

MINUTES OF A MEETING OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, HELD AT THE TOWN HALL, 4700 DREXEL DRIVE, HIGHLAND PARK, TX, 75205, AT 8:00 A.M. ON TUESDAY, SEPTEMBER 3, 2024.

Mayor Will C. Beecherl, Mayor Pro Tem Don Snell, Town Council Members Alan Friedman and Leland White attended the meeting. Council Members Marc Myers and Lydia Novakov were absent.

- I. Mayor Will C. Beecherl called the meeting to order.
- II. Council Member Alan Friedman gave the Invocation.
- III. PUBLIC COMMENT

Mayor Beecherl asked if anyone wished to address the Town Council about any item listed on the agenda and explained that the Town Council may not discuss or make decisions on items not listed on the agenda. Public comments are limited to three minutes per speaker unless otherwise required by law. Items suggested for action may be placed on a future agenda at the Town Council's discretion. There was no comment.

IV. PUBLIC HEARING

A. Conduct a public hearing to receive comments regarding the 2024 Tax Year Proposed Property Tax Rate. Steve Alexander, Assistant Town Administrator, explained, per the Texas Property Tax Code, that if a taxing unit's governing body proposes to set a tax rate that exceeds the computed no-new-revenue rate, a public hearing must be held. At its meeting on August 6, 2024, the Town Council set a proposed tax rate of \$0.208550 per \$100 of taxable assessed value, the same as the voter-approval tax rate. The no-new-revenue tax rate is the calculated tax rate that, when applied to the current year's taxable value, minus the taxable value of new construction, would generate the same tax dollars as levied in the prior year. The voter-approval tax rate is the highest tax rate that the Town may adopt without holding an election to seek voter approval of the rate. The increase in property tax revenues generated from a tax rate of \$0.208550 per \$100 of taxable assessed value is for the purpose of funding increases in operating costs and the Town's capital improvement program. Mayor Beecherl opened the public hearing and asked if anyone would like to make a comment. Connie Karcher, 4420 Edmondson Avenue, requested regular park maintenance and upkeep on Flippen Park. Mayor Beecherl asked if anyone else would like to make a comment. No other comments were made. Hearing none, Mayor Beecherl closed the public hearing.

B. Conduct a public hearing to receive comments on a resolution amending the Town's Master Fee Schedule reauthorizing and adjusting rates and fees including, but not limited to, building permits, water, sewer, solid waste services, storm water drainage and alarm monitoring, effective October 1, 2024. Steve Alexander, Assistant Town Administrator, stated that the Town of Highland Park manages its various fees for services through the maintenance of its Master Fee Schedule. Some of the fees within the fee schedule are established to be sufficient to cover the cost of the respective service for which they are imposed (e.g., solid waste collection, building services fees) and others are set at levels which are intended to provide a partial offset of the cost (e.g., swimming pool use fees, Library fees). Fees, such as the Water and Sewer fees and the Storm Water Drainage Utility fee, are established to generate resources to meet current and future funding

needs. The FY 2024-25 Proposed Budget includes fee changes to adjust for increases in service contracts, as well as to address increasing operating and capital costs. Mayor Beecherl opened the public hearing and asked if anyone would like to make a comment. No comments were made. Hearing none, Mayor Beecherl closed the public hearing.

V. CONSENT AGENDA

On a motion by Council Member Alan Friedman, seconded by Council Member Leland White, the Town Council voted unanimously to approve Items A. through C. on the Consent Agenda. Prior to the vote, Mayor Beecherl explained that the Town Council reviewed these items before the meeting.

- A. Take action on the minutes of the Town Council meeting held on August 20, 2024.*
- B. Take action on the minutes of the Town Council study session held on August 20, 2024.*
- C. Take action on awarding the Town's employee health insurance for fiscal year 2024-25 for medical, dental, and vision insurance plans to Cigna.*

VI. MAIN AGENDA

A. Review, discuss, and take action on a request to allow artificial turf that is visible from the alley and the street to remain in the side and rear yard at 4554 Westway Avenue. Chelsey Gordon, Interim Director of Development Services, explained that staff recently became aware of artificial turf installed at 4554 Westway Avenue, visible from the street and alley. Staff notified the property owner that the artificial turf did not comply with the Town's regulations. Ordinance No. 1893 prohibits the installation of artificial turf in the Town's easement or a location that is visible from the Town's streets, sidewalks, parkways, and alleys. Should the Town Council determine that exceptions for artificial turf might be justified under specific circumstances, staff will revise the ordinance accordingly and present the updated version for Town Council review at a future meeting. James Doyle, 4554 Westway Avenue, explained to the Town Council that he was unaware he was prohibited from installing artificial turf. Mr. Doyle stated that the artificial turf is safer and more aesthetically pleasing than rocks. On a motion made by Mayor Pro Tem Don Snell, seconded by Council Member Alan Friedman, the Town Council voted unanimously to discuss this item at a future meeting.

