A G E N D A
REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE MUNICIPAL COMPLEX
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, SEPTEMBER 22, 2026 at 5:30 P.M.

EARLY WORK SESSION
Training Room – 5:30 P.M.

Convene Meeting in Open Session

1. Receive Annual Presentation from Republic Services

2. Receive a Presentation from Halff and Associates on the FM 407 Trail Corridor Project Options and Grant Funding Strategy

3. Discuss Appointment of Board and Commission Members; Review and Discuss Attendance Record and Performance of Board and Commission Members and Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.04.037

4. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda for September 22, 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

5. 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 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation

<u>OPEN SESSION</u>
City Council Chambers – 7:30 P.M.

6. Call Meeting to Order

7. Prayer led by Councilmember Kevin Cox

8. Pledge of Allegiance to the U.S. and Texas flags led by Councilmember Kevin Cox:
"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

9. 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 Proclamation designating September as United is The Way Month**

10. City Manager/Staff Reports

- **The Village Report**

11. 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.

<u>CONSENT AGENDA</u>

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.

12. Consider Resolution 2026-3255 authorizing the City Manager to Renew the Employee Health and Dental Insurance Plans with Blue Cross Blue Shield of Texas

13. Consider Resolution 2026-3256 authorizing an Interlocal Agreement with Texas Political Subdivisions Joint Self-Insurance Fund for Purposes of Providing Workers' Compensation Insurance for Fiscal Year 2026-2027

14. Consider Resolution 2026-3257 authorizing a Project Funding Agreement with the Highland Village Community Development Corporation to authorize the City to Spend Type B Sales Tax Funds on authorized Projects for the 2026-2027 Fiscal Year

15. Conduct an Annual Review of the City's Investment Policy and consider Resolution 2026-3258 adopting the City's Investment Policy for Fiscal Year 2026-2027 with any Amendments Thereto

16. Consider Resolution 2026-3261 authorizing the City Manager to Negotiate and Sign a Multi-Year Agreement for the Purchase of Police Body Worn and Vehicle Cameras, Tasers, and Virtual Reality Training System from Axon Enterprises, Inc. through the City's Cooperative Purchasing Agreement with The Local Government Purchasing Cooperative (BuyBoard)

ACTION AGENDA

17. 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 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation

18. Consider Ordinance 2026-1339 approving and adopting the Fiscal Year 2026-2027 Annual Budget (*2^{nd} and final rea*d)

19. 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 (*2^{nd} and final read*)

20. Consider Resolution 2026-3259 ratifying the Property Tax Increase reflected in the Fiscal Year 2026-2027 Budget

21. Consider Selection of an Option for the FM 407 Trail Corridor Project, to be included in pursuing Grant Funding Options for Said Project

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

23. Review and Discuss the Attendance Record and Performance of City Board and Commission Members and Consider Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.04.037

24. **Consider Resolution 2026-3260 appointing Members to Various Positions on the Board of Ethics, Highland Village Community Development Corporation, Parks and Recreation Advisory Board, Planning and Zoning Commission, and Zoning Board of Adjustment**

LATE WORK SESSION

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

25. **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.)**

26. **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 16^{TH} 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 1

MEETING DATE: September 22, 2026

SUBJECT: Receive Annual Report from Republic Services

PREPARED BY: Scott Kriston, Director of Public Works / Heather Miller, Finance Director

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BACKGROUND

The contract with Republic Services regarding trash and recycling service commenced in October 2023. A requirement of the contract is submission of an annual report covering the immediately preceding Contract Year.

Also detailed in the contract is provision for an annual rate adjustment. Republic has requested a 4% increase for FY 2027. The rate increase is addressed under Section III, 3.2 Modification of Rates, within the agreement between the City and Republic Services for Solid Waste and Recycling Services. An annual rate adjustment of four percent (4%) is allowed, also providing for an increase from the contractor of less than four percent (4%) at their discretion. The existing agreement with Republic Services was initiated in October 2023 with a five-year term. The contract contains a provision to update rates in October of each year. This is the second requested CPI adjustment for the agreement term.

Republic Initial Residential Rates	Updated 10/1/2025		Updated 10/1/2026		Increase	
	Regular Customer	**Senior**	**Regular Customer**	**Senior**	**Regular Customer**	**Senior**
Garbage Recyling Brush / Bulk pickup Compost Delivery HH Haz Waste	$18.34	$16.51	$19.06	$17.16	$0.72	$0.65
Franchise (10%)	$1.83	$1.65	$1.91	$1.72	$0.08	$0.07
Total Vendor Charges	**$20.17**	**$18.16**	**$20.97**	**$18.88**	**$0.80**	**$0.72**
Sales Tax	1.66	1.50	1.73	1.56	0.07	0.06
Total Garbage	**$21.83**	**$19.66**	**$22.70**	**$20.44**	**$0.87**	**$0.78**
Compost Processing	0.25	0.25	0.25	0.25	-	-
Total Bill to Resident	**$22.08**	**$19.91**	**$22.95**	**$20.69**	**$0.87**	**$0.78**

Note:
The City also incurs a separate charge associated with processing of compost from another vendor, which equates to a $.25 additional pass-through charge.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 1

BUDGETARY IMPACT

Not applicable. Residential trash and recycling cost is a pass through from City residents to Republic Services.

RECOMMENDATION

Receive Annual Report from Republic Services.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 2

MEETING DATE: September 22, 2026

SUBJECT: Receive a Presentation from Halff and Associates relating to the FM 407 Trail Alignment Assessment and Grant Funding Strategy Project

PREPARED BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND

On February 28, 2023, Ordinance 2023-1300 was voted on and passed by the City Council, adopting the Highland Village Comprehensive Plan Update, "Our Village Our Vision."

The Village Connection (pg. 195 in the Comp Plan) is one element of the plan that identifies the need to explore the feasibility of a trail connection along FM 407 and identify residents' desired amenities along the trail. The focus was to expand the existing trail system to increase access to shopping areas and parks for residents and visitors while maintaining user safety and focusing on connectivity.

The plan identified disconnected trail and sidewalk systems and the opportunity to connect neighborhoods to commercial areas such as restaurants, retail centers, and regional connections with neighboring cities. The plan proposed 5, 10, and 20-year corridor recommendations. In the first five years, the plan identified the need for the city to develop funding strategies for the trail. Halff was hired to do precisely this, focusing on grant positioning and the likelihood of winning grants for the project.

On January 14, 2025, Council approved the FM 407 Trail Alignment Assessment and Grant Funding Strategy Project. The intent of the project is to provide active transportation connections within the City, connecting residents and trail users to places of business, schools, adjacent communities and parks.

On August 4, 2025, a Special Joint Workshop of the Highland Village Parks and Recreation Advisory Board and Community Development Corporation Board met and received a presentation from Halff and Associates. The presentation provided information on the Site Investigation & Opportunities and Constraints Map, including city boundaries and connectivity opportunities. Also discussed were peak grant-funding opportunities. The project was discussed with all parties, and the public was given the opportunity to provide input and comments.

At the May 11, 2026, Regular Highland Village Community Development Corporation Regular Meeting, The Board received a presentation from Halff and Associates ("Halff") on the Village Connection FM 407 Corridor & Amenity Project Alignment. Highlights from Halff's presentation included Alternatives Analysis with options and Grant Opportunity Assessment information. Below are the options with projected project cost,

- Option 1: Fill in the sidewalk Gaps $2,200,000.00 (Not grant-eligible, fully funded by the City)
- Option 2: Full-Width Shared Use Trail (12') $4,670,000.00 (Net cost to the City of approximately $934K to $1.63 million; the City's contribution to the Grant at 20%)
- Option 3: Unity Park Trail Connection $2,715,000.00 (Grant eligible; railroad not allowing easement and has some challenges with private property easements and running into the dog park and drainage area)

Also, staff was directed to get a quote from Halff to provide a
1. Pedestrian Impact Analysis
2. Business Impact Analysis
3. Operations & Maintenance/End-of-Live Cost Analysis

At the July 16, 2026, Highland Village Community Development Corporation regular meeting, Staff presented, and the Board discussed, Halff's $90,000 proposal to analyze the FM 407 trail project's community, economic, and long-term maintenance impacts. The Board, citing concerns about the proposal's cost, scope, and relevance, voted 6-0 not to proceed with Halff's proposal.

At the August 10, 2026, Highland Village Community Development Corporation regular meeting, staff presented the Village Connection FM 407 Corridor & Amenity options as listed below and asked the board to make a recommendation. The limits are from Highland Village Rd. to Walmart/Market Trail

- Option 1: Fill in the sidewalk Gaps $2,200,000.00 (Not grant-eligible, fully funded by the City)
- Option 2: Full-Width Shared Use Trail (12') $4,670,000.00 (Net cost to the City of approximately $934K to $1.63 million; the City's contribution to the Grant at 20%)
- Option 3: Unity Park Trail Connection $2,715,000.00 (Grant eligible; railroad not allowing easement and has some challenges with private property easements and running into the dog park and drainage area)

After discussion, the Board voted 6-0 to recommend Option 2: Full-Width Shared Use Trail and enter into a funding agreement with the City for the project.

BUDGETARY IMPACT

- Total project cost projections for Option 2 are $4,670,000
- The City's contribution is between $934,000 and $1,630,000. The City will fund its portion through the HVCDC Fund balance.
- The remaining balance will come from Grants and DCTA

RECOMMENDATION

This item is for informational purposes. A companion item has been included on tonight's regular meeting agenda should Council wish to take formal action.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 3

MEETING DATE: September 22, 2026

SUBJECT: Discuss Appointment of Board and Commission Members; Review and Discuss Attendance Record and Performance of Board and Commission Members, and Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.04.037

PREPARED BY: Angela Miller, City Secretary
Valerie Strubelt, Deputy City Secretary/Records Coordinator

BACKGROUND

City ordinance states that each September, Council shall review applications and make appointments to the City's boards and commissions. All appointments are for terms of two years, unless an individual is appointed to fill an unexpired term that exists due to a vacancy. A "term year" shall be from October 1 until the following September 30, with terms expiring on the second year.

Citizens appointed by Council are only allowed to serve four (4) consecutive terms, with the exception of the Board of Directors for the Highland Village Community Development Corporation (4B) whose Articles of Incorporation states that no member shall serve more than three (3) consecutive terms. No members will term out this year.

A call for volunteers was advertised in the City's utility bill inserts, Village Newsletters, social media, and on the City website asking residents interested in volunteering their time by serving on a board or commission to submit an application to be considered for this year's annual appointments. Requests for applications were also announced during several City Council meetings. In addition, currently serving board/commission members with terms expiring this year were contacted by City staff and given the opportunity to notify the City Secretary's Office if they were interested in being considered for reappointment to the same board, appointment to a different board, or if they no longer wished to serve on a board.

There are sixteen (16) positions with terms that expire on September 30, 2026.

To date, a combined total of thirty-seven (37) applications, including currently serving members who wish to be considered for reappointment, have been received. Recently three (3) of the new applicants withdrew their applications, resulting in thirty-four (34) for consideration. Below is a breakdown:

- Twenty-one (21) new applications have been received for consideration
- Thirteen (13) applications/notifications have been received from currently serving members whose term expires this year and wish to be considered for reappointment:
    - Thirteen (13) members have expressed interest in being considered for reappointment to their respective board/commission, with two (2) of those members also indicating a willingness to serve on a different board/commission if needed.

