987**	$ 33,844	84%
Employee Benefits	77,936	**77,936**	**68,360**	9,576	88%
Total Personnel	$ 285,767	**$ 285,767**	**$ 242,347**	$ 43,420	85%
Services / Supplies					
Professional Services	$ 52,700	**$ 52,700**	**$ 40,815**	$ 11,885	77%
Employee Development *(City Council related $51,520)*	77,996	**77,996**	**23,832**	54,164	31%
Supplies / Equipment	11,775	**11,775**	**6,459**	5,316	55%
Utilities	-	**-**		-	0%
Other *(Outside Services)*	62,000	**62,000**	**61,999**	1	100%
Total Services / Supplies	$ 204,471	**$ 204,471**	**$ 133,105**	$ 71,366	65%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total City Secretary Office	$ 490,238	**$ 490,238**	**$ 375,451**	$ 114,786	77%

Information Services
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 914,887	**$ 914,887**	**$ 710,588**	$ 204,299	78%
Services / Supplies	432,730	**432,730**	**365,183**	67,547	84%
Capital	140,000	**140,000**	**138,670**	1,330	99%
	$ 1,487,617	**$ 1,487,617**	**$ 1,214,441**	$ 273,176	82%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 677,245	**$ 677,245**	**$ 521,152**	$ 156,093	77%
Employee Benefits	237,642	**237,642**	**189,436**	48,206	80%
Total Personnel	$ 914,887	**$ 914,887**	**$ 710,588**	$ 204,299	78%
Services / Supplies					
Professional Services	$ 238,480	**$ 238,480**	**$ 243,623**	$ (5,143)	102%
Employee Development	21,950	**21,950**	**18,126**	3,824	83%
Supplies / Equipment	3,560	**3,560**	**1,930**	1,630	54%
Utilities	60,840	**60,840**	**50,786**	10,054	83%
Other *(Data Processing)*	107,900	**107,900**	**50,718**	57,182	47%
Total Services / Supplies	$ 432,730	**$ 432,730**	**$ 365,183**	$ 67,547	84%
Capital					
Equipment / Vehicles	$ 140,000	**140,000**	**138,670**	1,330	99%
Total Capital	$ 140,000	**$ 140,000**	**$ 138,670**	$ 1,330	99%
Total City Information Services	$ 1,487,617	**$ 1,487,617**	**$ 1,214,441**	$ 273,176	82%

Marketing and Communications
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 394,130	**$ 394,130**	**$ 326,522**	$ 67,608	83%
Services / Supplies	118,408	**118,408**	**106,192**	12,216	90%
Capital	-	**-**	**-**	-	0%
	$ 512,538	**$ 512,538**	**$ 432,714**	$ 79,824	84%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 269,989	**$ 269,989**	**$ 224,238**	$ 45,752	83%
Employee Benefits	124,140	**124,140**	**102,284**	21,857	82%
Total Personnel	$ 394,130	**$ 394,130**	**$ 326,522**	$ 67,608	83%
Professional Services	$ 83,133	**$ 83,133**	**$ 77,493**	$ 5,640	93%
Employee Development	8,325	**8,325**	**2,245**	6,080	27%
Supplies / Equipment	-	**-**	**1**	(1)	0%
Utilities	-	**-**		-	0%
Other *(Special Events)*	26,950	**26,950**	**26,454**	496	98%
Total Services / Supplies	$ 118,408	**$ 118,408**	**$ 106,192**	$ 12,216	90%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Marketing and Communications	$ 512,538	**$ 512,538**	**$ 432,714**	$ 79,824	84%

Police Department
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 6,292,233	**$ 6,292,233**	**$ 4,706,698**	$ 1,585,536	75%
Services / Supplies	746,598	**746,598**	**535,619**	210,979	72%
Capital	-	**-**	**-**	-	0%
	$ 7,038,831	**$ 7,038,831**	**$ 5,242,316**	$ 1,796,515	74%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 4,483,463	**$ 4,483,463**	**$ 3,360,261**	$ 1,123,202	75%
Employee Benefits	1,808,770	**1,808,770**	**1,346,436**	462,334	74%
Total Personnel	$ 6,292,233	**$ 6,292,233**	**$ 4,706,698**	$ 1,585,536	75%
Services / Supplies					
Professional Services	$ 355,322	**$ 355,322**	**$ 283,110**	$ 72,212	80%
Employee Development	52,442	**52,442**	**37,359**	15,083	71%
Supplies / Equipment	174,472	**174,472**	**122,487**	51,985	70%
Utilities	-	**-**		-	0%
Other *(Animal Care - $136,887)*	164,362	**164,362**	**92,663**	$ 71,699	56%
Total Services / Supplies	$ 746,598	**$ 746,598**	**$ 535,619**	$ 210,979	72%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Police Department	$ 7,038,831	**$ 7,038,831**	**$ 5,242,316**	$ 1,796,515	74%

Fire Department
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -					
	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 3,816,649	**$ 3,816,649**	**$ 2,907,930**	$ 908,719	76%
Services / Supplies	498,400	**498,400**	**389,021**	109,379	78%
Capital	95,468	**95,468**	**9,584**	85,884	10%
	$ 4,410,517	**$ 4,410,517**	**$ 3,306,535**	$ 1,103,982	75%

- - - Detail - - -					
Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 2,665,062	**$ 2,665,062**	**$ 2,043,434**	$ 621,628	77%
Employee Benefits	1,151,587	**1,151,587**	**864,496**	287,091	75%
Total Personnel	$ 3,816,649	**$ 3,816,649**	**$ 2,907,930**	$ 908,719	76%
Services / Supplies					
Professional Services	$ 168,358	**$ 168,358**	**$ 134,989**	$ 33,369	80%
Employee Development *(Training - $47,465)*	64,270	**64,270**	**50,107**	14,163	78%
Supplies / Equipment	211,119	**211,119**	**152,289**	58,830	72%
Utilities	2,400	**2,400**	**2,247**	153	94%
Other *(Safety Programs)*	52,253	**52,253**	**49,390**	2,863	95%
Total Services / Supplies	$ 498,400	**$ 498,400**	**$ 389,021**	$ 109,379	78%
Capital					
Equipment / Vehicles	95,468	**95,468**	**9,584**	85,884	10%
Total Capital	$ 95,468	**$ 95,468**	**$ 9,584**	$ 85,884	10%
Total Fire Department	$ 4,410,517	**$ 4,410,517**	**$ 3,306,535**	$ 1,103,982	75%

Community Services
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 418,978	**$ 418,978**	**$ 332,231**	$ 86,747	79%
Services / Supplies	104,560	**104,560**	**22,384**	82,176	21%
Capital	-	**-**	**-**	-	0%
	$ 523,538	**$ 523,538**	**$ 354,615**	$ 168,923	68%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 300,796	**$ 300,796**	**$ 237,940**	$ 62,857	79%
Employee Benefits	118,182	**118,182**	**94,292**	23,890	80%
Total Personnel	$ 418,978	**$ 418,978**	**$ 332,231**	$ 86,747	79%
Services / Supplies					
Professional Services	$ 79,000	**$ 79,000**	**$ 12,694**	66,306	16%
Employee Development	17,675	**17,675**	**6,479**	11,196	37%
Supplies / Equipment	7,885	**7,885**	**3,211**	4,674	0
Utilities	-	**-**	**-**	-	-
Other	-	**-**	**-**	-	-
Total Services / Supplies	$ 104,560	**$ 104,560**	**$ 22,384**	$ 82,176	21%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Building Operations	$ 523,538	**$ 523,538**	**$ 354,615**	$ 168,923	68%

Streets Division
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 983,521	**$ 983,521**	**$ 809,257**	$ 174,264	82%
Services / Supplies	1,058,719	**1,058,719**	**569,129**	489,590	54%
Capital	255,654	**255,654**	**10,891**	244,763	4%
	$ 2,297,894	**$ 2,297,894**	**$ 1,389,277**	$ 908,617	60%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 622,191	**$ 622,191**	**$ 506,081**	$ 116,110	81%
Employee Benefits	361,330	**361,330**	**303,177**	58,153	84%
Total Personnel	$ 983,521	**$ 983,521**	**$ 809,257**	$ 174,264	82%
Services / Supplies					
Professional Services	$ 107,300	**$ 107,300**	**$ 79,705**	$ 27,595	74%
Employee Development	17,886	**17,886**	**10,016**	7,870	56%
Supplies / Equipment	100,883	**100,883**	**48,573**	52,310	48%
Utilities *(Streetlights)*	115,000	**115,000**	**95,733**	19,267	83%
Other *(Street Maintenance)*	717,650	**717,650**	**335,101**	382,549	47%
Total Services / Supplies	$ 1,058,719	**$ 1,058,719**	**$ 569,129**	$ 489,590	54%
Capital					
Equipment / Vehicles	255,654	**255,654**	**10,891**	244,763	4%
Total Capital	$ 255,654	**$ 255,654**	$ 10,891	$ 244,763	4%
Total Streets	$ 2,297,894	**$ 2,297,894**	**$ 1,389,277**	$ 908,617	60%

Maintenance Division
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 506,450	**$ 506,450**	**$ 364,103**	$ 142,347	72%
Services / Supplies	1,931,724	**1,931,724**	**1,841,739**	89,985	95%
Capital	750,000	**750,000**	**-**	750,000	0%
	$ 3,188,174	**$ 3,188,174**	**$ 2,205,842**	$ 982,332	69%