B. Review, discuss, and take action on a request to extend the construction timeframe for a new single-family residence currently under construction at 4200 Fairfax Avenue. Chelsey Gordon, Interim Director of Development Services, explained that the owners of 4200 Fairfax Avenue are requesting a seven-month permit extension on a construction permit issued for a new single-family residence. The initial building permit was issued on September 22, 2022. Progress inspections were completed throughout the project. In August 2024, staff received notice from the general contractor that they were requesting an additional seven-month extension for a completion date of April 25, 2025. Matt Cain, the General Contractor of Tatum Brown Custom Homes, stated that this extension request is due to unforeseen delays and challenges in the construction process. The Town has received three site maintenance-related complaints regarding tall grass, construction fencing either missing and/or pushed into the public right of way, and dirt, gravel, and debris encroaching onto the sidewalk. The contractor has received two parking complaints and was issued a \$500 fee for noncompliance with the approved parking plan. Mayor Pro Tem Don Snell suggested that this request be granted with the existing fee schedule; however, if they need a second extension request to be granted, the new fee schedule would be applicable. On a motion

made by Council Member Leland White, seconded by Mayor Pro Tem Don Snell, the Town Council unanimously voted to approve the request to extend the construction timeframe for a residential remodel currently under construction at 4200 Fairfax Avenue using the existing fee structure of 50% of the permit fee (\$25,086).

C. Review, discuss, and take action on a request to extend the construction timeframe a second time for a residential remodel/addition currently under construction at 3806 Beverly Drive. Chelsey Gordon, Interim Director of Development Services, explained that the owners of 3806 Beverly Drive are requesting an additional 21-month permit extension on a construction permit issued for a residential remodel and addition. The initial building permit was issued on September 23, 2021. Progress inspections were completed throughout the project. In May 2022, Porter Fuqua, Architect of Fuqua Architects, sent a work schedule presenting a completion date approximately one year beyond the two-year required timeframe. In March 2023, the general contractor communicated needing an additional 19 months beyond the two-year timeframe. An official permit extension request was made in April 2023 for an additional nineteen months. On May 2, 2023, a 12-month permit extension was granted by the Town Council. In May 2024, the Architect met with Town Staff to discuss the project and the need for an additional permit extension. In July 2024, a revised construction schedule indicated the need for an additional 15-month permit extension. A formal request was submitted the following month outlining the need for an additional 21-month permit extension. The previous extension request was due to the scope of excavating a 40-foot deep cellar basement. Mr. Fuqua identified that the cumulative additional time is requested due to two changes in the interior design team, weather delays, and the continuation of work excavating, pouring, and waterproofing the basement. The Town has received three site maintenance-related complaints regarding erosion control and water runoff in the alley. In general, the construction site is kept in order. No parking complaints have been received. In response to a question raised by Council Member Leland White, Ms. Gordon confirmed, to her knowledge, that this represents the construction permit request with the longest duration. Alan Phillips, the Attorney representing Fuqua Architects, stated concerns about the construction fees. Mayor Beecherl requested Mr. Phillips speak with Susan Thomas, Town Attorney, and discuss the permit extension request at a future meeting date. On a motion made by Mayor Pro Tem Don Snell, seconded by Council Member Alan Friedman, the Town Council unanimously voted to approve a 30-day extension and to discuss at a future date the request to extend the construction timeframe a second time for a residential remodel/addition currently under construction at 3806 Beverly Drive.

D. Review, discuss, and take action authorizing the Town Administrator to execute a professional engineering services agreement with Kimley-Horn and Associates, Inc. for the 2024 Alley Reconstruction and Utility Improvements project. Lori Chapin, P.E., Director of Engineering, explained that the Town continues to replace aging infrastructure as part of the Water and Sewer Infrastructure rehabilitation/replacement program. Replacing aging infrastructure helps minimize water loss and line breaks and improve pressures. In continuation of the rehabilitation/replacement program effort, Town staff identified locations in the northeast portion of Town for the FY 2024 Alley Reconstruction and Utility Improvement project. The professional services agreement proposed by Kimley-Horn and Associates, Inc. will provide design and bid package preparation services for proposed water, sewer, and alley improvements. The estimated design cost includes conceptual and final design services for \$281,500. The estimated special services cost is \$45,300, including survey, soil investigation, and bid and construction phase services, for a total cost of \$326,800. The design is anticipated to be complete by Spring 2025, with approximately 12 months to follow for construction. On a motion made by Mayor Pro Tem

Don Snell, seconded by Council Member Leland White, the Town Council unanimously voted to approve authorizing the Town Administrator to execute a professional engineering services agreement with Kimley-Horn and Associates, Inc. for the 2024 Alley Reconstruction and Utility Improvements project.