For reference, the following have been included:
Table 1 - a list of each board/commission and currently serving board members; the highlighted positions have terms that expire this year
Table 2 – a list of all new applicants with their board/commission preferences
Table 3 – a list of currently serving members with their board/commission preferences

CITY COUNCIL MEMORANDUM
AGENDA ITEM 3

Council has received copies of all board and commission volunteer applications, along with currently serving board member profile updates that have been submitted for consideration. Council hosted a “Meet and Greet” event on September 14, 2026 to allow an opportunity for Council to meet face to face with the new applicants.

In addition to making appointments, Council may wish to also review and discuss the attendance records and performance during a single term year of current members of the various City boards and commissions whose terms do not expire in 2026. If considering whether to remove one or more members and declare such seat(s) vacated, consideration must be based on the attendance policy enacted by Council requiring that a member of a board or commission may not miss three (3) consecutive regularly scheduled meetings without a valid excuse, or miss more than 25% of the regular meetings during a term year. Please note, according to state law, members of the Zoning Board of Adjustment may be removed prior to the end of their term only for cause found by the City Council and only after presentation of written charges and a public hearing.

BUDGETARY IMPACT
N/A

RECOMMENDATION
This agenda item provides an opportunity for Council to discuss any removals, if needed, and appointments during Early Work Session. Companion items are included on tonight’s regular meeting agenda for Council to take formal action.

TABLE 1 - BOARDS AND COMMISSION CURRENT MEMBERS

Board Member	***Board Choice***	***Place***	***Original Appoint. Date***	***Term Expires***
BOARD OF ETHICS				
Debbie Barber	Same/Diff Board	N/A	1-9-2024	09-2026
Mollie Megahee	Same Board	N/A	9-27-2022	09-2026
Srikaran Mahavadi	---	N/A	9-26-2025	09-2027
Alina Mian	---	N/A	9-26-2025	09-2027
Peter Casey	---	N/A	3-22-2022	09-2027
HV COMMUNITY DEVELOPMENT CORPORATION (4B)				
Matthew Enslin	Same Board	Citizen Rep	9-30-2025	09-2026
Mike Sedillo	Same Board	Citizen Rep	9-27-2024	09-2026
Hogan Heathington	Same Board	Council Rep	6-26-2026	09-2026
Kevin Cox	---	Council Rep	7-1-2025	09-2027
Brian Fiorenza	---	Council Rep	5-1-2023	09-2027
Rhonda Hurst	---	Council Rep	5-1-2023	09-2027
Megan Glass	---	Citizen Rep	9-28-2025	09-2027
PARKS AND RECREATION ADVISORY BOARD				
Vacant	Vacant	Place 1	Resigned	09-2026
Vacant	Vacant	Place 2	Council	09-2026
Tyler Gump	Same Board	Place 3	9-28-2022	09-2026
Kevin Pearson	---	Place 4	9-26-2023	09-2027
Ryan Melson	---	Place 5	9-24-2024	09-2027
Steve Tawadrous	---	Alternate Place 1	9-26-2025	09-2027
Janet Gershenfeld	Same Board	Alternate Place 2	9-27-2025	09-2026
PLANNING AND ZONING COMMISSION				
Spencer Wilk	---	Place 1	9-26-2023	09-2027
Brent Myers	Same Board	Place 2	9-28-2021	09-2026
Misty Sedillo	Same Board	Place 3	9-27-2024	09-2026
Omer Tamir	---	Place 4	10-10-2025	09-2027
Scott Campbell	---	Place 5	10-10-2025	09-2027
Aaron Bouchard	---	Alternate Place 1	9-26-2025	09-2027
Ryan Echols	Same Board	Alternate Place 2	9-26-2025	09-2026
ZONING BOARD OF ADJUSTMENT				
Lucy Turek	---	Place 1	9-26-2023	09-2027
Jeremy Booker	---	Place 2	10-8-2019	09-2027
Angela Garcia	---	Place 3	10-10-2025	09-2027
Jim Fuller	Same Board	Place 4	9-24-2024	09-2026
Russell Jackson	Same Board	Place 5	9-27-2022	09-2026
Laura Hynson	---	Alternate Place 1	9-26-2025	09-2027
Benjamin Somero	Same/Diff Board	Alternate Place 2	9-23-2025	09-2026
Vacant	Vacant	Alternate Place 3	Moved	09-2026

Table 2 - NEW APPLICANT PREFERENCES					
Applicant Name	**Ethics Board**	**Community Dev. Corp (4B)**	**Parks Board**	**Planning & Zoning Commission**	**Zoning Board of Adjustment**
BAILEY, Jeffrey	5	2	1	3	4
BAILEY, Rachel	1	2	4	5	3
BAKER, Marvin	2	1	5	3	4
BOSMA, Alan			1		
BOWEN, Kimberly	5	3	4	1	2
BRODY, Peter			1	2	
CLINE, Layne	3	4	2	1	5
FRANKLIN, Melvin		1		2	
HILL, Lorri			1		
HODGE, William			1		
JENKINS, Dennis	3	1	5	4	2
~~KARAGIN,Bradley~~ WITHDREW	5	1	2	3	4
LENTINI, Katherine	4	2	1	3	5
MAYES, Elizabeth	1	4	5	2	3
~~McLAUGHLIN, Michael~~ WITHDREW	5	3	2	1	4
MINTER, Ashley	4	1	5	2	3
RODEMS, Steve			1		
SINGER, Perry	5	4	1	2	3
~~STEPHENS, Graham~~ WITHDREW	3	2	1	4	5
SURRATT, William		2	1	3	
HEATHER, Tilley	5	1	4	2	3
TREMETHICK, Joyce	1				
WALDO, Shawn	4	2	3	1	5
WHITCOMB, Mary	5	4	3	2	1

Table 3 - CURRENT MEMBER PREFERENCES							
Member Name	**Current Service**	**Interest in Appointment**	**Ethics Board**	**HVCDC**	**Parks Board**	**P & Z**	**ZBA**
ETHICS BOARD							
Mollie Megahee	Ethics Board	Same Board	1				
Debbie Barber	Ethics Board	Same/Diff Board	1	2		3	
HVCDC (4B)							
Mike Sedillo	Citizen Representative	Same Board		1			
Matthew Enslin	Citizen Representative	Same Board		1			
Hogan Heathington	Council Representative	Same Board		1			
PARKS & RECREATION ADVISORY BOARD							
Tyler Gump	Place 3	Same Board			1		
Janet Gershenfeld	Alternate Place 2	Same Board			1		
PLANNING & ZONING COMMISSION							
Brent Myers	Place 2	Same Board				1	
Misty Sedillo	Place 3	Same Board				1	
Ryan Echols	Alternate Place 2	Same Board				1	
ZONING BOARD of ADJUSTMENT							
Jim Fuller	Place 4	Same Board					1
Russell Jackson	Place 5	Same Board				2	1
Benjamin Somero	Alternate Place 2	Same/Diff Board	1	3	4	2	1

CITY COUNCIL MEMORANDUM
AGENDA ITEM 9

MEETING DATE: September 22, 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 Proclamation designating September as United is The Way Month

Proclamation

The City of Highland Village

Whereas, United Way of Denton County improves lives by mobilizing communities like Highland Village to action so all can thrive; and

Whereas, by working together to co-create solutions to people's most pressing challenges, United Way of Denton County positively impacts the lives of over 55,000 local residents annually; and

Whereas, United Way of Denton County leads the effort with a network of nonprofits, governments, businesses and donors to respond to our neighbor's immediate needs and seek out better solutions for larger community-wide issues.

NOW THEREFORE, I, Charlotte J. Wilcox, Mayor of the City of Highland Village, do hereby proclaim **September 2026 as United is The Way Month** and proudly join United Way of Denton County in calling on all residents of Highland Village to take action to create a future where everyone has the chance to thrive.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed on this 22nd day of September 2026.

____

Charlotte J. Wilcox, Mayor

CITY COUNCIL MEMORANDUM
AGENDA ITEM 12

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution 2026-3255 Authorizing Renewal of Employee Health and Dental Coverage with Blue Cross Blue Shield of Texas

PREPARED BY: Kimberly Lopez, HR Director

BACKGROUND

Medical and dental insurance are essential components of the employee benefits package. In order to stay competitive in the municipal job market, the City of Highland Village must provide quality, high-value benefits for employees and their families, while also respecting budgetary constraints and legislation compliance.

The City's benefits consultant, Higginbotham and Associates, worked with City Staff over the summer to review group health and dental coverage options and ensure the best, budget-conscious plan for the 2026–2027 fiscal year.

The City's current health and dental insurance provider, Blue Cross Blue Shield of Texas, initially proposed a 14.8% increase in health insurance premiums. Through negotiations, the increase was reduced to 7.09%, with no plan design adjustments to deductibles, co-pays, and out of pocket maximums. Furthermore, there will be no increase in dental insurance premiums, and the plan design remains unchanged.

The City of Highland Village has maintained its health and dental coverage with Blue Cross Blue Shield of Texas for the past six years. Blue Cross Blue Shield of Texas offer was determined the best option for both the City and employees. All employees continue to have the opportunity for a $25/month premium discount if they participate in wellness activities throughout the year. We tend to have between 75 – 80% employee participation in our wellness programing.

BUDGETARY IMPACT

Premium amounts are already factored into the Fiscal Year 2026 - 2027 budget, including the wellness discount option.

RECOMMENDATION

To approve Resolution 2026-3255 authorizing the City Manager to renew the employee health and dental insurance plans with Blue Cross Blue Shield of Texas.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3255

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO RENEW THE EMPLOYEE HEALTH AND DENTAL INSURANCE PLANS WITH BLUE CROSS BLUE SHIELD OF TEXAS, EFFECTIVE OCTOBER 1, 2026; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Administration, in collaboration with Higginbotham and Associates, has successfully negotiated the renewal of the City's employee medical and dental insurance plans with Blue Cross Blue Shield, resulting in a 7.09% increase in medical premiums with no changes to plan design, including deductibles, copays, or out-of-pocket maximums, while maintaining current dental premiums and plan design with no changes; and

WHEREAS, City Administration recommends renewing the City's agreements with Blue Cross Blue Shield, subject to the negotiated premium amounts, for the City employee medical and dental insurance plans; and

WHEREAS, the City Council of the City of Highland Village concurs in the above recommendation and finds it to be in the public interest to renew the employee health and dental insurance plans with Blue Cross Blue Shield.

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 negotiate and sign the necessary contract documents with Blue Cross Blue Shield to provide employee group medical and dental insurance coverage for the FY 2026-2027 plan year, and to take such additional actions reasonable and necessary to comply with the intent of this resolution.

SECTION 2. This Resolution shall take effect immediately upon final approval and upon passage of the City's 2026/2027 fiscal year budget.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS 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:8/13/82026:4900-9939-9879 v1)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 13

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution 2026-3256 authorizing an interlocal agreement with Texas Political Subdivisions Joint Self-Insurance Fund for workers' compensation insurance for FY 2026-2027

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

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

The City is required to continue providing workers' compensation coverage for City employees in accordance with state law.