- - - Detail - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 333,323	**$ 333,323**	**$ 235,561**	$ 97,762	71%
Employee Benefits	173,127	**173,127**	**128,542**	44,585	74%
Total Personnel	$ 506,450	**$ 506,450**	**$ 364,103**	$ 142,347	72%
Services / Supplies					
Professional Services	$ 87,226	**$ 87,226**	**$ 103,564**	$ (16,338)	119%
Employee Development	6,537	**6,537**	**2,653**	3,884	41%
Supplies / Equipment	710,810	**710,810**	**836,228**	(125,418)	118%
Utilities	95,000	**95,000**	**69,473**	25,527	73%
Other *(Capital Lease Payments)*	1,032,151	**1,032,151**	**829,821**	$ 202,330	80%
Total Services / Supplies	$ 1,931,724	**$ 1,931,724**	**$ 1,841,739**	$ 89,985	95%
Capital					
Equipment / Vehicles	750,000	**750,000**	**-**	750,000	0%
Total Capital	$ 750,000	**$ 750,000**	**$ -**	$ 750,000	0%
Total Maintenance	$ 3,188,174	**$ 3,188,174**	**$ 2,205,842**	$ 982,332	69%

Parks Division
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 1,746,343	**$ 1,746,343**	**$ 1,426,114**	$ 320,229	82%
Services / Supplies	883,156	**883,156**	**669,433**	213,723	76%
Capital	56,700	**56,700**	**56,699**	1	100%
	$ 2,686,199	**$ 2,686,199**	**$ 2,152,246**	$ 533,954	80%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 1,103,982	**$ 1,103,982**	**$ 938,306**	$ 165,676	85%
Employee Benefits	642,361	**642,361**	**487,808**	154,553	76%
Total Personnel	$ 1,746,343	**$ 1,746,343**	**$ 1,426,114**	$ 320,229	82%
Services / Supplies					
Professional Services	$ 271,248	**$ 271,248**	**$ 212,277**	$ 58,971	78%
Employee Development	25,410	**25,410**	**16,755**	8,655	66%
Supplies / Equipment	451,617	**451,617**	**338,443**	113,174	75%
Utilities	133,300	**133,300**	**100,546**	32,754	75%
Other	1,581	**1,581**	**1,411**	170	89%
Total Services / Supplies	$ 883,156	**$ 883,156**	**$ 669,433**	$ 213,723	76%
Capital					
Equipment / Vehicles	56,700	**56,700**	**56,699**	1	100%
Total Capital	56,700	**56,700**	**56,699**	1	100%
Total Parks	$ 2,686,199	**$ 2,686,199**	**$ 2,152,246**	$ 533,954	80%

Recreation Division
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - - -

	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel	$ 255,382	**$ 255,382**	**$ 192,837**	$ 62,545	76%
Services / Supplies	437,545	**437,545**	**308,553**	128,992	71%
Capital	-	**-**	**-**	-	0%
	$ 692,927	**$ 692,927**	**$ 501,391**	$ 191,536	72%

- - - Detail - - -

Category	Original Budget	**Revised Budget**	**Year to Date**	Variance	% Used
Personnel					
Salaries / Wages	$ 198,385	**$ 198,385**	**$ 144,303**	$ 54,082	73%
Employee Benefits	56,997	**56,997**	**48,534**	8,462	85%
Total Personnel	$ 255,382	**$ 255,382**	**$ 192,837**	$ 62,545	76%
Services / Supplies					
Professional Services	$ -	**$ -**	**$ -**	$ -	0%
Employee Development	14,495	**14,495**	**6,565**	7,930	45%
Supplies / Equipment	2,400	**2,400**	**875**	1,525	36%
Utilities	-	**-**	**-**	-	0%
Other *(Recreation Programs)*	420,650	**420,650**	**301,113**	119,537	72%
Total Services / Supplies	$ 437,545	**$ 437,545**	**$ 308,553**	$ 128,992	71%
Capital					
Equipment / Vehicles	-	**-**	**-**	-	0%
Total Capital	$ -	**$ -**	**$ -**	$ -	0%
Total Recreation	$ 692,927	**$ 692,927**	**$ 501,391**	$ 191,536	72%

Equipment Replacement / Capital Schedule
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
City Manager Office Capital Outlay	-	**-**	**-**	-	0%
Finance Capital Outlay	9,700	**9,700**	**-**	9,700	0%
Human Resources Capital Outlay	-	**-**	**-**	-	0%
City Secretary Capital Outlay	-	**-**	**-**	-	0%
Information Services Capital Outlay	140,000	**140,000**	**138,670**	1,330	99%
Marketing Capital Outlay	-	**-**	**-**	-	0%
Police Dept Capital Outlay	-	**-**	**-**	-	0%
Fire Dept Capital Outlay	95,468	**95,468**	**9,584**	85,884	10%
Community Services Capital Outlay	-	**-**	**-**	-	0%
Streets Dept Capital Outlay	255,654	**255,654**	**10,891**	244,763	4%
Maintenance Capital Outlay	750,000	**750,000**	**-**	750,000	0%
City Parks Capital Outlay	56,700	**56,700**	**56,699**	1	100%
City Recreation Capital Outlay	-	**-**	**-**	-	0%
Total Expenditures	$ 1,307,522	**$ 1,307,522**	**$ 215,844**	$ 1,091,678	17%

Utility Fund Revenues
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Fees	Original Budget	Revised Budget	Year to Date	Variance	% Received
Electronic Payment	$ (191,000)	**$ (191,000)**	**$ (146,268)**	$ 44,733	77%
Charges / Penalties	91,100	**91,100**	**75,317**	(15,783)	83%
Total Fees	$ (99,900)	**$ (99,900)**	**$ (70,950)**	$ 28,950	71%
Licenses & Permits					
Construction Inspection	$ -	**$ -**		$ -	0%
Total Licenses & Permits	$ -	**$ -**	**$ -**	$ -	0%
Charges for Services					
Water Sales	$ 6,590,410	**$ 6,590,410**	**$ 4,289,218**	$ (2,301,192)	65%
Sewer Sales	4,332,213	**4,332,213**	**3,454,489**	(877,724)	80%
Inspection Fees	4,000	**4,000**	**1,480**	(2,520)	37%
Total Charges for Service	$ 10,926,623	**$ 10,926,623**	**$ 7,745,187**	$ (3,181,436)	71%
Interest					
Interest (Operations)	$ 370,522	**$ 370,522**	**$ 153,536**	$ (216,986)	41%
Interest (Capital Projects)	286,961	**286,961**	**-**	(286,961)	0%
Total Interest	$ 657,483	**$ 657,483**	**$ 153,536**	$ (503,947)	23%
Impact Fees					
Impact Fees	$ 125,000	**$ 125,000**	**$ 76,246**	$ (48,754)	61%
Total Impact Fees	$ 125,000	**$ 125,000**	**$ 76,246**	$ (48,754)	61%
Miscellaneous Income					
Miscellaneous Income	$ 7,500	**$ 7,500**	**$ 6,212**	$ (1,288)	83%
Grants/Contributions	$ -	**$ -**		$ -	0%
Total Miscellaneous Income	$ 7,500	**$ 7,500**	**$ 6,212**	$ (1,288)	83%
Total Utility Fund Revenues	$ 11,616,706	**$ 11,616,706**	**$ 7,910,230**	$ (3,706,476)	68%

Utility Division
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

- - - Summary - Operations - - -

	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 2,095,111	**$ 2,095,111**	**$ 1,606,440**	$ 488,671	77%
Services / Supplies	8,633,819	**8,633,819**	**5,654,025**	2,979,794	65%
Capital	18,000	**18,000**	**-**	18,000	0%
Total Utility Division	$ 10,746,930	**$ 10,746,930**	**$ 7,260,465**	$ 3,486,465	68%

- - - Detail - Operations - - -

Category	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel					
Salaries / Wages	$ 1,375,208	**$ 1,375,208**	**$ 1,096,376**	$ 278,832	80%
Employee Benefits	719,903	**719,903**	**510,064**	209,839	71%
Total Personnel	$ 2,095,111	**$ 2,095,111**	**$ 1,606,440**	$ 488,671	77%
Services / Supplies					
Professional Services	$ 413,982	**$ 413,982**	**$ 269,432**	$ 144,550	65%
Employee Development	71,269	**71,269**	**99,273**	(28,004)	139%
Supplies / Equipment	92,812	**92,812**	**59,216**	33,596	64%
Utilities	504,896	**504,896**	**302,827**	202,069	60%
Other *(Well Lot Maintenance)*	2,352,249	**2,352,249**	**752,435**	1,599,814	32%
Sub-Total - Operations Services / Supplies	$ 3,435,208	**$ 3,435,208**	**$ 1,483,182**	$ 1,952,026	43%
Wholesale Water / Wastewater					
UTRWD - Administration Fees	$ 5,270	**$ 5,270**	**$ 4,981**	$ 289	95%
UTRWD - Water Volume Cost	1,403,505	**1,403,505**	**1,087,119**	316,386	77%
UTRWD - Water Demand Charges	1,673,295	**1,673,295**	**1,394,413**	278,883	83%
UTRWD - Sewer Effluent Volume Rate	635,151	**635,151**	**450,671**	184,480	71%
UTRWD - Capital Charge Joint Facilities	1,275,420	**1,275,420**	**1,062,850**	212,570	83%
UTRWD - HV Sewer Line to UTRWD	205,970	**205,970**	**170,808**	35,162	83%
UTRWD - Wtr Transmission - Opus Develop	-	**-**	**-**	-	0%
Sub-Total - Wholesale Water / Wastewater	$ 5,198,611	**$ 5,198,611**	**$ 4,170,842**	$ 1,027,769	80%
Total Services / Supplies	$ 8,633,819	**$ 8,633,819**	**$ 5,654,025**	$ 2,979,794	65%
Capital					
Equipment / Vehicles	18,000	**18,000**	**-**	18,000	0%
Total Capital	$ 18,000	**$ 18,000**	**$ -**	$ 18,000	0%
Total Utility Division - Operations	$ 10,746,930	**$ 10,746,930**	**$ 7,260,465**	$ 3,486,465	68%