E. Review, discuss, and take action on an ordinance, adopting the Fiscal Year 2024-25 Proposed Budget, with amendments, in the amount of \$88,240,186, including interfund transfers of \$10,827,481. Steve Alexander, Assistant Town Administrator, explained The Fiscal Year 2024-25 Proposed Budget provides: (i) funding for existing Town-provided services and operations; (ii) a competitive pay and benefit environment for employees; (iii) adequate funding of operating capital needs; and (iv) funding the annual capital transfer from the General Fund to the Capital Projects Fund for future capital needs. Funding for the Fiscal Year 2024-25 Proposed Budget includes a tax rate of \$0.208550 per \$100 valuation, which will raise more total property taxes than last year by \$1,154,143, or 6.26%. The property tax revenue to be raised from new property added to the tax roll is \$267,664. The Fiscal Year 2024-25 Proposed Budget includes fee changes to adjust for increases in service contracts, operating expenses, personnel, and capital. Solid waste collection and recycling charges are proposed to be adjusted based on the escalation of the current contract with the Town's third-party service providers, resulting in a 4% increase in rates. Stormwater drainage fees are proposed to increase by 100.0% to address future capital needs. Water and sewer rates are proposed to be adjusted by 6.5% to address rising operating costs and maintain the Town's 10-year Capital Improvement Plan. Fee adjustments also include a 10% adjustment to building permit fees and a \$3.60 adjustment to the monthly fee for basic alarm monitoring. The additional revenue from these fees will be used to fund additional personnel in the building inspections department, new software for building permitting and third-party services to monitor and maintain the Town's alarm monitoring system. When compared to the Proposed Budget submitted to Town Council on July 12, 2024, the revised Proposed Budget, inclusive of amendments, reflects changes in the General Fund, Utility Fund, Storm Water Fund, Capital Projects Fund and Reserve Fund. A recap of amendments to the Proposed Budget is provided with this item as well as revised pages to the originally submitted Proposed Budget reflecting the amendments. Mayor Beecherl asked if there were any questions, to which there were none. On a motion made by Council Member Leland White, seconded by Mayor Pro Tem Don Snell, the Town Council unanimously voted to approve an ordinance adopting the Fiscal Year 2024-25 Proposed Budget, with amendments, in the amount of \$88,240,186, including interfund transfers of \$10,827,481.

ORDINANCE NO. 2133

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025, AND AUTHORIZING EXPENDITURES AS SET OUT IN SAID BUDGET.

F. Review, discuss, and take action on an ordinance setting the Town's 2024 ad valorem tax rate at \$0.208550 per \$100 of taxable assessed valuation of all taxable property for the 2024 Tax

Year, as determined by the Dallas Central Appraisal District. Steve Alexander, Assistant Town Administrator, stated that the proposed tax rate set by the Town Council for Fiscal Year 2024-25 is \$0.208550 per \$100 of taxable assessed valuation. The Town Council can adopt a tax rate at this amount or lower. The Town's Fiscal Year 2024-25 Proposed Budget includes property tax revenues based on an ad valorem tax rate of \$0.208550 per each \$100 of assessed valuation of all taxable property. The proposed 2024 tax rate, will result in a tax levy increase of \$1,154,143 in property tax revenues, of which \$267,664 is to be raised from new property added to the tax roll for 2024. The governing body of the Town proposes to use the revenue attributable to the tax rate increase for the purpose of funding increases in operating costs and the Town's Capital Improvement Program. The Town's property tax levy on the average residential homestead property in 2023 (\$2,564,670) was \$5,655.87. The tax levy on the average residential homestead property in 2024 (\$2,891,467) will be \$6,030.15, which is an increase of \$374.29. On a motion made by Mayor Pro Tem Don Snell, seconded by Council Member Alan Friedman, the Town Council unanimously voted to approve an ordinance that the property tax rate be increased by the adoption of a tax rate of \$0.208550, which is effectively a 5.27 percent increase in the tax rate.