The FY 2027 renewal premium from TPS is $196,653, an increase of $2,647 from last year's premium of $194,006.

For a number of years, the proactive efforts of City staff to maintain a safe work environment have resulted in minimal lost work time and favorable insurance costs. The City continues to receive a substantial discount based on its excellent safety and claims history.

TPS establishes an experience factor based on the City's claims experience compared to the average experience of other entities in the risk pool. The experience factor for the FY 2027 renewal is 0.75, compared to 0.74 last year. The experience modifier considers payroll and losses over a three-year period and effectively represents a 25% discount on the premium.

TPS continues to provide good value to the City. Periodic comparative quotes from other providers have consistently shown TPS to be the lowest-cost option for the City's workers' compensation coverage.

BUDGETARY IMPACT

The renewal amount is accommodated with the FY 2027 Budget appropriation.

RECOMMENDATION

To approve Resolution 2026-3256 authorizing an Interlocal Agreement with Texas Political Subdivisions Joint Self-Insurance Fund for purposes of providing workers' compensation insurance for Fiscal Year 2026-2027.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3256

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING AN INTERLOCAL AGREEMENT WITH TEXAS POLITICAL SUBDIVISIONS JOINT SELF-INSURANCE FUND FOR PURPOSES OF PROVIDING WORKERS' COMPENSATION INSURANCE FOR FISCAL YEAR 2026-2027; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the City has contracted with the Texas Political Subdivisions Joint Self-Insurance Fund ("TPS") for a number of years for the provision of workers' compensation insurance and has historically received a high level of service as well as substantial savings in insurance premiums over other potential carriers; and

WHEREAS, City Administration recommends a continuation of the interlocal agreement providing workers' compensation insurance to the City for Fiscal Year 2026-2027; and

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

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

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

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 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:9/2/2026:4927-2686-7917 v1)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 14

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution No. 2026-3257 authorizing a Funding Agreement with the Highland Village Community Development Corporation to Authorizing the Use of Type B Sales Tax Funds for 2026-2027 Fiscal Year Budgeted Projects

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

The Highland Village Community Development Corporation (HVCDC) funds are legally required to be accounted for separately from City funds. Therefore, the City must obtain board approval before spending HVCDC funds, as outlined in the funding agreement.

This funding agreement is to authorize the City to spend Type B Sales Tax Funds for the purposes appropriated in HVCDC's FY 2026–27 Budget on Authorized Projects.

BUDGETARY IMPACT

None. The funds represented in the proposed funding agreement are already accounted for in the City's budget for FY 2026-27.

RECOMMENDATION

To approve Resolution 2026-3257 authorizing a Project Funding Agreement with the Highland Village Community Development Corporation authorizing the City's use of Type B Sales Tax funds for the purposes appropriated in HVCDC's Fiscal Year 2026–2027 Budget on authorized projects.

STATE OF TEXAS	§	
	§	**PROJECT FUNDING AGREEMENT [2026-2027 FISCAL YEAR BUDGETED PROJECTS]**
COUNTY OF DENTON	§	

This **Project Funding Agreement** ("**Agreement**") is made by and between the **City of Highland Village, Texas** ("**City**") and the **Highland Village Community Development Corporation** ("**HVCDC"**) (each a "**Party**" or collectively the "**Parties**"), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, HVCDC is a Type B Corporation organized pursuant to the Development Corporation Act, Chapters 501 - 505 of the Texas Local Government Code, as amended (the "**Act**"); and

WHEREAS, the Act and the enabling legislation approved by City's citizens authorizes HVCDC to provide funding and economic development grants relating to the development of public soccer facilities and public trails ("**Authorized Projects**"); and

WHEREAS, the budget HVCDC adopts each fiscal year (the "**Annual Budget**") sets forth the appropriation and allocation of the Type B Sales Tax funds (the "**Type B Sales Tax Funds**") collected by City on behalf of HVCDC for projects and other expenditures paid with such funds; and

WHEREAS, the goods, services, debt service, and other expenditures identified in the Annual Budget constitute Authorized Projects; and

WHEREAS, HVCDC has adopted programs for promoting economic development; and

WHEREAS, HVCDC has determined that the Authorized Projects are required or suitable to promote new or expanded business enterprises and constitutes "projects" as that term is defined in the Act; and

WHEREAS, HVCDC has determined that the Authorized Projects will further the objectives of HVCDC, will benefit City and City's inhabitants, and will promote local economic development and stimulate business and commercial activity in the City; and

WHEREAS, numerous items in the Annual Budget calls for the Type B Sales Tax Funds to be spent by City for purposes associated with Authorized Projects; and

WHEREAS, the Parties desire to enter this Agreement to authorize City to spend the Type B Sales Tax Funds for the purposes appropriated in the FY 26-27 Budget on Authorized Projects.

NOW THEREFORE, in consideration of the foregoing and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I
Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Authorized Projects" shall have the meaning set forth in the first recital above.

"Effective Date" means October 1, 2026, notwithstanding the date this Agreement bears the signatures of the authorized representatives of all of the Parties, whether on the same document or on identical counterparts, provided all of the Parties have signed this Agreement.

"Expiration Date" means September 30, 2027.

"FY 26-27 Budget" means HVCDC's annual budget adopted for HVCDC's 2026-27 Fiscal Year, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference.

"Force Majeure" means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by acts of omissions of the Party), fires, explosions or floods, strikes, slowdowns or work stoppages, but may not impact any payments to be made hereunder.

"Project Costs" means the actual costs incurred in association with the performance of Authorized Projects.

"Project Funding" means the Type B Sale Tax Funds approved in the FY 26-27 Budget to pay City for Project Costs in incurred by City in City's performance of Authorized Projects.

Article II
Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date unless terminated sooner as provided herein.

Article III
Project Construction and Funding

3.1 <u>Performance of Authorized Projects</u>. Subject to events of Force Majeure, City agrees to perform the Authorized Projects.

3.2 <u>Project Funding</u>. Subject to the continued satisfaction of all the terms and conditions of the Agreement by City, and the obligation of City to repay the Project Funding pursuant to Article IV below, City may transfer Type B Sales Tax Funds from HVCDC's deposit accounts to City's deposit accounts when City finds it necessary to pay Project Costs associated with Authorized Projects.

3.3 **Project Costs**. City covenants and agrees to use the Project Funding solely for the Project Costs associated with Authorized Projects. City agrees to refund to HVCDC, without demand, all or any portion of the Project Funding not used for an Authorized Project.

3.4 **Current Revenue**. Under no circumstances shall the obligations of HVCDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. The Project Funding shall be paid solely from lawfully available funds. Consequently, notwithstanding any other provision of this Agreement, HVCDC shall have no obligation or liability to provide the Project Funding except as allowed by law.

Article IV
Termination

4.1 **Termination**. This Agreement shall terminate upon the Expiration Date or earlier upon the occurrence of any one of the following:

(a) Upon written agreement of the Parties; or

(b) On the date of termination set forth in written notice by either Party if the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof; provided, however, if the breach may not be cured within such 30-day period the breaching Party shall have an additional sixty (60) days to cure such breach; or

(c) On the date of termination set forth in a written notice by either Party, if any subsequent Federal or State legislation or any final, non-appealable decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

4.2 **Repayment of Funding**. If this Agreement is terminated by HVCDC prior to the Expiration Date pursuant to Section 5.1(b), City shall immediately pay to HVCDC any amounts of the Project Funding paid to City by HVCDC pursuant to Section 3.2 herein. This Section 4.2 shall survive termination of this Agreement to the extent necessary for HVCDC to collect repayment of the Project Funding from City.

Article V
Miscellaneous

5.1 **Binding Agreement**. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties.

5.2 **Limitation on Liability**. It is understood and agreed between the Parties that HVCDC and City, in satisfying the conditions of this Agreement, have each acted independently, and assume no responsibilities or liabilities to third parties in connection with these actions.

5.3 **Authorization**. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties.

5.4 **Notice**. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing), or on the day actually received if sent by courier or otherwise hand delivered.

If intended for the City, to:

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

If intended for the HVCDC, to:

Highland Village Community Development Corporation
Attn: President
1000 Highland Village Road
Highland Village, Texas 75077

5.5 **Entire Agreement**. This Agreement is the entire Agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the Parties that in any manner relates to the subject matter of this Agreement.

5.6 **Governing Law**. This Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in a state court of competent jurisdiction in Denton County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

5.7 **Amendment**. This Agreement may only be amended by written agreement signed by both of the Parties.

5.8 **Severability**. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

5.9 **Successors and Assigns**. This Agreement may not be assigned without the prior written consent of the other Party.

5.10 **Recitals**. The recitals to this Agreement are incorporated herein.

5.11 **Counterparts.** This Agreement may be executed in identical counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

5.12 **Survival of Covenants**. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

5.13 **Employment of Undocumented Workers**. During the term of this Agreement, City agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), City shall repay the amount of the Project Funding and any other funds received by City from HVCDC pursuant to this Agreement as of the date of such violation within 120 business days after the date City is notified by HVCDC of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. City is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of City or by a person with whom City contracts.

SIGNED AND AGREED on ____________________________ 2026.

CITY OF HIGHLAND VILLAGE, TEXAS

By: ___________________________________
Paul Stevens, City Manager

ATTEST:

____
Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Kevin B. Laughlin, City Attorney

SIGNED AND AGREED on __________________________ 2026.

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION

By: ______________________________________
President

EXHIBIT “A”
2026-2027 Fiscal Year Budget

HV Community Development

	-- History --	-- Projected --		-- Budget --
	Actual FY 2025	**Budget FY 2026**	**Estimate FY 2026**	**Proposed FY 2027**
Beginning Fund Balance	**$ 2,007,659**	**$ 2,429,759**	**$ 2,465,780**	**$ 3,114,160**
Sales Tax	1,819,132	1,861,753	1,821,506	1,830,934
Park Fees	2,036	6,500	3,000	3,000
Rental Income	66,913	70,900	71,500	71,400
Linear Park Fees	-	-	7,175	5,166
Miscellaneous	-	-	-	-
Interest Income	92,460	110,000	98,903	134,914
Total Revenues	**1,980,540**	**2,049,153**	**2,002,084**	**2,045,414**
Expenditures				
Personnel	348,234	406,647	327,672	335,029
Professional Services	98,744	49,288	126,548	53,562
Employee Develop	2,897	1,928	2,288	2,288
Supplies / Equipment	411,606	255,394	257,191	135,090
Utilities	49,239	56,050	56,050	56,050
Other	-	-	23,055	18,067
Total Services / Supplies	562,485	362,660	465,132	265,057
Capital	**47,675**	**-**	**-**	**825,000**
Total Expenditures	**958,395**	**769,307**	**792,804**	**1,425,086**
Other Sources / (Uses) [Reimburse GF for related Debt Service and Support functions]	**(564,025)**	**(560,900)**	**(560,900)**	**(561,900)**
Net Increase / Decr	**458,121**	**718,946**	**648,380**	**58,428**
Ending Fund Balance	**$ 2,465,780**	**$ 3,148,705**	**$ 3,114,160**	**$ 3,172,588**

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3257

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING A PROJECT FUNDING AGREEMENT WITH THE HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION TO AUTHORIZE THE CITY TO SPEND TYPE B SALES TAX FUNDS ON AUTHORIZED PROJECTS FOR THE 2026-27 FISCAL YEAR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the budget the Highland Village Community Development Corporation ("**HVCDC**") adopts each fiscal year (the "**Annual Budge**t") sets forth the appropriation and allocation of the Type B Sales Tax funds (the "Type B Sales Tax Funds") collected by City on behalf of HVCDC for projects and other expenditures paid with such funds; and

WHEREAS, HVCDC is a Type B Corporation organized pursuant to the Development Corporation Act, Chapters 501 - 505 of the Texas Local Government Code, as amended (the "**Act**"); and

WHEREAS, the Act and the enabling legislation approved by City's citizens authorizes HVCDC to provide funding and economic development grants relating to the development of public soccer facilities and public trails ("**Authorized Projects**"); and

WHEREAS, numerous items in the Annual Budget call for Type B Sales Tax Funds to be spent by the City for purposes associated with Authorized Projects; and

WHEREAS, City administration has negotiated a funding agreement with HVCDC authorizing the City to spend Type B Sales Tax Funds for the purposes appropriated in the HVCDC's FY 26-27 Budget on Authorized Projects; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to sign said funding 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 negotiate and sign on behalf of the City a funding agreement with the HVCDC authorizing the City to use Type B Sales Tax Funds to pay for Authorized Projects in accordance with HVCDC's approve Fiscal Year 2026-2027 budget.