Utility Fund Working Capital
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Water Sales	$ 6,590,410	**$ 6,590,410**	**$ 4,289,218**	$ (2,301,192)	65%
Sewer Sales	4,332,213	**4,332,213**	**3,454,489**	(877,724)	80%
Other Fees / Charges	102,600	**102,600**	**83,009**	(19,591)	81%
Electronic Payment Credit	(191,000)	**(191,000)**	**(146,268)**	44,733	77%
Interest	370,522	**370,522**	**153,536**	(216,986)	41%
Total Revenues	$ 11,204,745	**$ 11,204,745**	**$ 7,833,985**	$ (3,370,760)	70%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Administration	$ 545,065	**$ 545,065**	**$ 461,820**	$ 83,244	85%
Operations	4,985,254	**4,985,254**	**2,627,802**	2,357,452	53%
UTRWD	5,198,611	**5,198,611**	**4,170,842**	1,027,769	80%
Debt Service	981,248	**981,248**	**886,001**	95,247	90%
Capital Projects	-	**-**	**-**	-	0%
Equipment Replace / Capital	18,000	**18,000**	**-**	18,000	0%
Total Expenditures	$ 11,728,178	**$ 11,728,178**	**$ 8,146,466**	$ 3,581,712	69%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Transfers In *(Applied Impact Fees)*	$ 150,000	**$ 150,000**	**$ 150,000**	$ -	100%
Operating Transfers In / Utility Capital Projects			-	-	0%
Operating Transfers Out / Utility Capital Projects	-	**-**	**-**	-	0%
Operating Transfers Out / General Fund	(470,000)	**(470,000)**	**-**	(470,000)	0%
Sale of Capital Assets (Vehicles)	-	**-**	**10,800**	10,800	0%
Total Other Sources (Uses)	$ (320,000)	$ (320,000)	**$ 160,800**	$ (459,200)	-50%

Fund Balance	Original Budget	Revised Budget	Year to Date
Net Increase/Decrease	(843,433)	(843,433)	**(151,681)**
Beginning Working Capital			
Operations	4,116,140	**5,072,150**	**5,072,150**
Available Impact Fees	1,189,337	**1,080,132**	**1,080,132**
Total Available Working Capital	$ 5,305,477	**$ 6,152,282**	**$ 6,152,282**
Ending Working Capital			
Operations	3,272,707	**4,228,717**	**4,920,469**
Available Impact Fees	1,164,337	**1,055,132**	**1,006,378**
Total Available Working Capital	$ 4,437,044	**$ 5,283,849**	**$ 5,926,847**

Impact Fees			
Beginning Balance	1,189,337	1,080,132	1,080,132
+ Collections	125,000	125,000	76,246
- Applied to offset Debt Service	(150,000)	(150,000)	(150,000)
Ending Balance	1,164,337	1,055,132	1,006,378

*The working Capital Analysis is prepared to provide a picture of the "cash position" of this enterprise fund. Income restricted for specific use and non-operating expenses are excluded. Impact fees are excluded from revenues, however included for working capital balances - as they are available to address contingency expenditures.

Corps Leased Parks Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Park Entry Fees	$ 664,725	$ 664,725	$ 411,490	$ (253,235)	62%
Annual Park Passes	53,500	53,500	46,895	(6,605)	88%
Concession Sales	-	-	-	-	0%
Interest	39,000	39,000	28,043	(10,957)	72%
Total Revenues	$ 757,225	$ 757,225	$ 486,428	$ (270,797)	64%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 266,330	266,330	$ 235,123	$ 31,207	88%
Services / Supplies	476,423	476,423	192,995	283,429	41%
Capital	6,000	6,000	5,282	718	88%
Total Expenditures	$ 748,753	$ 748,753	$ 433,399	$ 315,354	58%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In / General Fund	-	-	-	-	0%
Total Other Sources (Uses)	$ -	$ -	$ -	$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 998,152	$ 966,170	$ 966,170
+ Net Increase (Decrease)	8,472	8,472	53,029
Ending Fund Balance	$ 1,006,625	$ 974,642	$ 1,019,199

Debt Service Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Property Tax Revenues	$ 2,776,917	**$ 2,776,917**	**$ 2,739,101**	$ (37,816)	99%
Interest Income	$ 20,811	**$ 20,811**	**$ 16,467**	(4,344)	79%
Total Revenues	$ 2,797,728	**$ 2,797,728**	**$ 2,755,568**	$ (42,160)	98%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Principal Payments	$ 2,088,000	**$ 2,088,000**	**$ 2,088,000**	$ -	100%
Interest Payments	$ 1,209,817	**$ 1,209,817**	**$ 578,789**	631,028	48%
Paying Agent Fees	$ 3,000	**$ 3,000**	**$ 1,695**	1,305	56%
Total Expenditures	$ 3,300,817	**$ 3,300,817**	**$ 2,668,484**	$ 632,333	81%

Other Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
Transfers In (Out) [To 4B]	532,900	**532,900**	**456,075**	$ 76,825	86%
Proceeds from Refunding Debt	-	**-**		-	0%
Debt Issuance Cost	-	**-**		-	0%
Payment to Escrow Agent	-	**-**		-	0%
Total Financing Sources	$ 532,900	**$ 532,900**	**$ 456,075**	$ 76,825	86%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 121,667	**$ 110,149**	**$ 110,149**
+ Net Increase (Decrease)	29,811	**29,811**	**543,159**
Ending Fund Balance	$ 151,478	**$ 139,960**	**$ 653,308**

Capital Projects Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Grants	-	**$ -**	**41,624**	$ (41,624)	0%
Contributions	-	**-**		-	0%
Interest Income	575,280	**575,280**	**579,504**	4,224	101%
Total Revenues	$ 575,280	**$ 575,280**	**$ 621,128**	$ 45,848	108%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
2021 Bond Issue (Parks)	4,869,631	**4,869,631**	**238,435**	4,631,196	5%
2021 Bond Issue (Streets)	2,111,315	**2,111,315**	**572,490**	1,538,825	27%
2024 Tax Note	885,871	**885,871**	**481,007**	404,864	54%
2025 Bond Issue (Streets)	4,713,920	**4,713,920**	**-**	4,713,920	0%
Total Expenditures	$ 12,580,737	$ 12,580,737	$ 1,291,932	$ 11,288,805	10%

Other Financing Sources (Uses)	Original Budget	Revised Budget	Year to Date	Variance	% Received
Bond Issue Proceeds		**$ -**	**-**	$ -	0%
Bond Discount / Premium	-	**-**	**-**	-	0%
Debt Issuance		**-**	**52**	52	0%
Transfers In	-	**-**	**-**	-	0%
Transfer Out	-	**-**	**-**	-	0%
Total Financing Sources	$ -	**$ -**	**$ 52**	**$ 52**	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning fund balance	$ 19,759,209	**$ 20,073,810**	**$ 20,073,810**
+Net Increase (Decrease)	(12,005,457)	**(12,005,457)**	**(670,752)**
Ending Fund Balance	$ 7,753,752	**$ 8,068,353**	**$ 19,403,058**

Drainage Utilities
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Drainage Conversion Fee	$ 10,000	**10,000**	**$ 11,115**	$ 1,115	111%
Drainage Fee Receipts	658,856	**658,856**	**520,013**	(138,843)	79%
Miscellaneous	-	**-**		-	0%
Interest	-	**-**	**-**	-	0%
Total Revenues	$ 668,856	**$ 668,856**	**$ 531,128**	$ (137,728)	79%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ 429,393	**$ 429,393**	**$ 357,183**	$ 72,210	83%
Services / Supplies	265,607	**265,607**	**211,591**	54,016	80%
Capital	31,500	**31,500**	**-**	31,500	0%
Total Expenditures	$ 726,500	**$ 726,500**	**$ 568,774**	$ 157,726	78%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Transfers In - City Impervious / General Fund	$ (16,000)	**$ (16,000)**	**$ -**	(16,000)	0%
Operating TransfersOut / General Fund	16,000	**16,000**	**-**	16,000	0%
Total Other Sources (Uses)	$ -	$ -	$ -	$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 71,560	**$ 86,175**	**$ 86,175**
+ Net Increase (Decrease)	(57,644)	**(57,644)**	**(37,646)**
Ending Fund Balance	$ 13,916	**$ 28,531**	**$ 48,529**