SECTION 2. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED THIS THE 22ND 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:9/2/2026:4903-9011-6557 v1)

CITY OF
Highland Village

CITY COUNCIL MEMORANDUM
AGENDA ITEM 15

MEETING DATE: September 22, 2026

SUBJECT: Conduct an Annual Review of the City's Investment Policy and Consider Resolution 2026-3258 adopting the City's Investment Policy for Fiscal Year 2026-2027

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

The Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code, and Section VIII.2, Amendments, of the City of Highland Village, Texas, Investment Policy requires an annual review of the City's Investment Policy. Any amendments to the policy must be approved by the Investment Officer and submitted to the City Council for adoption by resolution.

The City's investment consultants, Valley View Consulting, L.L.C., have reviewed the City's Investment Policy against the written policy requirements of the PFIA and determined that the policy remains in compliance with applicable statutory requirements.

There were no legislative changes during the most recent legislative session that require amendments to the Investment Policy. However, as part of the annual review, minor grammatical and formatting revisions were identified in Article V.1.b.

The updated Investment Policy is provided as Attachment "A" to the accompanying resolution for consideration and adoption by the City Council.

BUDGETARY IMPACT

Not applicable.

RECOMMENDATION

To approve Resolution 2026-3258 adopting the City's Investment Policy for the 2026-2027 Fiscal Year.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3258

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ADOPTING THE CITY OF HIGHLAND VILLAGE INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY OF THE CITY AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO THE INVESTMENT POLICY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the City Council of the City of Highland Village, Texas has adopted an investment policy; and,

WHEREAS, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and record any changes made to either the investment policies or investment strategies.

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

SECTION 1. The City's Investment Policy, attached as Exhibit "A", is hereby adopted and shall govern the investment policies for the City, and shall define the authority of the investment official of the City from and after the effective date of this resolution.

SECTION 2. The City Council of the City of Highland Village has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit "A" hereto.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This resolution shall become effective immediately from and after its passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, 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:9/16/2026:4901-8458-3889 v1)

RESOLUTION NO. 2026-3258
Exhibit "A"

CITY OF HIGHLAND VILLAGE, TEXAS
INVESTMENT POLICY
INTRODUCTION

This Investment Policy applies to the investment activities of the City of Highland Village (the "City"). These policies and procedures serve to satisfy the statutory requirement of Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "PFIA"), to define and approve a formal investment policy. Upon City Council adoption, this Investment Policy supersedes all others.

ARTICLE I
GENERAL OBJECTIVES

I.1 **Purpose** It is the purpose of this Policy to invest in a manner which assures the safety of principal of invested funds by maintaining sufficient liquidity, diversifying investment instruments and maturities, creating accountability and internal controls, accurately reporting portfolio status, and to include the investment process as part of the annual audit.

I.2 **Objectives** The primary objectives of the City's investment activities, in order of importance are:

a. **Safety:** Investments of the City shall be selected in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk.

1. Credit Risk is the risk of loss due to the failure of the investment issuer or backer. Credit risk may be mitigated by:
    - Limiting investments to the safest types,
    - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and
    - Diversifying the investment portfolio so that potential losses from individual issuers will be minimized.

2. Interest rate risk is the risk that the market value of investments in the portfolio will fluctuate due to changes in general interest rates. Interest rate risk may be mitigated by:
    - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments prior to maturity, and
    - By investing funds primarily in shorter-term investments.

b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This shall be accomplished by projecting cash flow requirements and matching investment maturities with anticipated demands (static liquidity).

c. **Diversification and Maturity:** The City's investment portfolio shall be diversified to minimize the risk resulting from over concentration of assets in specific maturity, market sector or issuer categories, where appropriate. Diversification strategies shall be established and reviewed periodically by the Investment Officers.

d. **Internal Controls:** The Finance Director is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

As part of the annual audit, the Investment Officer shall facilitate an independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Avoidance of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers

e. **Yield:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal,
- A security swap that improves the quality, yield, or target duration in the portfolio, and
- Liquidity needs of the portfolio require that the security be sold.

ARTICLE II
SCOPE & STRATEGY

II.1 Scope This Policy applies to all financial assets of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report and include:

- General Fund
- Enterprise Fund
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- Other funds not specifically prohibited by law
- Component units of the City

II.2 Investment Strategy For each of the major fund types listed in paragraph 11.1, there shall be a written investment strategy, with the exception of Other Funds and Component Units for which the Operating Fund and Enterprise Fund strategy will apply. The strategy shall take into consideration the unique cash flow requirements, both inflows and outflows, of the funds. Appendix A contains each fund's investment strategy.

For funds subject to the arbitrage regulations, the City shall annually calculate an estimated arbitrage rebate amount. Positive or negative rebate estimates will be incorporated into the implemented investment strategy. Additionally, estimated positive rebate amounts shall be restricted from expenditure and a rebate liability fund established in anticipation of payment to the IRS per the arbitrage regulations.

ARTICLE III
STANDARDS OF CARE

III.1 Prudence Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

The standard of care to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Investment Officers acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In accordance with Section 113.005, Texas Local Government Code, the Investment Officer is not responsible for any loss of the City's funds through the failure or negligence of a depository. This section does not release the Investment Officer from the responsibility for a loss resulting from official misconduct or negligence, including misappropriation of funds, or from responsibility for funds until a depository is selected and funds are deposited.

III.2 Ethics and Conflicts of Interest Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions.

Investment Officers shall disclose any personal business relationship, as defined by the PFIA, or relative within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Local Government Code, to an individual or business organization seeking to engage in an investment transaction with the City. A statement required under this section must be filed with the Texas Ethics Commission and the City Council in compliance with the PFIA.

III.3 Delegation of Authority for Investment Program In accordance with the PFIA, the overall responsibility for conducting investment transactions resides with the City Council. Management oversight is delegated to the City Manager and Finance Director who shall develop and maintain written procedures for the operation of the investment program consistent with these policies. The Finance Director, Assistant Finance Director, and Budget and Accounting Administrator positions shall be designated as Investment Officers.

Operational procedures shall be established by the Finance Director that will include reference to safekeeping, repurchase, depository, and collateral agreements. Such procedures shall include explicit delegation of authority to persons responsible for conducting investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures as described herein. The City Manager and Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

ARTICLE IV
TRANSACTION PROCEDURES

IV.1 Authorized Broker/Dealers The Finance Director will maintain a list of broker/dealers approved by the City Council who are authorized to provide investment services. These may include primary broker/dealers or regional broker/dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and Texas investment regulations.

All investment providers eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Additionally, the qualified representative of a local government investment pool or discretionary investment management firm ("business organization") seeking to transact investment business shall execute a written instrument substantially to the effect that the qualified representative has:

1. Received and thoroughly reviewed this Investment Policy, and

2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

All broker/dealers who desire to become authorized for investment transactions must supply the Investment Officer with the following (as applicable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification

- Proof of registration in the State of Texas
- Completed broker/dealer questionnaire, including:
- Related investment experience
- Public fund investment officer references

This information shall be submitted to the Investment Officers for review. The Investment Officers will make a recommendation for changes to the list of authorized broker/dealers and submit the list for approval by the City Council. At least annually, the City Council shall approve the list of authorized broker/dealers. The most recent City Council-authorized list shall be attached to this Policy as Appendix B.

In order to create a competitive pricing environment for each investment transaction, the City shall solicit quotations from multiple financial institutions for time deposits and authorized broker/dealers for securities.

IV.2 Delivery Versus Payment All transactions, where applicable, will be executed on a delivery versus payment (DVP) basis to ensure that securities are delivered to an eligible financial institution prior to the release of funds. An independent third-party safekeeping agent authorized by the City, and evidenced by safekeeping receipts, will hold securities.

IV.3 Investment Training In order to ensure the quality and capability of the City's Investment Officers, the City shall provide periodic training in investments through courses and seminars offered by professional organizations and associations. Pursuant to the PFIA, designated Investment Officers, and their designees responsible for investing City funds, shall attend within twelve months of assuming duties and receive not less than ten hours of instruction and, on a continuing basis, receive not less than eight hours of instruction in a two year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, for instruction. Said instruction shall relate to investment responsibilities described in the PFIA and this Policy. The training shall be conducted by approved independent training sources: GFOA, GFOAT, GTOT, TML, COG, UNT, or AICPA.

ARTICLE V
SUITABLE & AUTHORIZED INVESTMENTS

V.1 Suitable & Authorized Investment Types The following instruments are considered suitable and authorized investments for the City's funds. At least quarterly, the City shall monitor issuer rating changes from independent information sources. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.

a. Except as provided in paragraph V.2. the following are authorized investments
   - Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
   - Direct obligations of this State or its agencies and instrumentalities;
   - Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities, including

- obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and
- Obligations of states, agencies, counties cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

b. Deposits with a state or national bank, a savings bank, or a state or federal credit union that has its main office or a branch office in this State that are:
   - Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
   - Secured in compliance with state and federal regulations, by obligations eligible under the Public Funds Collateral Act;
   - Secured in compliance with state and federal regulations, by letters of credit issued by the United States or its agencies and instrumentalities; or
   - Are placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

c. Fully collateralized repurchase agreements are authorized if the repurchase agreement:
   - Has a defined termination date;
   - Is secured by cash or obligations in paragraph V.1.a;
   - Requires the securities being purchased by the City to be pledged to the City, held in the City's account and deposited at the time the investment is made with the City or with a third-party selected and approved by the City; and
   - Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.