Park Development Fee Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Interest	$ 3,700	**$ 3,700**	**$ 3,657**	(43)	99%
Community Park Fees	**17,100**	**17,100**	**17,100**	-	100%
Linear Park Fees	-	-	-	-	0%
Neighborhood Park Fees	-	-	-	-	0%
Service Area II	-	-	-	-	0%
Service Area IV	25,625	**25,625**	**25,625**	-	100%
Total Revenues	$ 46,425	**$ 46,425**	**$ 46,382**	$ (43)	100%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Unity Park	$ -	**$ -**	**$ -**	$ -	0%
Capital Outlay (Unity Park)	-	-	-	-	0%
Capital Outlay (Village Park)	-	-	-	-	0%
Capital Outlay - (St James development, Area I)	-	-	-	-	0%
Total Expenditures	$ -	**$ -**	**$ -**	$ -	0%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	$ -	**$ -**	**$ -**	$ -	0%
Operating Transfers Out *(Funding for projects at Unity Park with FY2012 bond)*	-	-	-	-	0%
Total Other Sources (Uses)	$ -	**$ -**	**$ -**	$ -	**0%**

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 95,008	**$ 95,119**	**$ 95,119**
+ Net Increase (Decrease)	46,425	**46,425**	**46,382**
Ending Fund Balance	$ 141,433	**$ 141,544**	**$ 141,501**

Ending Fund Balance Detail	Original Budget	Year to Date
Community Park Fees	$ 19,699	**19,070**
Linear Park Fees	-	-
Neighorhood Park Fees (Area I)	-	-
Neighborhood Park Fees (Area II)	96,109	**96,806**
Neighborhood Park Fees (Area IV)	25,625	**25,625**
Total	$ 141,433	**$ 141,501**

Public Safety Special Revenue Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	***83.3%***

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	$ 76,100	**$ 76,100**	**$ 40,301**	$ (35,799)	53%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Police Grant Related	$ 51,600	**$ 51,600**	**$ 23,193**	$ 28,407	45%
Fire Grant Related	2,500	**2,500**	**2,103**	397	84%
Total Expenditures	$ 54,100	**$ 54,100**	**$ 25,295**	$ 28,805	47%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	$ -	**$ -**	**$ -**	$ -	0%
Operating Transfers Out	(20,000)	**(20,000)**	**-**	20,000	0%
Total Other Sources (Uses)	$ (20,000)	**$ (20,000)**	**$ -**	$ 20,000	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 83,261	**$ 64,386**	**$ 64,386**
+ Net Increase (Decrease)	2,000	**2,000**	**15,006**
Ending Fund Balance	$ 85,261	**$ 66,386**	**$ 79,392**

Municipal Court Technology Fee Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	*83.3%*

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues	$ 3,400	**$ 3,400**	**$ 3,163**	(237)	93%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Services / Supplies	$ 3,600	**$ 3,600**	**$ 3,720**	$ (120)	103%
Total Expenditures	$ 3,600	**$ 3,600**	**$ 3,720**	$ (120)	103%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	$ -	**$ -**	**$ -**	$ -	0%
Operating Transfers Out	-	**-**	**-**	-	0%
Total Other Sources (Uses)	$ -	**$ -**	**$ -**	$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 13,384	**$ 13,916**	**$ 13,916**
+ Net Increase (Decrease)	(200)	**(200)**	**(557)**
Ending Fund Balance	$ 13,184	**$ 13,716**	**$ 13,359**

Municipal Court Building Security Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
Revenues (Court Fines)	$ 3,700	$ 3,700	$ 3,875	$ 175	105%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel (Bailiff)	$ -	**$ -**	**$ -**	$ -	0%
Services / Supplies	-	**-**	**-**	-	0%
Total Expenditures	$ -	**$ -**	**$ -**	$ -	0%

Beginning & Ending Balance	Original Budget	Revised Budget	Year to Date
Beginning Fund Balance	$ 55,387	**$ 55,317**	**$ 55,317**
+ Net Increase (Decrease)	3,700	**3,700**	**3,875**
Ending Fund Balance	$ 59,087	**$ 59,017**	**$ 59,192**

Highland Village Community Development Corporation

Working Capital Analysis (FY 2026)

	Actual 2023-2024	Actual 2024-2025	Budget 2025-2026	YTD 2025-2026
Beginning Fund Balance	$ 1,361,972	$ 2,007,661	$ 2,429,759	$ 2,465,779
Revenues				
4B Sales Tax	1,806,379	1,819,132	1,861,753	1,226,534
Park Fees (Rental)	63,691	68,949	77,400	88,837
Miscellaneous Income	-		-	-
Interest Income	79,051	92,459	110,000	74,251
Total	$ 1,949,121	$ 1,980,540	$ 2,049,153	$ 1,389,622
Expenditures				
Personnel	280,010	348,235	406,647	265,895
Services / Supplies	447,732	562,487	362,660	326,462
Reimburse GF (Support Functions)	28,000	28,000	28,000	-
Reimburse GF (Debt Service)	539,165	536,025	532,900	456,075
Total Non-Capital Expenditures	$ 1,294,907	$ 1,474,747	$ 1,330,207	$ 1,048,433
Capital				
Equipment	8,525	47,675	-	-
Net Increase / (Decrease)	645,689	458,118	718,946	341,189
Working Capital Balance	$ 2,007,661	$ 2,465,779	$ 3,148,705	$ 2,806,968

PEG Fee Fund
FY 2025/2026 Budget

YEAR TO DATE JULY

Percent of Budget Year Transpired	83.3%

Revenues	Original Budget	Revised Budget	Year to Date	Variance	% Received
PEG Fee Receipts	$ 16,759	$ 16,759	$ 8,043	$ (8,716)	48%
Total Revenues	$ 16,759	$ 16,759	$ 8,043	$ (8,716)	48%

Expenditures	Original Budget	Revised Budget	Year to Date	Variance	% Used
Personnel	$ -	$ -	$ -	$ -	0%
Services / Supplies	7,000	7,000	569	6,431	8%
Capital	27,108	27,108	26,451	657	98%
Total Expenditures	$ 34,108	$ 34,108	$ 27,020	$ 7,088	79%

Other Sources/Uses	Original Budget	Revised Budget	Year to Date	Variance	% Used
Operating Transfers In	$ -	$ -	$ -	$ -	0%
Operating TransfersOut	-	-	-	-	0%
Total Other Sources (Uses)	$ -	$ -	$ -	$ -	0%

Fund Balance	Original Budget	Revised Budget	Year to Date
Beginning fund balance	$ 191,082	$ 194,294	$ 194,294
+Net Increase (Decrease)	(17,349)	(17,349)	(18,977)
Ending Fund Balance	$ 173,733	$ 176,945	$ 175,317

CITY COUNCIL MEMORANDUM
AGENDA ITEM 14

MEETING DATE: September 15, 2026

SUBJECT: Receive Presentation of City Manager Recommended Budget and Conduct Public Hearing on the Proposed Budget and Tax Rate for Fiscal Year 2026-2027

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

Texas Tax Code Section 26.05, part of the state's "Truth in Taxation" laws, requires a public hearing before a taxing unit may adopt its annual property tax rate if the proposed rate exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate.

The no-new-revenue tax rate is generally calculated by dividing the prior year's taxes by the current taxable value of properties that were also on the tax roll in the prior year. At its August 11 meeting, the City Council voted to consider a tax rate of $0.528541 per $100 of valuation. Although this rate is equal to, and therefore does not exceed, the voter-approval tax rate, it does exceed the no-new-revenue tax rate of $0.508557 per $100 of valuation. As a result, a public hearing is required before the tax rate may be adopted.

The public hearing will also provide an opportunity for public comment on the proposed budget, for which a separate public hearing is required by law.

Budget calendar:

- September 15th (Special Council Meeting)
  - Public Hearing on tax rate and budget
  - 1st read on tax rate and budget
- September 22nd (Regular Council Meeting)
  - 2nd read on tax rate and budget

BUDGETARY IMPACT

The proposed budget can be viewed on the City website at:
City Manager's Recommended Budget

RECOMMENDATION

Council to conduct a public hearing on the proposed tax rate and budget for FY 2026-2027 following presentation of the City Manager's Recommended Budget.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 15

MEETING DATE: September 15, 2026

SUBJECT: Consider Ordinance 2026-1339 Adopting the FY 2026-2027 Annual Budget (*1st of two reads*)

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

City Staff initiated the FY 2026–2027 Budget process in May, beginning with a review by each department of the programs and related costs within its respective area. The proposed budget was developed in collaboration with the City Council through a series of budget workshops. The Capital Improvement Program was presented first, followed by the General Fund Budget, Special Revenue Funds, and Utility Fund.

The proposed budget has been made available on the City's website for public review. The final document presented for adoption is a collaborative product of City Staff and the City Council and reflects the priorities established by Council throughout the budget process. The required public hearing on the proposed budget will be conducted at this meeting.

The FY 2026–2027 Budget is presented for City Council approval and reflects the consensus expressed by Council during the budget work sessions.

Truth in Taxation requirements, specifically Local Government Code Section 102.007, require specific actions as part of the budget adoption process. Adoption of the budget must be by record vote, and the adopted budget must include a cover page containing specifically prescribed statements regarding revenue, the record vote on adoption, tax rates, and debt obligations. All pertinent information is included in the City Manager's Recommended Budget posted on the City's website, with the exception of the record vote, which will be updated following the Council's action.

Additionally, adoption of a budget that raises more property tax revenue than the previous year requires the City Council to separately ratify the property tax increase reflected in the budget. Because the proposed FY 2026–2027 Budget will raise more property tax revenue than the previous year, a separate companion agenda item will be presented for Council action on the ratification of the property tax increase in conjunction with the second reading of the budget ordinance.

The complete budget is available for public review on the City's website and is also on file in the City Secretary's Office.

City Manager Recommended Budget FY 2026-2027

All notices have been published and public hearings conducted as required by law. An ordinance has been presented at this meeting that adopts the proposed budget for the City's fiscal year beginning October 1, 2026.

BUDGETARY IMPACT

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

CITY COUNCIL MEMORANDUM
AGENDA ITEM 15

RECOMMENDATION
To approve Ordinance 2026-1339 adopting the FY 2026-2027 Annual Budget on first reading.

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2026-1339

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, 2026, AND ENDING SEPTEMBER 30, 2027, 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, 2026, and ending September 30, 2027 ("the FY 2026-2027 Budget"), and

WHEREAS, the proposed FY 2026-2027 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 2026-2027 Budget has been duly and legally posted or published as required by law; and,

WHEREAS, said public hearing was held on September 15, 2026, and whereon full and final consideration was given the proposed FY 2026-2027 Budget; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that the proposed FY 2026-2027 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, 2026 and ending September 30, 2027, the FY 2026-2027 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	$25,702,807
Debt Service Fund	$3,328,166
Corps Leased Parks Fund	$606,959
HV Drainage Utility Fund	$742,159
Capital Projects Fund	$9,504,104
Public Safety Special Revenue Fund	$22,150
Park Development Fee Fund	$-0-
PEG Fee Fund	$10,000
Municipal Court Technology Fee Fund	$3,750
Municipal Court Building Security Fund	$-0-

Utility Fund	$17,646,278
HV Community Development Fund	$1,425,105
Total Funds	$58,991,478

The above said budget is hereby approved for a total of $58,991,478, 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 2026-2027 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 2026-2027 Budget. Amendments to the FY 2026-2027 Budget, including appropriations and expenditures which deviate from this FY 2026-2027 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 2026-2027 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, 2026, and ending September 30, 2027, approved herein, is on file in the City Secretary Office.

SECTION 3. The expenditures during the fiscal year beginning October 1, 2026, and ending September 30, 2027, shall be made in accordance with the FY 2026-2027 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, 2026 and ending September 30, 2027 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		
Hogan Heathington, Councilmember – Place 2		
Kevin Cox, Councilmember – Place 3		
Shawn Nelson, Councilmember – Place 4		
Rhonda Hurst, Councilmember – Place 5		
Dan Jaworski, Councilmember – Place 6		
Brian Fiorenza, Councilmember – Place 7		

WITH ___ VOTING "AYE" AND ___ VOTING "NAY," THIS ORDINANCE NO. 2026-1339 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 15th DAY OF SEPTEMBER 2026.

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		
Hogan Heathington, Councilmember – Place 2		
Kevin Cox, Councilmember – Place 3		
Shawn Nelson, Councilmember – Place 4		
Rhonda Hurst, Councilmember – Place 5		
Dan Jaworski, Councilmember – Place 6		
Brian Fiorenza, Councilmember – Place 7		

WITH ___ VOTING "AYE" AND ___ VOTING "NAY," THIS ORDINANCE NO. 2026-1339 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 22nd DAY OF SEPTEMBER 2026.

APPROVED:

____

Charlotte Wilcox, Mayor

ATTEST:

____

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____

Kevin B. Laughlin, City Attorney
(kbl:9/2/2026:4912-6278-6253 v1)

ORDINANCE NO. 2026-1339
EXHIBIT A

Budget Amendment Request Worksheet
Expenditure Line Item for Proposed Change:

Department	Category	Current Budget (Annual)	Proposed Budget (Annual)	Increase / Decrease
Expenditures				
Total				-

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 COUNCIL MEMORANDUM
AGENDA ITEM 16

MEETING DATE: September 15, 2026

SUBJECT: Consider Ordinance 2026-1340 Levying the Ad Valorem Taxes for the Year 2026 at a Rate of $0.528541 Per $100 Assessed Valuation on all Property Within the Corporate Limits of the City of Highland Village as of January 1, 2026 (*1st of two reads*)

PREPARED BY: Heather Miller, Finance Director

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 $0.528541/$100 exceeds last year's rate of $0.500984/$100. The "no-new-revenue" tax rate is the rate that will provide the same amount of funds for FY 2026-27 that were raised from property taxes for the FY 2025-26. The "voter-approved" tax rate is the maximum tax rate that City Council may approve without requiring an election be conducted to allow voters to approve the tax rate. 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 $0.528541/$100 is equal to the voter-approved tax rate (calculated at $0.528541/$100) but exceeds the no-new-revenue tax rate (calculated at $0.508557/$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, and notices broadcast on HVTV. State law also requires a public hearing be held prior to adoption of the City's annual budget. Accordingly, notice was published, and the public hearing is being conducted at this September 15, 2026 Special Council Meeting.

Ordinance No. 2026-1339 provides for the adoption of the City's official budget for Fiscal Year 2026-27. Pursuant to the direction of the City Council, the City Manager has prepared the FY 2026-27 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 2026-27 budget requires the City to receive property tax revenues that would be generated through the adoption of the proposed tax rate. Staff has prepared for consideration Ordinance No. 2026-1340, which provides for the adoption of a total tax rate of $0.528541 per $100 valuation (composed of a Maintenance and Operation rate of $0.446960 per $100 valuation and a debt service rate of $0.081581 per $100 valuation) to fund the FY 2026-2027 budget.

- Because the proposed M&O tax rate will exceed the no-new-revenue M&O tax rate of $0.431846 per $100 valuation, state law requires specific language in larger font be included in the ordinance adopting the tax rate for the next fiscal year (see Section 2 of Ordinance No. 2026-1340).
- 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).

CITY COUNCIL MEMORANDUM
AGENDA ITEM 16

BUDGETARY IMPACT
The ordinance adopting the tax rate follows this briefing.

RECOMMENDATION
Staff recommends approval of Ordinance No. 2026-1340 on first reading. State law requires the motion to approve Ordinance No. 2026-1340 on first reading be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of $.528541, which is effectively a 3.9 percent increase in the tax rate and, therefore, I further move that Ordinance No. 2026-1340 be approved on first reading."

CITY OF HIGHLAND VILLAGE, TEXAS

ORDINANCE NO. 2026-1340

AN ORDINANCE OF THE CITY OF HIGHLAND VILLAGE, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE YEAR 2026 AT A RATE OF $0.528541 PER $100 ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF HIGHLAND VILLAGE AS OF JANUARY 1, 2026; 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 2026 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 2026 by the Denton Central Appraisal District; and

WHEREAS, the City Council has approved Ordinance No. 2026-1339 adopting the City's annual budget for fiscal year 2026-2027; and

WHEREAS, the City Council of the City of Highland Village, Texas, has determined that a total tax rate of $0.528541 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 2026 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 $0.528541 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 $0.446960 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 $0.081581 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 3.50 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $15.11.

SECTION 3. All ad valorem taxes shall become due and payable on October 1, 2026, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2027. There shall be no discount for payment of taxes prior to February 1, 2027. 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, 2027, 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 2026 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 2026-2027 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		
Hogan Heathington, Councilmember – Place 2		
Kevin Cox, Councilmember – Place 3		
Shawn Nelson, Councilmember – Place 4		
Rhonda Hurst, Councilmember – Place 5		
Dan Jaworski, Councilmember – Place 6		
Brian Fiorenza, Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2026-1340 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON FIRST READING ON THE 15th DAY OF SEPTEMBER 2026.

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		
Hogan Heathington, Councilmember – Place 2		
Kevin Cox, Councilmember – Place 3		
Shawn Nelson, Councilmember – Place 4		
Rhonda Hurst, Councilmember – Place 5		
Dan Jaworski, Councilmember – Place 6		
Brian Fiorenza, Councilmember – Place 7		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY,” THIS ORDINANCE NO. 2026-1340 WAS PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON SECOND READING ON THIS THE 22nd DAY OF SEPTEMBER 2026.

APPROVED:

____

Charlotte Wilcox, Mayor

ATTEST:

____

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____

Kevin B. Laughlin, City Attorney

(bl:9/2/2026:4897-0886-2669 v1)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 17

MEETING DATE: September 15, 2026

SUBJECT: Consider Resolution No. 2026-3254 Authorizing an Automatic Aid Agreement for Fire and Emergency Services with the Town of Flower Mound

PREPARED BY: Scott Green, Fire Chief

BACKGROUND

The City currently has an Automatic Aid Agreement with the Town of Flower Mound that was signed in 2019. The Highland Village Fire Department ("HVFD") currently responds to two "boxes" within the Town of Flower Mound identified as 1380 and 1381. The Flower Mound Fire Department ("FMFD") would like to amend the existing agreement to include seven additional areas within Flower Mound to which HVFD would provide an engine-only response to structure fires. The additional areas are identified as Box Nos. 1370, 1371, 1372, 1373, 1377, 1382, and 1383 in the proposed agreement.

The proposed agreement also adds a provision for FMFD to respond to any structure fire within Highland Village with a battalion chief, engine, ladder truck, and MICU and, in the case of non-residential alarms within Highland Village, and with a paramedic fire engine.

The new agreement replaces the existing agreement and will begin October 1, 2026.

BUDGETARY IMPACT

There is no direct budget impact.

RECOMMENDATION

To approve Resolution 2026-3254 authorizing the new agreement for automatic aid for fire and emergency services with the Town of Flower Mound.

FIRE AND EMERGENCY SERVICES AUTOMATIC AID AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

This **FIRE AND EMERGENCY SERVICES AUTOMATIC AID AGREEMENT** ("**Agreement**") is made and entered as of the Effective Date by and between the **Town of Flower Mound** ("**Flower Mound**") and the **City of Highland Village** ("**Highland Village**"), by and through their authorized representatives. Flower Mound and Highland Village are hereafter collectively referred to as "**the Cities**" and individually as "**City**".