   For purposes of this paragraph a repurchase agreement means a simultaneous agreement to buy, hold for a specified time and sell back at a future date obligations described by paragraph V.1.a, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

d. No load money market mutual funds are authorized if the mutual fund:
   - Is registered with and regulated by the Securities and Exchange Commission;
   - Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
   - Is categorized as a "Treasury" or "Government" money market fund;
   - Must maintain a AAAm, or equivalent rating, from at least one nationally recognized rating agency;
   - Includes in its investment objectives the maintenance of a stable net asset value of $1.0000 for each share; and
   - The City's investment shall not exceed 10% of the fund's total assets.

e. A public funds investment pool specifically authorized by City Council, meeting the requirements of the PFIA, that is categorized as a "Treasury" or "Government" investment pool, and includes in its investment objectives the maintenance of a stable net asset value of $1.00 for each share.

V.2. Investments Not Authorized The following investments are not authorized under paragraph V.1.a.

a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pay no principal;
b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years; and
d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

V.3. Collateralization will be required on two types of investments: financial institution deposits and repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of principal and anticipated interest less any applicable federal deposit insurance, in order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of market value of the pledged investment's principal and anticipated interest, less any applicable federal deposit insurance.

Collateral will always be held by an independent third-party custodian acceptable to the City. A clearly marked evidence of pledge (pledge receipt) must be supplied to the City and retained. The City grants the right of collateral substitution with equal or greater market value, with notification to and the right of refusal by the City. The City has the option to also accept a surety bond from a qualified insurance company (rated A or its equivalent by the A.M. Best Company or similar rating agency) or a letter of credit from a federal agency or instrumentality as deposit collateralization.

Financial institutions accepting City deposits will be required to sign a "Depository Agreement" with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement must be executed by the depository and the City contemporaneously with the acquisition of the asset;
- the Agreement must be approved by the Board of Directors or designated committee of the depository and a copy of the meeting minutes must be delivered to the City; and
- the Agreement must be part of the depository's "official record" continuously since its execution.

ARTICLE VI
INVESTMENT PARAMETERS

VI.1. Diversification The City will diversify its investment portfolio by type and maturity, where appropriate, as described in the fund-type investment strategies.

VI.2. Maximum Maturities The City shall not exceed anticipated cash flow requirements when selecting investment maturities. Regardless of cash flow projection, the maximum maturity per fund-type is outlined in Appendix A Investment Strategy.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds (e.g. short-term financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements) to ensure that appropriate liquidity is maintained to meet ongoing obligations.

ARTICLE VII
REPORTING

VII.1 Methods The Investment Officers will present to the City Council a signed investment report on a quarterly basis, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. This report will include a summary statement of each fund that states:

- The beginning market value for the reporting period;
- Ending market value for the period; and
- Fully accrued interest for the reporting period.

Additionally the report will:
- State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- State the maturity date of each separately invested asset;
- State the account, fund or pooled group fund of the City for which each individual investment was acquired;
- State the compliance of the investment portfolio as it relates to (1) the City's investment strategy for each fund type and (2) the PFIA; and
- Provide any additional information as required by the PFIA.

VII.2 Performance Standards The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio. The portfolio should seek to attain a market average rate of return, over time, during various market/economic cycles. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

VII.3 Market Valuation The market value of the portfolio will be calculated on a quarterly basis in compliance with the reporting requirements of Paragraph VII.1. In defining market value, sources independent of the investment provider will determine valuations and consideration will be given to applicable GASB Statement(s).

VII.4 Independent Review As part of the annual audit, the City's independent auditor will review each of these quarterly investment reports.

ARTICLE VIII
ADDITIONAL CONSIDERATIONS

VIII.1. Exemption Any investment currently held and purchased before the date of implementation of this Policy that does not meet the guidelines of this Policy and/or the PFIA shall be exempted from the requirements of this Policy and the PFIA. It is therefore unnecessary to liquidate such investments. However, at maturity or liquidation, such funds shall be reinvested only as provided by this Policy.

VIII.2. Amendments This Policy shall be reviewed on an annual basis by the City Council and a written instrument adopted attesting to said review. Any changes must be approved by the Investment Officers and submitted as a resolution for adoption to the City Council.

Appendix A

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

A. Operating and Enterprise Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Operating or Enterprise Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity of each fund's portfolio to less than 180 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Liquidity - Operating and Enterprise Funds require the greatest short-term liquidity of any of the fund-types. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

B. Special Revenue Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or five years.

Liquidity - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Marketability - Balancing short-term and long-term cash flow needs requires the short-term portion of the Special Revenue Funds portfolio to have investments with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market. Investments with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A "barbell" maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective.

C. Capital Improvement Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or five years.

Liquidity - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

D. Debt Service Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Investments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield -Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

E. Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability - Investments with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

Appendix B

Primary Depository Bank, Public Funds Investment Pools and Authorized Broker/Dealers

Primary Depository Bank

SouthState Bank

Public Funds Investment Pools

TexPool

TexSTAR

Authorized Broker/Dealers

FHN Financial

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Houston Office

Multi-Bank Securities

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Chicago Office

SAMCO Capital

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Dallas Office

Oppenheimer

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Minneapolis Office

Wells Fargo Securities

- Primary Dealer
- Active market maker in Suitable & Authorized Investments
- Dallas Office

Note: The Council officially approves the broker/dealer firm. Dealer information and office location are for information purposes only and subject to change.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 16

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution 2026-3261 authorizing the City Manager to Negotiate and Sign a Multi-Year Agreement for the purchase of Police Body Worn and Vehicle Cameras, Tasers, and Virtual Reality Training System from Axon Enterprises, Inc. through the City's Cooperative Purchasing Agreement with The Local Government Purchasing Cooperative (BuyBoard)

PREPARED BY: Doug Reim, Chief of Police

BACKGROUND

In 2023, the City entered into an eight-year contract with Axon Enterprises, Inc, ("Axon") through the City's cooperative purchasing agreement with The Local Government Purchasing Cooperative ("BuyBoard") for the purchase and maintenance of police body worn cameras, vehicle cameras, Tasers, and virtual reality training system for the Police Department to enhance police transparency and accountability. Axon has offered the City an opportunity to terminate the 2023 contract, subject to the City's agreement to enter into a new agreement for a term of ten (10) years with fixed pricing for the term of the new agreement.

The current contract provided body-worn cameras, in-car camera systems, TASER energy weapons, and a virtual reality training system. Although the current agreement does not expire until 2030, it does not include technology upgrades for body-worn cameras, in-car camera systems, or the virtual reality training platform.

Terminating the current contract and entering into a new agreement with Axon Enterprises, LLC, through the City's cooperative purchase agreement with BuyBoard will allow the City to receive scheduled technology upgrades as newer equipment becomes available at a cost substantially lower than purchasing the equipment separately outside of the current agreement. The amended agreement will help the Department:

- Maintain modern and reliable public-safety technology;
- Remain consistent with the technology used by neighboring and comparable law-enforcement agencies;
- Meet applicable evidence-submission standards established by the Denton County District Attorney's Office; and
- Reduce the risk of unanticipated equipment replacement, repair, and upgrade costs.

BUDGETARY IMPACT

Over the contract term of ten (10) years, there is a total cost of $1,380,533.72, payable in ten (10) installments, with the initial annual installment being $138,065.36 for the one (1) year period beginning October 15, 2026, and, subject to the appropriation of funds by the City Council in subsequent fiscal years as provided in the new contract. The remaining installments are to be paid in the following amounts for the following periods:

Annual Period Beginning Date	Contract Amount
October 15, 2026	$138,065.36
October 15, 2027	$138,052.04
October 15, 2028	$138,052.04
October 15, 2029	$138,052.04
October 15, 2030	$138,052.04
October 15, 2031	$138,052.04

Annual Period Beginning Date	Contract Amount
October 15, 2032	$138,052.04
October 15, 2033	$138,052.04
October 15, 2034	$138,052.04
October 15, 2035	$138,052.04

Funding for the agreement is subject to annual appropriation through the City's budget process.

RECOMMENDATION

To approve Resolution 2026-3261 authorizing the City Manager to negotiate and sign a multi-year agreement for the purchase of police body worn and vehicle cameras, Tasers, and a virtual reality training system from Axon Enterprises, Inc. through the City's Cooperative Purchasing Agreement with The Local Government Purchasing Cooperative (BuyBoard).

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3261

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND SIGN A MULTI-YEAR AGREEMENT FOR THE PURCHASE OF POLICE BODY WORN AND VEHICLE CAMERAS, TASERS, AND VIRTUAL REALITY TRAINING SYSTEM FROM AXON ENTERPRISES, INC. THROUGH THE CITY'S COOPERATIVE PURCHASING AGREMENT WITH THE LOCAL GOVERNMENT PURCHASING COOPERATIVE (BUYBOARD); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, effective October 15 2023, the City entered into an eight-year contract with Axon Enterprises, Inc, ("Axon") through the City's cooperative purchasing agreement with The Local Government Purchasing Cooperative ("BuyBoard") for the purchase and maintenance of police body worn cameras, vehicle cameras, Tasers, virtual reality training system for the Police Department to enhance police transparency and accountability (the "2023 Contract"); and

WHEREAS, Axon has offered the City an opportunity to terminate the 2023 Contract subject to the City's agreement to enter into a new agreement for a term of ten (10) years with fixed pricing for the term of the new agreement; and

WHEREAS, City Administration has reviewed the proposal presented by Axon, has determined the proposal to be financially advantageous to the City, and requests the City Manager be authorized to negotiate and execute a new agreement with Axon pursuant to the Axon Proposal; and

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

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 terminate the 2023 Contract and to negotiate and execute an agreement with Axon Enterprises, Inc. through the City's cooperative purchase agreement with BuyBoard for police body worn cameras, vehicle cameras, Tasers, and a virtual reality training system with a term of ten (10) years for a total cost of $1,380,533.72, payable in ten (10) installments, the initial annual installment being $138,065.36 for the one (1) year period beginning October 15, 2026, and, subject to the appropriation of funds by the City Council in subsequent fiscal years as provided in such new agreement, the remaining installments to be paid in the following amounts for the following periods:

Annual Period Beginning Date	Contract Amount
October 15, 2026	$138,065.36
October 15, 2027	$138,052.04
October 15, 2028	$138,052.04
October 15, 2029	$138,052.04
October 15, 2030	$138,052.04
October 15, 2031	$138,052.04

Annual Period Beginning Date	Contract Amount
October 15, 2032	$138,052.04
October 15, 2033	$138,052.04
October 15, 2034	$138,052.04
October 15, 2035	$138,052.04

The City Manager shall be authorized to amend said agreement to add or remove equipment and/or services as the City Manager determines in the best interest of the City and as necessary to ensure proper equipping of the Police Department subject to applicable city policies, state law, and, in the case of increase in the contract amount, the availability of current funds to pay such additional amount.