RECITALS

WHEREAS, the Cities are both Texas home rule municipalities and have a lengthy history of mutually beneficial cooperative efforts; and

WHEREAS, pursuant to Chapter 791 of the Texas Government Code (i.e. Interlocal Cooperation Act or "**the Act**"), the Cities desire to continue these cooperative efforts whereby each City agrees to provide certain emergency and medical services ("**Emergency Medical Services**") to the other City through their respective fire departments; and

WHEREAS, this Agreement is made for the Cities' respective fire departments as automatic assistance pursuant to V.T.C.A., Government Code, Chapter 418, commonly referred to as the Disaster Act of 1975; and nothing in this Agreement is intended to limit the availability of benefits to each City's personnel under Texas Government Code Chapter 615, as amended, and as it may be amended in the future; and

WHEREAS, the Cities desire to enter this Agreement to specify the terms and conditions by which each City agrees to provide Emergency Services to the other City.

NOW, THEREFORE, for and in consideration of the promises and covenants set forth herein, the Parties agree as follows:

Article I
Definitions

In addition to the definitions stated in the preamble hereof, the following words and phrases as hereafter used in this Agreement shall have the following meanings unless the context clearly indicates otherwise:

ALS means advanced life support emergency medical services as defined in Texas Health & Safety Code §773.043, as amended.

Automatic Aid Coverage means the services to be provided by each City pursuant to this Agreement that are automatically dispatched to an Emergency Condition based on the criteria within this Agreement, regardless of jurisdictional boundaries, without requiring a specific request from the Requesting City provided the resources of the Responding City needed to respond to the Emergency Condition are available.

Emergency Condition means any condition requiring rescue, fire protection or Emergency Medical Services, inclusively.

Emergency Medical Services means a type of emergency service dedicated to providing out-of-hospital acute medical care, transport to definitive care, and other medical transport to patients with illnesses and injuries which prevent the patient from transporting themselves.

First Due Response means the utilization of the closest emergency vehicle to the specific locations designated in Exhibit A to begin administration of care.

Receiving City means the City within whose corporate limits the location of the site where the Emergency Condition is occurring.

Responding City means the City responding to a call relating to an Emergency Condition pursuant to this Agreement the site of which is within the incorporated limits of another City.

Article II
Effective Date and Term

This Agreement shall become effective on October 1, 2026 ("**Effective Date**") and end on September 30, 2027 (said period being the "**Initial Term**"). This Agreement shall be automatically renewed for successive one-year terms unless either City elects to terminate the Agreement as provided in Section 7.03 (each such period being a "**Renewal Term**" and, collectively with the Initial Term, being the "**Term**" or "**Term of this Agreement**").

Article III
Services Provided by Highland Village

Section 3.01 Services. Highland Village will provide the following Automatic Aid Coverage to the following designated areas within Flower Mound's corporate limits:

(a) Fire and EMS Paramedic Engine Response to areas marked in Box 380 and 381 as shown on Exhibit A; and

(b) Fire engine for reported structure fires in Boxes 370, 371, 372, 373, 377, 380, 381, 382, and 383 as shown on Exhibit A.

Section 3.02 Services Standards. Emergency Medical Services will be provided by Highland Village in accordance with standard operating procedures of the Highland Village Fire Department, in conformance with Highland Village's rules, regulations and ordinances relating to provision of such services. Highland Village agrees that the Emergency Medical Services provided will meet or exceed all applicable standards related to equipment and service as required by law for ALS operations.

Article IV
Services Provided by Flower Mound

Section 4.01 Services. Flower Mound will provide the following Automatic Aid Coverage to Highland Village:

(a) At least one (1) paramedic engine to all non-residential Fire Alarms within the Highland Village corporate limits:

(b) An engine, truck, medic, and battalion chief to any reported structure fire in the Highland Village corporate limits.

Section 4.02 Services Standards. Emergency Medical Services will be provided by Flower Mound in accordance with standard operating procedures of the Flower Mound Fire Department, in conformance with Flower Mound's rules, regulations and ordinances relating to provision of such services. Flower Mound agrees that the Emergency Medical Services provided will meet or exceed all applicable standards related to equipment and service as required by law for ALS operations.

Article V
Provisions of Dispatched Equipment and Personnel

Section 5.01 Equipment and Personnel Ownership. All equipment used by each City's fire department in carrying out this Agreement will, during the time response services are being performed, be owned by the Responding City; and all personnel acting for each City's fire department under this Agreement will, during the time response services are required, be paid employees of the City where they are regularly employed.

Section 5.02 Dispatch Protocols. Except as otherwise specified in this Agreement, details as to amounts and types of assistance to be dispatched, methods of dispatching and communications, training programs and procedures and areas to be assisted will be developed by the Cities' Fire Chiefs. Such details will be stipulated in one or more policies which may be revised or amended at any time by written agreement of the Cities' Fire Chiefs (each being an "**MOU**").

Section 5.03 Limiting Conditions. Any dispatch of equipment and personnel pursuant to this Agreement is subject to the following conditions:

(a) The predetermined amount of aid, type of equipment and number of personnel shall be sent by the Responding City unless such amount of assistance is unavailable due to emergency conditions confronting the Receiving City's or Responding City's forces at the time of need for assistance under this Agreement.

(b) In fulfilling their respective obligations provided for in this Agreement, the Cities agree to comply with the procedures set forth in this Agreement, a copy of which shall be placed on file in the office of the City Secretary of each City in reference to this Agreement and made part hereof for all purposes upon its completion and execution by the Chiefs.

Article VI
Cost Responsibility; Liability

Section 6.01 Cities' Expenses. Each City shall be solely responsible for the payment of its costs associated with providing Fire and EMS Services to the other City pursuant to this Agreement.

Section 6.02 Patient Billing. The Responding City agrees to bill residents of the Receiving City who receive Emergency Medical Services from the Responding City in the same manner as Receiving City would bill the person if the Receiving City had provided the Emergency Medical Services. The Cities acknowledge that, as of the Effective Date, they have enacted the same billing rates for Emergency Medical Services for their respective residents and have a policy of "Zero Balance Billing", in which any remaining balance after billing for Emergency Medical Services provided to the City's resident will be written off and not collected after receipt of payment for all insurance and other third-party benefits. A City shall provide the other City notice of its intent to modify its Emergency Medical Service billing rates and/or its Zero Balance Billing Policy not later than thirty (30) days prior to the effective date of such modifications.

Section 6.03 Liability. Each City waives all claims against the other City for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement. THE ASSIGNMENT OF LIABILITY UNDER THIS AGREEMENT IS INTENDED TO BE DIFFERENT THAN LIABILITY OTHERWISE ASSIGNED UNDER TEXAS GOVERNMENT CODE SECTION 791.006, SUBSECTION (a). INSTEAD, LIABILITY, IF ANY, SHALL BE AS SET OUT IN THIS AGREEMENT, AS PROVIDED BY TEXAS GOVERNMENT CODE SECTION 791.006, SUBSECTION (a-1). EACH CITY SHALL BE RESPONSIBLE FOR ANY LIABILITY RESULTIING FROM ITS OWN ACTIONS OR OMISSIONS, AND THOSE OF ITS OWN EMPLOYEES, REGARDLESS OF WHICH CITY WOULD HAVE BEEN RESPONSIBLE, IN THE ABSENCE OF THIS AGREEMENT, FOR FURNISHING THE SERVICES PROVIDED. THIS PROVISION IS FOR THE BENEFIT OF THE CITIES AND IS NOT INTENDED TO CREATE A THIRD-PARTY CAUSE OF ACTION OR WAIVE ANY IMMUNITIIES OR DEFENSES AVAILABLE TO THE CITIES.

Article VII
General Provisions

Section 7.01 Insurance. Each City will carry insurance for such purpose and in such amounts as are determined by such City to be necessary or advisable.

Section 7.02 Regulatory Bodies. The Cities shall comply with all Federal, State, and local laws ordinances, and regulations applicable to the performance of the services under this Agreement.

Section 7.03 Termination. Either City may terminate this Agreement with or without cause by giving written notice of termination to the other City not less than ninety (90) days prior to the date of termination. In addition, this Agreement shall terminate if the governing body of either City shall fail to appropriate sufficient funds to satisfy any obligation of that City hereunder. Termination shall be effective as of the last day of the fiscal period for which sufficient funds were appropriated or upon expenditure of all appropriated funds, whichever comes first. Termination pursuant to this non-appropriation clause shall be without further penalty or expense to either City.

Section 7.04 Independent Contractor. Each City shall operate under this Agreement as an independent contractor and not as an agent, representative, servant, or employee of the other City. Subject to the terms of this Agreement, each City shall have the right to control the details of its performance hereunder.

Section 7.05 Non-Waiver of Immunities and Defenses. It is expressly understood and agreed that, in the execution of this Agreement, neither City waives, nor shall be deemed hereby to have waived, any immunity or defense that would otherwise be available to the City against third-party claims arising in the exercise of governmental powers and functions.