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 22ND 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:9/16/2026:4931-1635-2465 v1)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 18

MEETING DATE: September 22, 2026

SUBJECT: Consider Ordinance 2026-1339 Adopting the FY 2026-2027 Annual Budget (*2nd and final read*)

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. Ordinance 2026-1339 is presented at this meeting that adopts the proposed budget for the City's fiscal year beginning October 1, 2026 on second and final read. Council approved the first read of Ordinance 2026-1339 at its meeting held September 15, 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 18

RECOMMENDATION

To approve Ordinance 2026-1339 adopting the FY 2026-2027 Annual Budget on its second and final 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	X	
Hogan Heathington, Councilmember – Place 2	X	
Kevin Cox, Councilmember – Place 3	X	
Shawn Nelson, Councilmember – Place 4	X	
Rhonda Hurst, Councilmember – Place 5	X	
Dan Jaworski, Councilmember – Place 6	----	----
Brian Fiorenza, Councilmember – Place 7	X	

WITH _6_ VOTING “AYE” AND _0_ 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 19

MEETING DATE: September 22, 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 (*2nd and final read*)

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 19

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

RECOMMENDATION
Staff recommends approval of Ordinance No. 2026-1340 on second and final read. State law requires the motion to approve Ordinance No. 2026-1340 on second read 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 second 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	X	
Hogan Heathington, Councilmember – Place 2	X	
Kevin Cox, Councilmember – Place 3	X	
Shawn Nelson, Councilmember – Place 4	X	
Rhonda Hurst, Councilmember – Place 5	X	
Dan Jaworski, Councilmember – Place 6	----	----
Brian Fiorenza, Councilmember – Place 7	X	

WITH _6_ VOTING “AYE” AND _0_ 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 20

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution No. 2026-3259 Ratifying the Property Tax Revenue Increase Reflected in the 2026-2027 Fiscal Year Budget

PREPARED BY: Heather Miller, Finance Director

BACKGROUND

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

The proposed budget was made available for public review in the Office of the City Secretary and on the City's website for the required period of time. The final budget document is a collaborative product of City Staff and City Council and reflects the priorities established by Council during the initial stages of the budget process. A public hearing was conducted as required by state law and the City Charter at the September 15 meeting.

In accordance with Texas Local Government Code §102.007(c), when adoption of a budget requires raising more revenue from property taxes than was raised in the previous year, the City Council must take a separate vote to "ratify the property tax increase reflected in the budget." Essentially, this action acknowledges that Council is aware that the adopted budget will require more property tax revenue than the prior year's budget.

Because the FY 2026–2027 budget will generate more property tax revenue than the previous year, this ratification is a required action.

BUDGETARY IMPACT

The FY 2026–2027 Budget reflects $18,083,807 in property tax revenue, compared to $17,492,262 in the prior year's budget. This represents an increase of $591,545, or 3.38 percent, over the previous year. Of this increase, $32,565 is attributable to property tax revenue generated from $6,161,211 in new property added to the tax roll this year.

The voter-approved rate of $0.528541 exceeds the prior year's rate of $0.500984.

RECOMMENDATION

To approve Resolution No. 2026-3259, "ratifying the property tax increase reflected in the budget" as required by Local Government Code §102.007(c).

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3259

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE 2026-2027 FISCAL YEAR BUDGET; AND PROVIDING AN EFFECTIVE DATE

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

WHEREAS, the City Council has approved Ordinance No. 2026-1339 adopting the 2026-2027 fiscal year budget which will require the City to raise more revenue from property taxes than in the 2025-2026 fiscal year budget by an amount of $591,545, which is a 3.38% increase from the 2025-2026 fiscal year budget, of which $32,565 is tax revenue to be raised from new property added to the tax roll this year; and

WHEREAS, the City Council of the City of Highland Village, Texas, desires to ratify the property tax increase reflected in Ordinance No. 2026-1340 approving the 2026-2027 Fiscal Year Budget.

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

SECTION 1. The property tax increase reflected in the 2026-2027 Fiscal Year Budget and approved pursuant to Ordinance No. 2026-1340 is hereby ratified.

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

PASSED AND APPROVED 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:9/3/2026:4929-6470-6253 v1)

CITY COUNCIL MEMORANDUM
AGENDA ITEM 21

MEETING DATE: September 22, 2026

SUBJECT: Consider an Option for the FM407 Trail Alignment Assessment and Grant Funding Strategy Project

PREPARED BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND

During the September 22, 2026, City Council Work Session, Council received a presentation from Halff and Associates ("Halff") regarding the FM 407 Trail Alignment Assessment and Grant Funding Strategy Project. Halff reviewed the project alternatives, estimated costs, alignment considerations, and potential grant-funding strategies and responded to questions from the City Council.

The FM 407 Trail project originated from the Highland Village Comprehensive Plan Update, "Our Village Our Vision," which identified the Village Connection and the need to explore the feasibility of a trail connection along FM 407. The project is intended to improve active transportation and connectivity between neighborhoods, businesses, schools, parks, the existing trail system, and adjacent communities. Council approved the FM 407 Trail Alignment Assessment and Grant Funding Strategy Project on January 14, 2025.

As discussed during the Work Session, the alternatives under consideration for the corridor from Highland Village Road to Walmart/Market Trail are:

- **Option 1:** Fill in the sidewalk Gaps $2,200,000.00 (Not grant-eligible, fully funded by the City)
- **Option 2:** Full-Width Shared Use Trail (12') $4,670,000.00 (Net cost to the City of approximately $934K to $1.63 million; the City's contribution to the Grant at 20%)
- **Option 3:** Unity Park Trail Connection $2,715,000.00 (Grant eligible; railroad not allowing easement and has some challenges with private property easements and running into the dog park and drainage area)

On August 10, 2026, the Highland Village Community Development Corporation considered the three alternatives and voted **6-0 to recommend Option 2, the Full-Width Shared Use Trail, and to enter into a funding agreement with the City for the project**.

Council is now being asked to provide direction regarding whether the City should pursue grant funding for one of the project alternatives or discontinue further pursuit of the FM407 Trail project.

BUDGETARY IMPACT

The budgetary impact will depend on the alternative selected by Council. If Council selects **Option 2**, the estimated total project cost is **$4,670,000**, with an estimated City contribution ranging from **$934,000 to $1,630,000**. The City's portion is proposed to be funded through the HVCDC Fund balance, with the remaining project funding anticipated from grants and DCTA.

RECOMMENDATION

CITY COUNCIL MEMORANDUM
AGENDA ITEM 20

Council take action to select an FM407 Trail project Option to pursue for grant funding or direct staff not to move forward with the project.

AI Assisted

CITY COUNCIL MEMORANDUM
AGENDA ITEM 22

MEETING DATE: September 22, 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 that 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 and applicable Flower Mound rules, regulations, and ordinances governing the provision of such services. Flower Mound shall provide Emergency Medical Services in compliance with all applicable federal, state, and local laws and regulations, including applicable requirements 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 Fire 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 shall be responsible for any liability arising from the negligent acts or omissions of such City and its respective officers, employees, agents, and representatives in connection with the performance of this Agreement. Each City waives claims against the other City for loss, damage, personal injury, or death to the extent caused by the acts or omissions of the waiving City or its officers, employees, agents, or representatives.

THE PARTIES INTEND THAT THE ASSIGNMENT OF LIABILITY UNDER THIS AGREEMENT BE DIFFERENT FROM THE LIABILITY OTHERWISE ASSIGNED UNDER TEXAS GOVERNMENT CODE SECTION 791.006(A). ACCORDINGLY, AS PERMITTED BY TEXAS GOVERNMENT CODE SECTION 791.006(A-1), EACH CITY SHALL BE RESPONSIBLE FOR LIABILITY ARISING FROM ITS OWN ACTS OR OMISSIONS, REGARDLESS OF WHICH CITY WOULD OTHERWISE HAVE BEEN RESPONSIBLE FOR FURNISHING THE SERVICES PROVIDED UNDER THIS AGREEMENT.

This provision is for the benefit of the Cities only and does not create a third-party cause of action or waive any immunity, defense, or other protection available to either City under applicable law.

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, statutes, 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 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. In accordance with Section 791.011(d)(3) of the Texas Government Code, 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 or 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:9/15/2026:4900-4648-5450, v. 1)

EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND

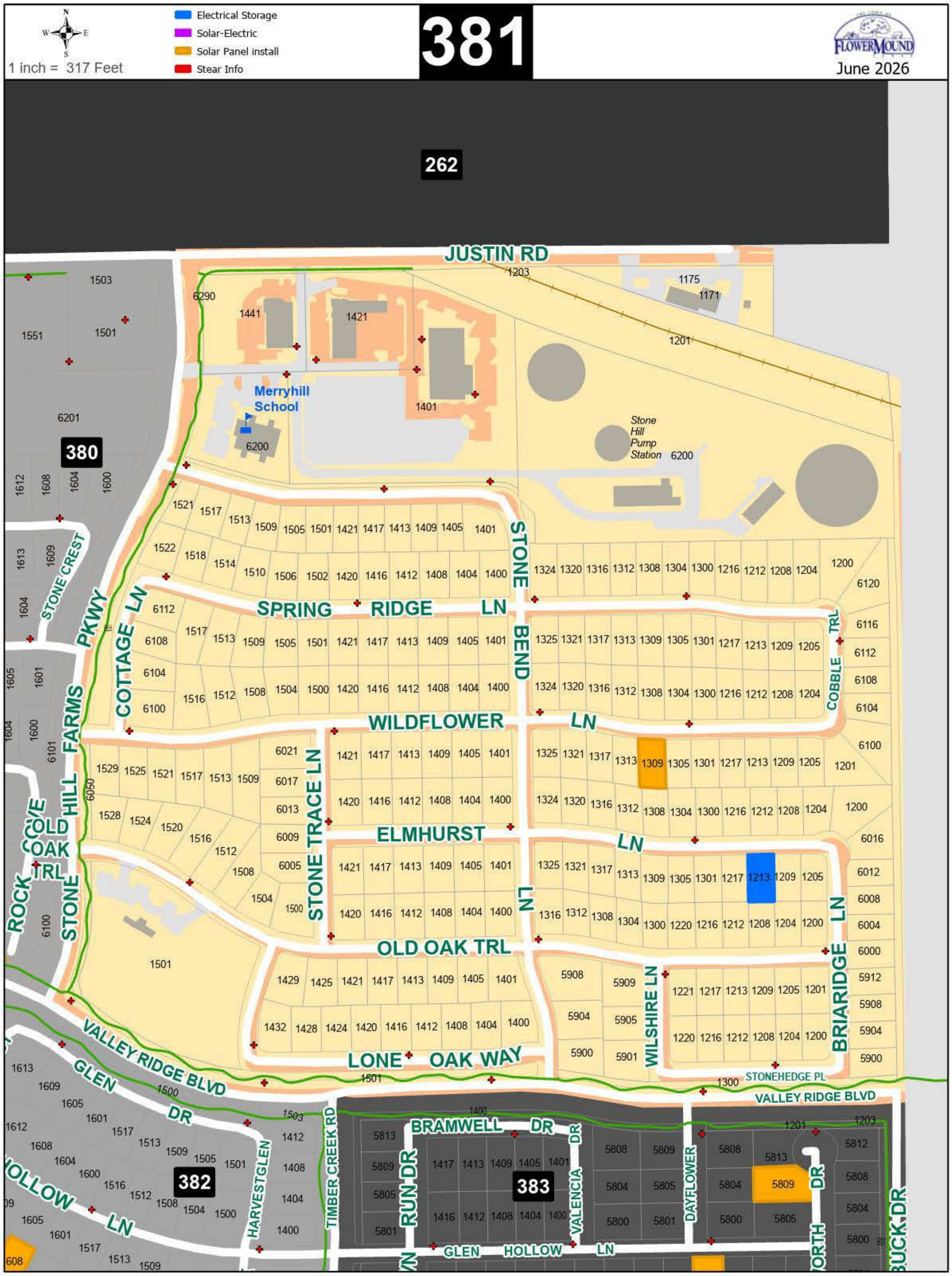
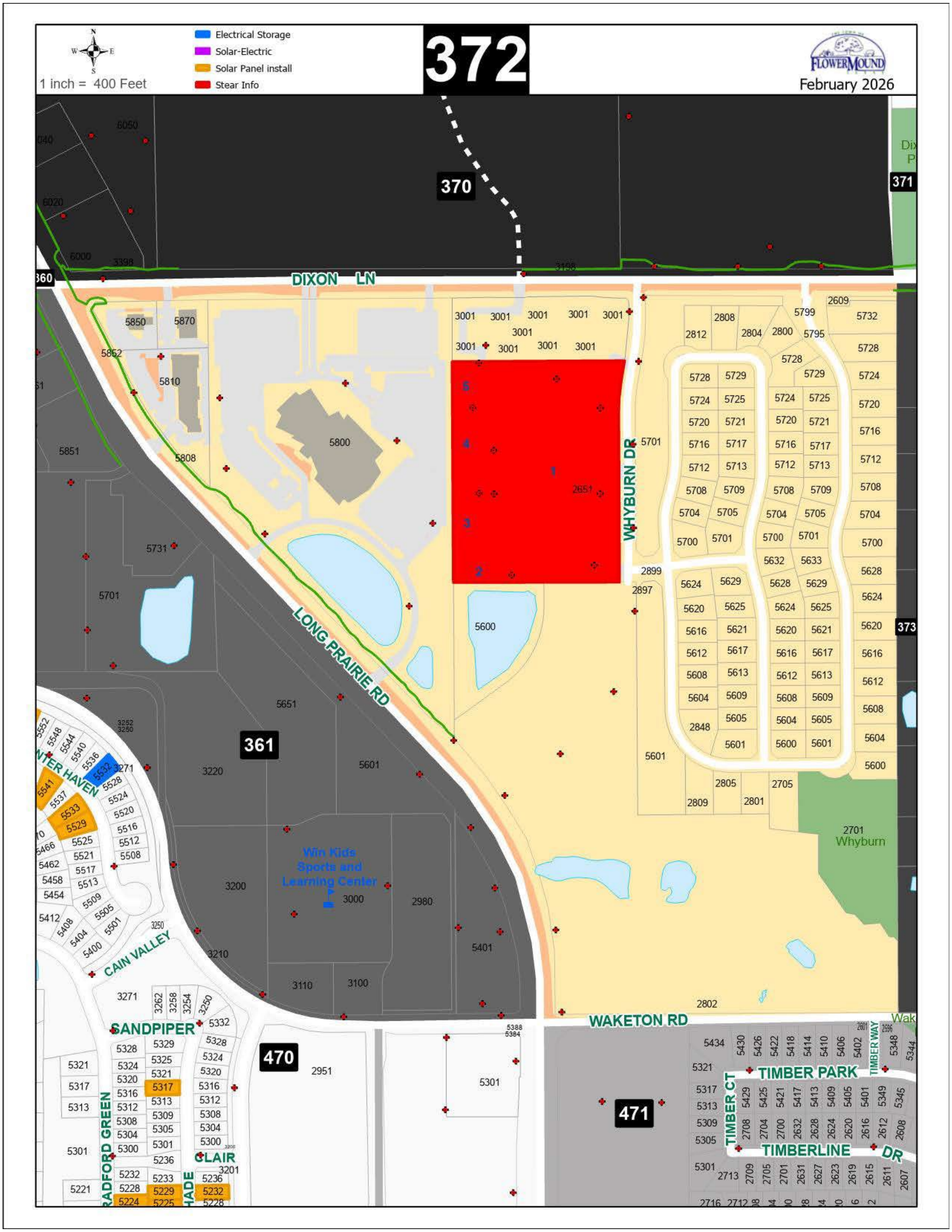


EXHIBIT A
MAP OF HIGHLAND VILLAGE SERVICE AREA WITHIN FLOWER MOUND



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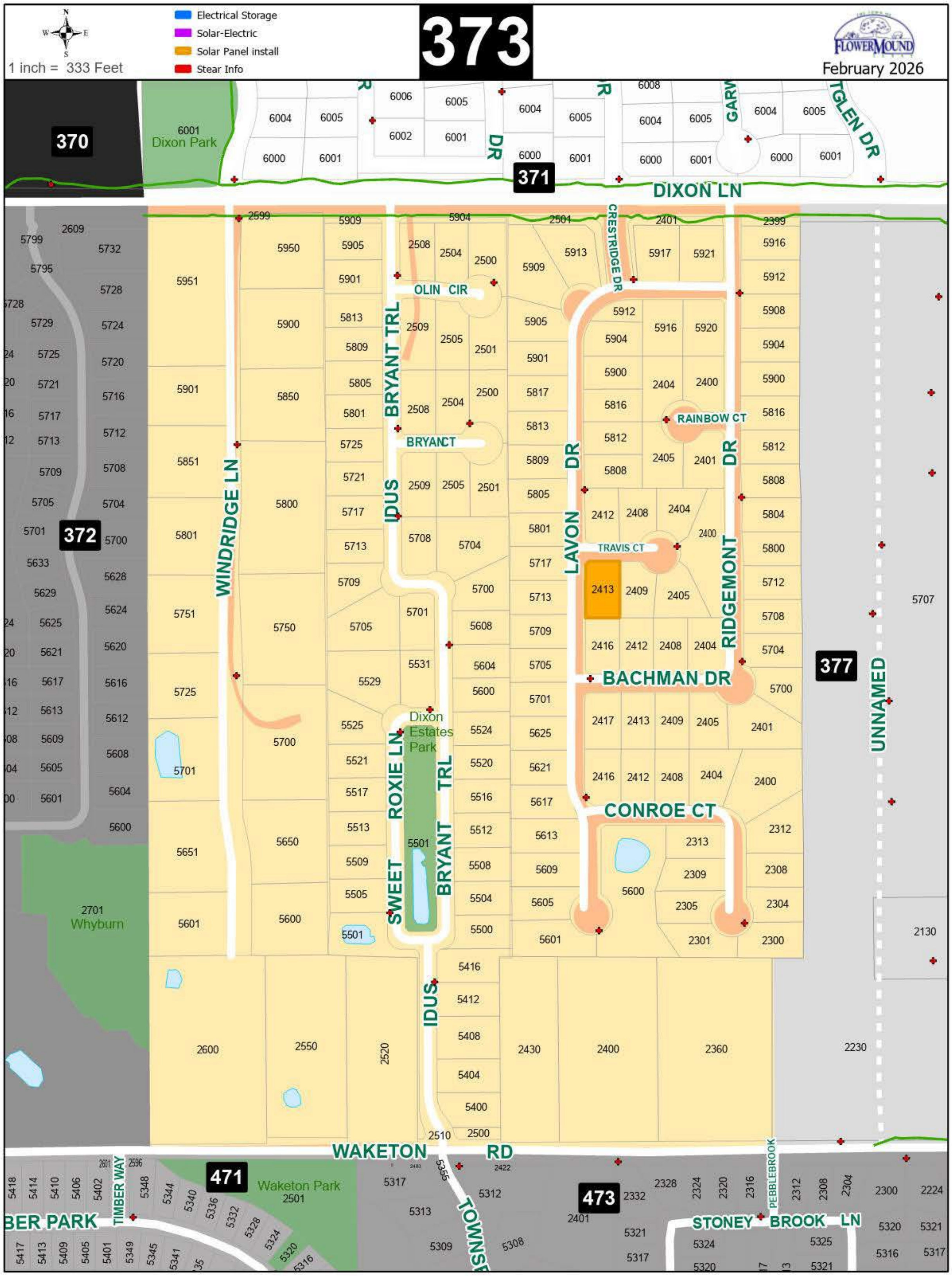

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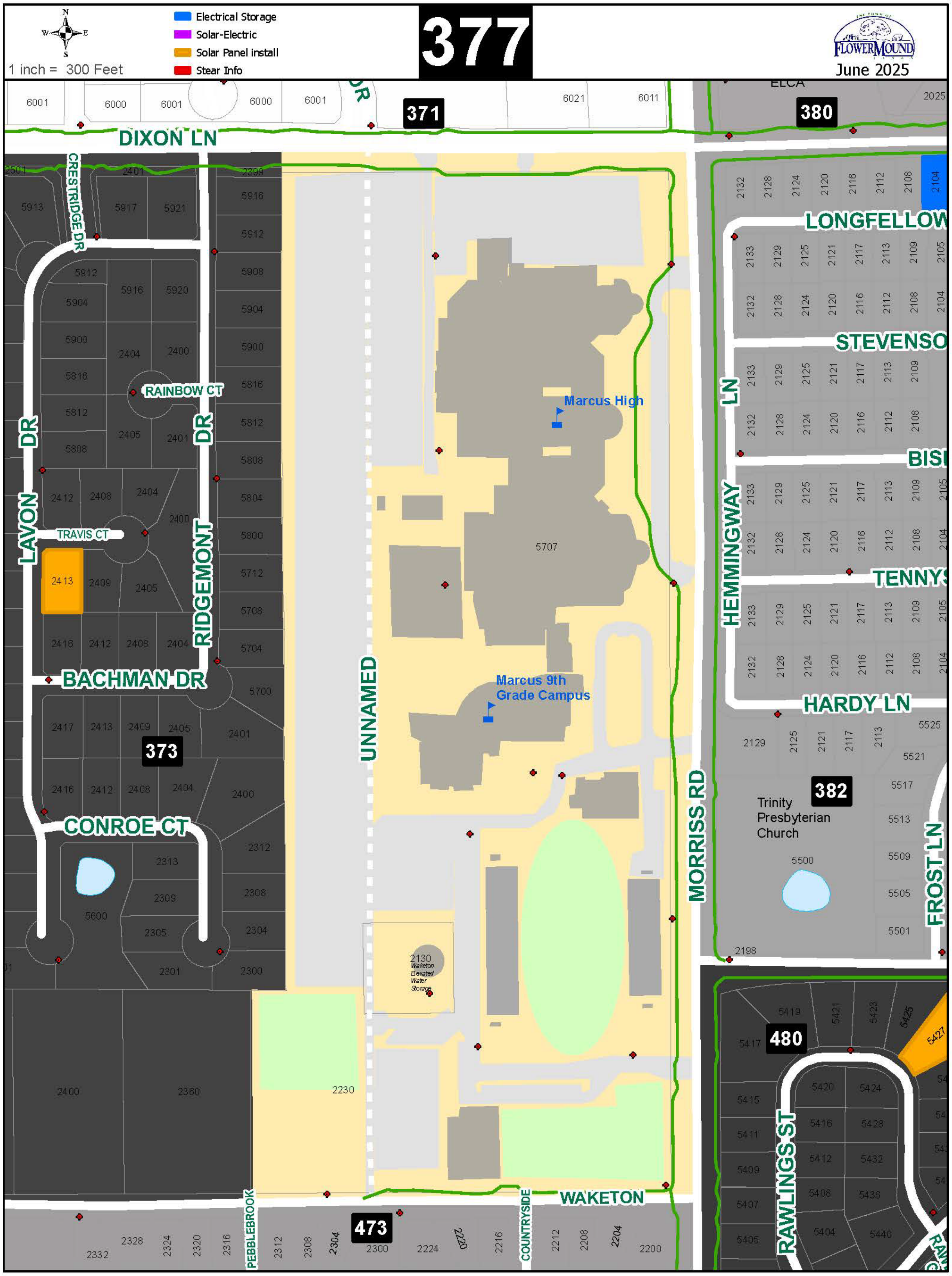