Section 7.06 Notices. Any notice required or permitted to be delivered hereunder shall be in writing be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, by hand-delivery and addressed to the respective City at the following addresses or at such other addresses as may from time to time be designated in writing by a City:

If to Flower Mound:

Town of Flower Mound
Attn: James Childers, Town Manager
2121 Cross Timbers Road
Flower Mound, Texas 75028

With Copy to:

Town of Flower Mound
Attn: Fire Chief
3911 S. Broadway Avenue
Flower Mound, Texas 75028

If to City of Highland Village:

City of Highland Village
Attn: Paul Stevens, City Manager
1000 Highland Village Road
Highland Village, Texas 75077

With Copy to:
City of Highland Village
Attn: Fire Chief
1200 Highland Village Road
Highland Village, Texas 75077

Kevin B. Laughlin
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard, Suite 1800
Dallas, Texas 75201

Section 7.07 No Assignment. This Agreement is not assignable by either City. Any attempt to assign this Agreement is void.

Section 7.08 Amendment. This Agreement may be amended at any time only by written agreement of the Cities. Notwithstanding the foregoing to the contrary, any MOU approved in accordance with Section 5.02. above, shall be deemed to be part of this Agreement without formal approval by the Cities' respective governing bodies.

Section 7.09 Severability. The provisions of this Agreement are severable. Should any portion of it be adjudged invalid by a court of competent jurisdiction, the remainder of its provisions are to be given full force and effect as if the offending portion did not exist.

Section 7.10 No Third-Party Beneficiaries. The provisions and conditions of this Agreement are solely for the benefit of the Parties and any authorized successor or assign and are not intended to create any rights, contractual or otherwise, to any other person or entity.

Section 7.11 Force Majeure. If the performance by a City of any obligations hereunder is delayed by reason of war; civil commotion; acts of God; inclement weather; governmental restrictions, regulations, or interferences; fires; strikes; lock-outs, national disasters; riots; material or labor restrictions; transportation problems; or any other circumstances which are reasonably beyond the control of the City obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the City so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such City was delayed.

Section 7.12 Entire Agreement. This writing embodies the entire agreement and understanding between the Cities regarding the subject matter of this Agreement, and there are no other agreements and understandings, oral or written, with reference to the subject matter hereof that are not merged herein and superseded hereby.

Section 7.13 Waiver. No waiver of performance by either City shall be construed as or operate as a waiver of any subsequent default or breach of any term, covenant, or condition of this Agreement. The payment or acceptance of fees for any period after a default or breach shall not be deemed a waiver of any right or acceptance of defective performance.

Section 7.14 Governing Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of Texas. This Agreement is performable in Denton County, Texas. If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Denton County, Texas, the personal jurisdiction to which the Cities agree to submit.

Section 7.15 Construction. The Cities acknowledge that each City and, if it so chooses, its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting City must not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

Section 7.16 Captions. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

Section 7.17 Authority. Each City represents and warrants that the undersigned officer or agent of the City has been properly authorized by that City's governing body to execute this Agreement and that any necessary resolutions extending such authority have been duly passed and are now in effect.

Section 7.18 Current Funds. Each City paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments from current revenues available to the paying City.

Section 7.19 Termination of Prior Agreement. Upon the Effective Date, the Parties agree that the Fire and Emergency Services Automatic Aid Agreement between the Parties effective February 4, 2019, is terminated.

Signatures on Following Page

SIGNED AND AGREED this _________ day of _______________________ 2026.

CITY OF HIGHLAND VILLAGE

By: _________________________________
Paul Stevens, City Manager

ATTEST:

____
Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Kevin B. Laughlin, City Attorney

SIGNED AND AGREED this _________ day of _______________________ 2026.

TOWN OF FLOWER MOUND

By: _______________________________
Cheryl Moore, Mayor

ATTEST:

____
Traci Henderson, City Secretary

EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

(kbl:8/27/2026:4900-4648-5450, v. 1)

EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

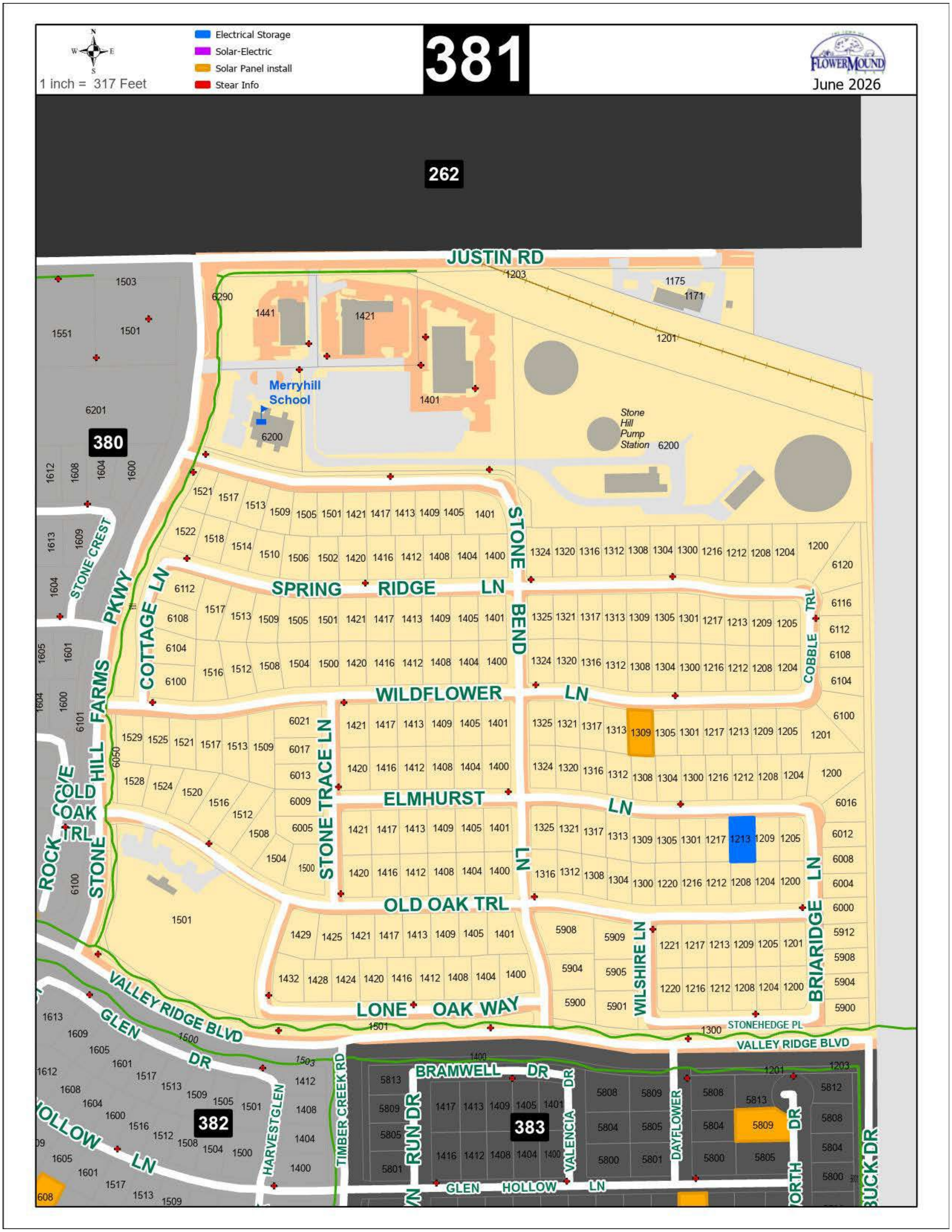

EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

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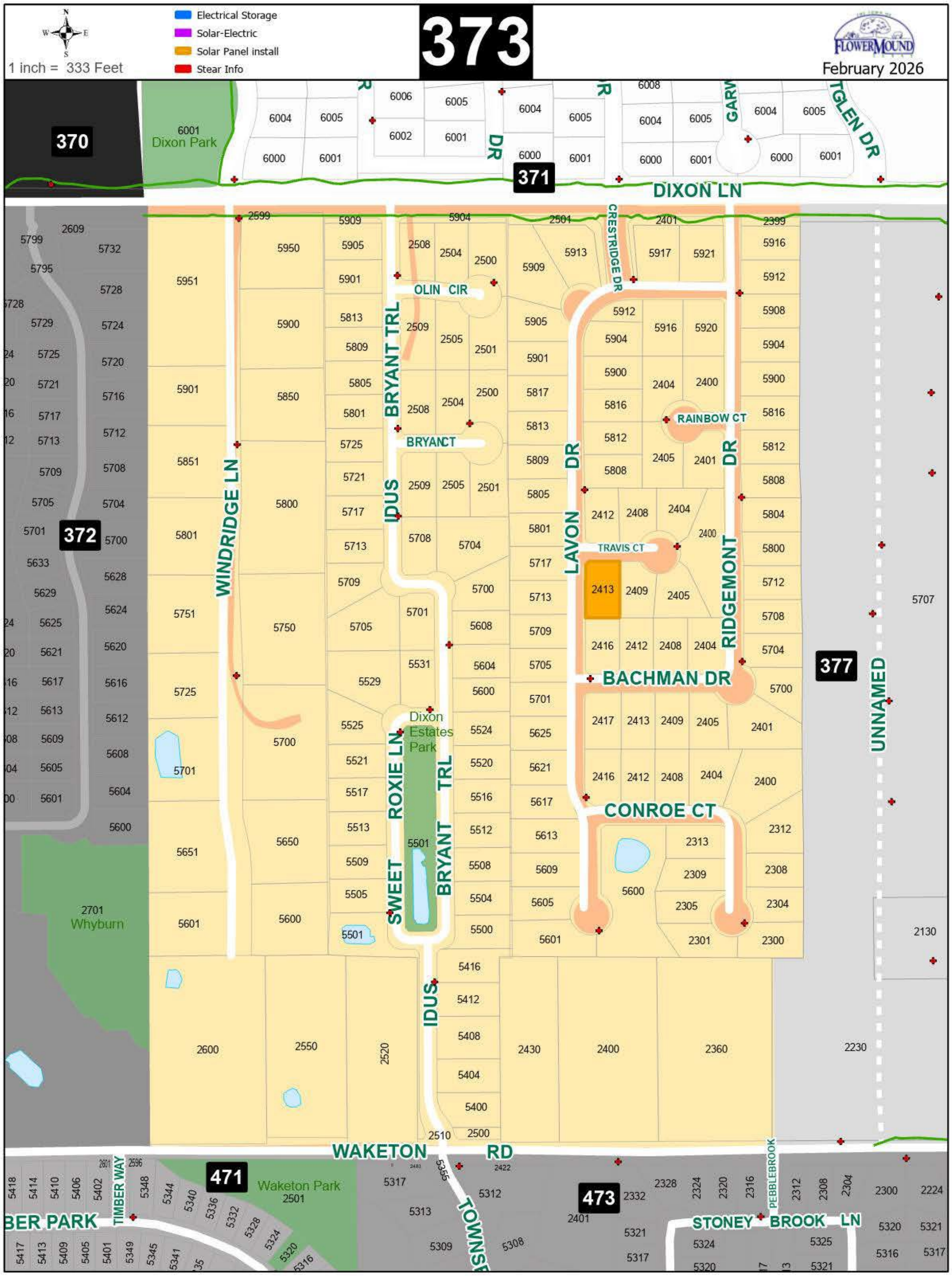
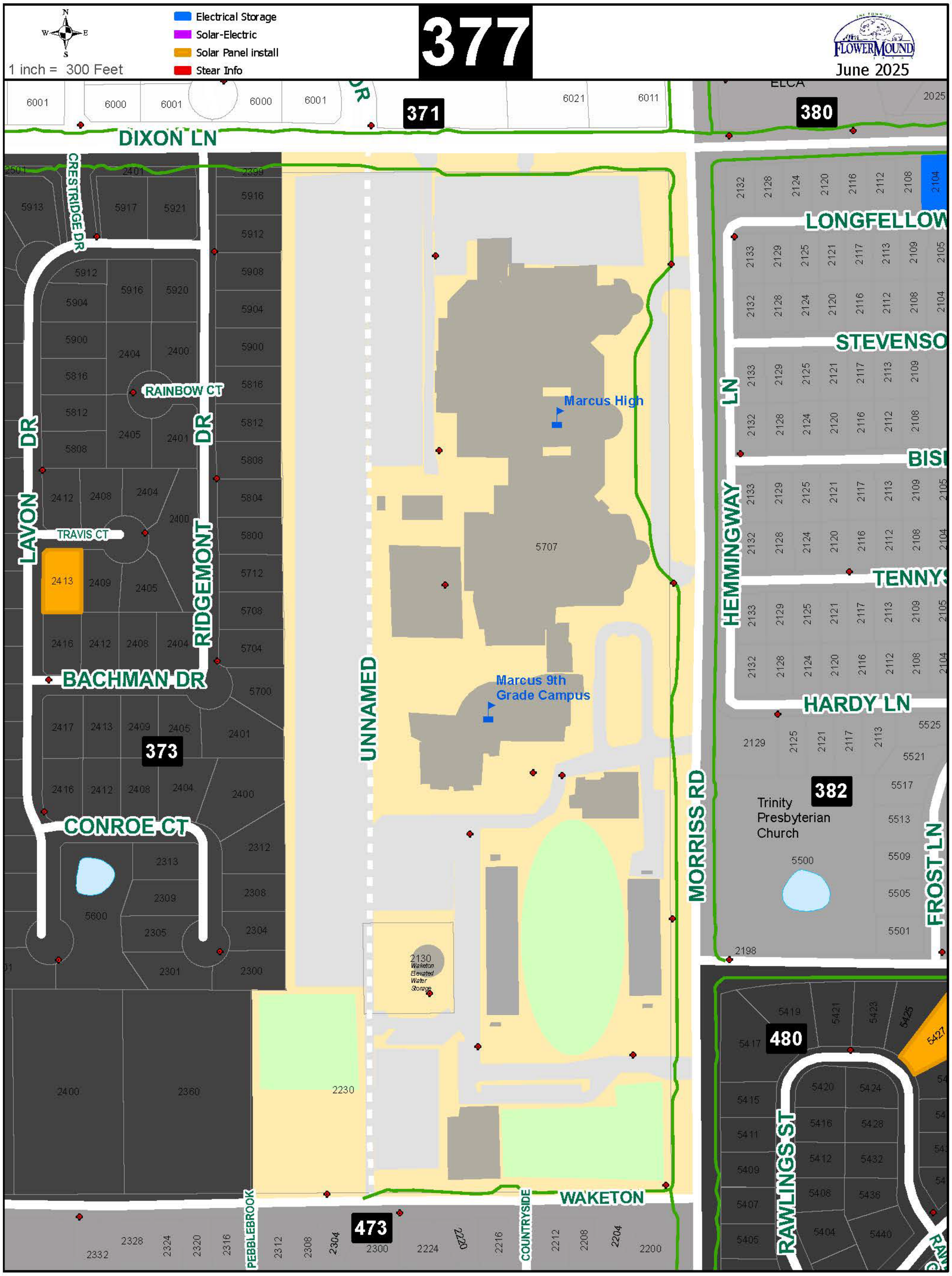


(kbl:8/27/2026:4900-4648-5450, v. 1)

EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND



(kbl:8/27/2026:4900-4648-5450, v. 1)

EXHIBIT A

MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

(kbl:8/27/2026:4900-4648-5450, v. 1)

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MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

(kbl:8/27/2026:4900-4648-5450, v. 1)

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3254

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING AN AUTOMATIC AID AGREEMENT FOR FIRE AND EMERGENCY SERVICES; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town of Flower Mound and City of Highland Village entered into an Automatic Aid Agreement for Fire and Emergency Services wherein the Highland Village Fire Department would provide automatic aid paramedic engine response in designated residential and commercial areas within the Town of Flower Mound; and

WHEREAS, the Fire Chiefs for both Cities are recommending the Cities enter into a new Automatic Aid Agreement wherein the Highland Village Fire Department will provide automatic aid responses to more areas within Flower Mound in return for the Flower Mound Fire Department providing automatic aid responses to for certain types of calls throughout Highland Village; and

WHEREAS, the provision of such services provides a benefit to the residents and businesses of Highland Village; and

WHEREAS, the City Council of the City of Highland Village finds it in the public interest to enter into the above-described agreement.

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 sign on behalf of the City the Fire and Emergency Services Automatic Aid Agreement with the Town of Flower Mound for automatic aid paramedic engine response presented at this meeting.

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

PASSED AND APPROVED THIS THE 15TH DAY OF SEPTEMBER 2026.

APPROVED:

____

Charlotte J. Wilcox, Mayor

ATTEST:

____

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____

Kevin B. Laughlin, City Attorney
(kbl:8/28/2026:4916-7648-9163 v1))

Highland Village

CITY COUNCIL MEMORANDUM
AGENDA ITEM 18

MEETING DATE: September 15, 2026

SUBJECT: Status Reports on Current Projects and Discussion on Future Agenda Items

PREPARED BY: Paul Stevens, City Manager

BACKGROUND

This item is on the agenda to allow a Councilmember 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 a proposal to place the subject on an agenda for a subsequent meeting.

BUDGETARY IMPACT

N/A

RECOMMENDATION

N/A

CITY OF Highland Village

UPCOMING MEETINGS

September 21, 2026	**Parks and Recreation Advisory Board Meeting – Canceled**
September 22, 2026	**Regular City Council Meeting – 7:00 pm**
October 1, 2026	**Zoning Board of Adjustment Meeting – 7:00 pm**
October 12, 2026	**HV Community Development Corporation Meeting – 6:00 pm**
October 13, 2026	**Regular City Council Meeting – 7:00 pm**
October 19, 2026	**Parks and Recreation Advisory Board Meeting – 6:00 pm**
October 20, 2026	**Planning and Zoning Meeting – 7:00 pm**
October 27, 2026	**Regular City Council Meeting – 7:00 pm**
November 5, 2026	**Zoning Board of Adjustment Meeting – 7:00 pm**
November 9, 2026	**HV Community Development Corporation Meeting – 6:00 pm**
November 10, 2026	**Regular City Council Meeting – 7:00 pm**
November 16, 2026	**Parks and Recreation Advisory Board Meeting – 6:00 pm**
November 17, 2026	**Planning and Zoning Meeting – 7:00 pm**
November 24, 2026	**Regular City Council Meeting – 7:00 pm**
December 3, 2026	**Zoning Board of Adjustment Meeting – 7:00 pm**
December 8, 2026	**Regular City Council Meeting – 7:00 pm**
December 14, 2026	**HV Community Development Corporation Meeting – 6:00 pm**
December 15, 2026	**Planning and Zoning Meeting – 7:00 pm**
December 21, 2026	**Parks and Recreation Advisory Board Meeting – 6:00 pm**
December 22, 2026	**Regular City Council Meeting – 7:00 pm**

Note – The Zoning Board of Adjustment, Parks & Recreation Advisory Board, and the Planning & Zoning Commission meetings are held monthly, IF NEEDED. Please visit www.highlandvillage.org or the City Hall bulletin board for the latest meeting additions and updates.