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(kbl:9/15/2026:4900-4648-5450, v. 1)

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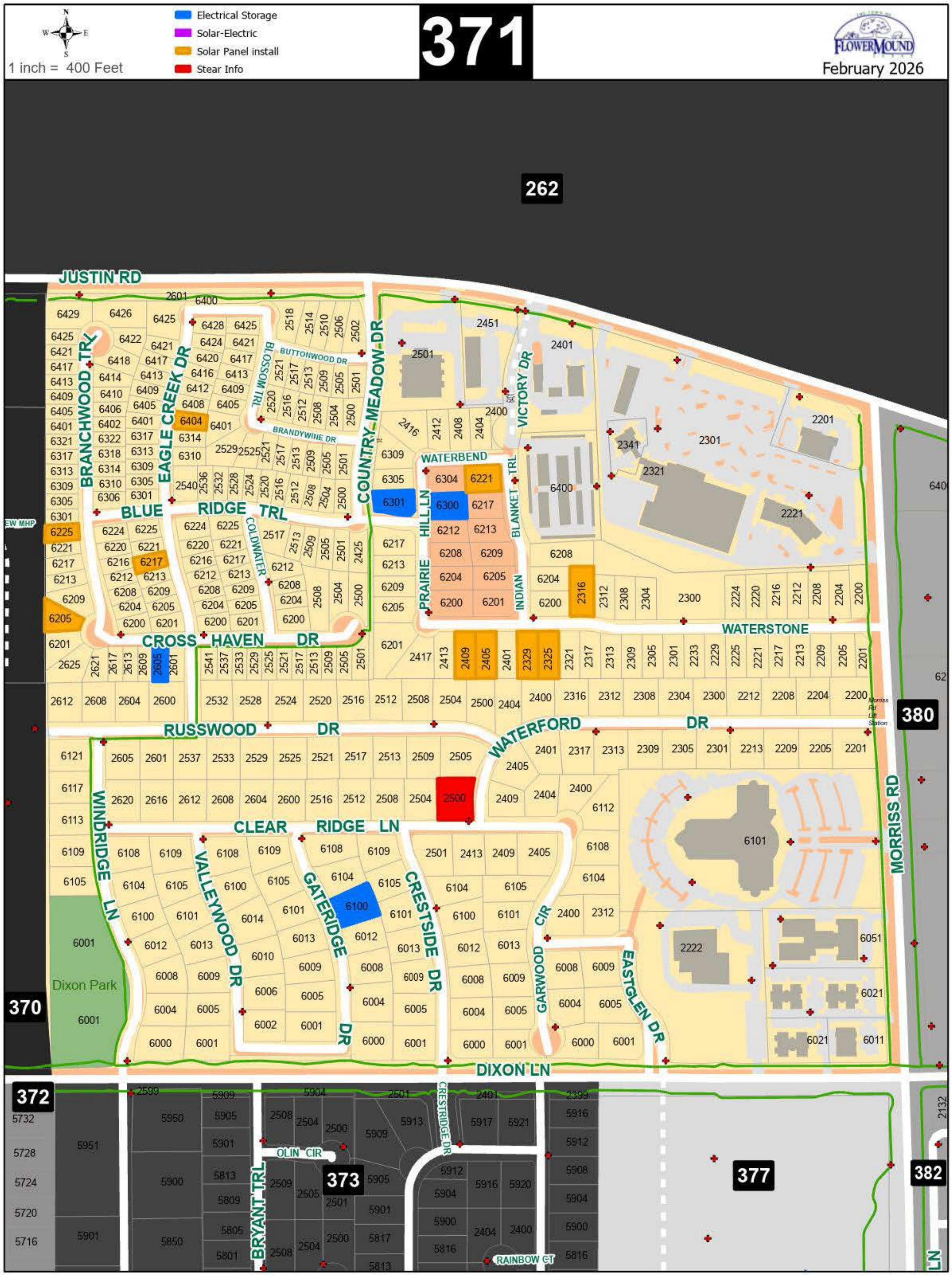

(kbl:9/15/2026:4900-4648-5450, v. 1)

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 22ND 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))

CITY COUNCIL MEMORANDUM
AGENDA ITEM 23

MEETING DATE: September 22, 2026

SUBJECT: Review and Discuss the Attendance Record and Performance of City Board and Commission Members and Consider Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.04.037

PREPARED BY: Angela Miller, City Secretary

BACKGROUND

City ordinance states that Council shall make annual appointments to the City's boards and commissions. All appointments are for terms of two years unless an individual is appointed to fill an unexpired term that exists due to a vacancy. A "term year" shall be from October 1 until the following September 30, with terms expiring at the end of the second year.

Per the Code of Ordinances Section 2.04.037, a vacancy exists: (i) if a member resigns, or (ii) if the Council deems a vacancy to exist if a member misses three consecutive regularly scheduled meetings without a valid excuse or misses more than 25% of the regular meetings during a term year.

Please note, according to state law, members of the Zoning Board of Adjustment may be removed prior to the end of their term only for cause found by the City Council and only after presentation of written charges and a public hearing. Failure to comply with minimum attendance requirements as established by ordinance can be a basis for removal for cause.

If Council chooses, they may remove a City board or commission member and declare the seat vacant based on the attendance and performance of the current members of the various City boards and commissions whose terms do not expire in 2026, in accordance with Code of Ordinances Section 2.04.037.

BUDGETARY IMPACT

N/A

RECOMMENDATION

Discuss the attendance and performance of members of the various City boards and commissions during the last year whose terms do not expire in 2026 and consider whether to remove one or more members and declare such seat(s) vacated in accordance with Code of Ordinances Section 2.04.037.

CITY COUNCIL MEMORANDUM
AGENDA ITEM 24

MEETING DATE: September 22, 2026

SUBJECT: Consider Resolution 2026-3260 appointing Members to Various Positions on the Board of Ethics, Highland Village Community Development Corporation, Parks and Recreation Advisory Board, Planning and Zoning Commission, and Zoning Board of Adjustment

PREPARED BY: Angela Miller, City Secretary
Valerie Strubelt, Deputy City Secretary/Records Coordinator

BACKGROUND

City ordinance states that each September, Council shall make annual appointments to the City's boards and commissions. All appointments are for terms of two years, unless an individual is appointed to fill an unexpired term that exists due to a vacancy. A "term year" shall be from October 1 until the following September 30, with terms expiring on the second year.

In anticipation of annual board and commission member appointments, a call for volunteers to serve on a City board or commission was advertised in the City's utility bill inserts, Village Newsletters, social media, and on the City website. To be eligible to serve, all applicants must be qualified voters of the city and shall remain eligible to vote in city elections during their tenure.

There are sixteen (16) positions with terms that expire on this year. All currently serving board and commission members whose terms expire this year were contacted by City staff and given the opportunity to notify staff if they were interested in being considered for reappointment to the same board, appointment on a different board, or if they no longer wished to serve on a board.

To date, a combined total of thirty-seven (37) applications, including currently serving members who wish to be considered for reappointment, have been received. Recently three (3) of the new applicants withdrew their applications, resulting in thirty-four (34) for consideration. Below is a breakdown:

- Twenty-one (21) new applications have been received for consideration
- Thirteen (13) applications/notifications have been received from currently serving members whose term expires this year and wish to be considered for reappointment:
    - Thirteen (13) members have expressed interest in being considered for reappointment to their respective board/commission, with two (2) of those members also indicating a willingness to serve on a different board/commission if needed.

City Council has received copies of all board and commission volunteer applications, along with currently serving board member profile updates, that have been submitted for consideration. Council hosted a "Meet and Greet" event on September 14, 2026, to allow an opportunity for Council to meet face to face with new applicants.

Council had an opportunity to discuss appointments during Early Work Session. Council may also consider moving any currently serving Alternate board member to a regular position. This item provides an opportunity for Council to take formal action during their regular meeting.

BUDGETARY IMPACT

N/A

CITY COUNCIL MEMORANDUM
AGENDA ITEM 24

RECOMMENDATION

Council to appoint members to various positions on City boards and commissions and approve Resolution 2026-3260.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2026-3260

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS APPOINTING MEMBERS TO VARIOUS POSITIONS ON THE BOARD OF ETHICS, HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION, PARKS AND RECREATION ADVISORY BOARD, PLANNING AND ZONING COMMISSION, AND ZONING BOARD OF ADJUSTMENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Highland Village desires to appoint citizens to serve for terms beginning October 1, 2026, for positions on various board and commissions;

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

SECTION 1. The following people are hereby appointed to the indicated positions on the Board of Ethics with a term commencing on October 1, 2026, and ending as indicated below:

Name	Place	Expiration
____________________	N/A	September 30, 2028
____________________	N/A	September 30, 2028

SECTION 2. The following people are hereby appointed to the indicated positions on the Highland Village Community Development Corporation with a term commencing on October 1, 2026 and ending as indicated below:

Name	Place	Expiration
____________________	Citizen Representative	September 30, 2028
____________________	Citizen Representative	September 30, 2028
____________________	Council Representative	September 30, 2028

SECTION 3. The following people are hereby appointed to the indicated positions on the Parks and Recreation Advisory Board with a term commencing on October 1, 2026, and ending as indicated below:

Name	Place	Expiration
____________________	Place 1	September 30, 2028
____________________	Place 2	September 30, 2028

________________________	Place 3	September 30, 2028
________________________	Alternate Place 2	September 30, 2028
________________________	Alternate Place 1	September 30, 2027 (if needed)

SECTION 4. The following people are hereby appointed to the indicated positions on the Planning and Zoning Commission with a term commencing on October 1, 2026, and ending as indicated below:

Name	Place	Expiration
________________________	Place 2	September 30, 2028
________________________	Place 3	September 30, 2028
________________________	Alternate Place 2	September 30, 2028
________________________	Alternate Place 1	September 30, 2027 (if needed)

SECTION 5. The following people are hereby appointed to the indicated positions on the Zoning Board of Adjustment with a term commencing on October 1, 2026, and ending as indicated below:

Name	Place	Expiration
________________________	Place 4	September 30, 2028
________________________	Place 5	September 30, 2028
________________________	Alternate Place 2	September 30, 2028
________________________	Alternate Place 3	September 30, 2028
________________________	Alternate 1	September 30, 2027 (if needed)

SECTION 6. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED THIS THE 22ND 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:9/21/2022:131606)

CITY OF Highland Village

CITY COUNCIL MEMORANDUM
AGENDA ITEM 25

MEETING DATE: September 22, 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 – 7:30 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.