ORDINANCE NO. 2134

AN ORDINANCE OF THE TOWN OF HIGHLAND PARK, TEXAS, LEVYING THE AD VALOREM TAXES FOR THE TAX YEAR 2024 ON ALL PROPERTY SITUATED IN THE TOWN OF HIGHLAND PARK, TEXAS.

G. Review, discuss, and take action ratifying a property tax increase of \$1,154,143, which represents an increase of 6.26% over last year's adjusted levy and includes \$267,664 in revenues generated from new property added to the tax roll. Steve Alexander, Assistant Town Administrator, explained that Section 102.007(c) Municipal Budget of the Texas Local Government Code requires a separate vote of the governing body to ratify the property tax increase reflected in the budget if the adoption of the budget generates more revenue from property taxes than in the previous year. This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate as required by Chapter 26 of the Texas Tax Code. The calculation of the increased revenues for this item is based on the adjusted tax rolls for 2023, as opposed to the certified tax rolls for 2023, resulting in an increase in tax revenue of \$1,154,143. The additional tax revenue represents a 6.26% increase over last year's adjusted levy and includes \$267,664 in revenues generated from new property to the tax roll. On a motion made by Council Member Leland White, seconded by Council Member Alan Friedman, the Town Council unanimously voted to approve ratifying a property tax increase of \$1,154,143, which represents an increase of 6.26% over last year's adjusted levy and includes \$267,664 in revenues generated from new property added to the tax roll.

H. Review, discuss, and take action on a resolution amending the Town's Master Fee Schedule reauthorizing and adjusting rates and fees including, but not limited to, building permits, water, sewer, solid waste services, storm water drainage and alarm monitoring, effective October 1, 2024. Steve Alexander, Assistant Town Administrator, stated that the Town manages its various fees for services through the maintenance of its Master Fee Schedule. Some of the fees within the fee schedule are established to be sufficient to cover the cost of the respective service for which they are imposed (e.g., solid waste collection, building services fees) and others are set at levels which are intended to provide a partial offset of the cost (e.g., swimming pool use fees, Library fees). Fees, such as the Water and Sewer fees and the Storm Water Drainage Utility fee, are

established to generate resources to meet current and future funding needs. The FY 2024-25 Proposed Budget includes fee changes to adjust for service contract increases and address increasing operating and capital costs. Stormwater drainage fees are proposed to be adjusted to provide the funding needed for capital improvements of the Town's stormwater utility system identified in the 10-year capital improvement plan. On a motion made by Council Member Leland White, seconded by Mayor Pro Tem Don Snell, the Town Council unanimously voted to approve a resolution amending the Town's Master Fee Schedule, reauthorizing and adjusting rates and fees including, but not limited to, building permits, water, sewer, solid waste services, stormwater drainage, and alarm monitoring, effective October 1, 2024.

RESOLUTION NO. 015-24

A RESOLUTION OF THE TOWN OF HIGHLAND PARK, TEXAS, AMENDING ITS MASTER FEE SCHEDULE.

I. Review, discuss, and take action on a resolution setting out the Town's compensation program and related pay plan effective October 1, 2024. Steve Alexander, Assistant Town Administrator, explained that the Town maintains a competitive compensation program to retain and recruit quality employees. To maintain the Town's position relative to its identified benchmark cities, the pay plan structure (inclusive of pay ranges for sworn personnel, non-exempt hourly employees, and exempt employees) reflects a 3% increase over the prior year. First responders will be eligible for a merit adjustment of up to 6%, and non-exempt civilian employees and all exempt employees will be eligible for a merit adjustment of up to 3.5%. Part-time and seasonal employees will also be eligible for certain adjustments as set out in the resolution. All pay adjustments are limited to the maximum of each employee's respective pay range. The Town Administrator is authorized by this resolution to adjust this program to the extent that there are unusual or unexpected circumstances not otherwise contemplated. On a motion made by Mayor Pro Tem Don Snell, seconded by Council Member Leland White, the Town Council unanimously voted to approve a resolution setting out the Town's compensation program and related pay plan effective October 1, 2024.

RESOLUTION NO. 016-24

A RESOLUTION OF THE TOWN OF HIGHLAND PARK, TEXAS, SETTING OUT THE EMPLOYEE COMPENSATION PROGRAM RELATED TO BASE PAY AND INCENTIVES AND APPROVING ADJUSTMENTS TO THE PAY PLAN FOR FISCAL YEAR 2024-25.

J. Review, discuss, and take action on an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding 2024 Rate Review Mechanism filings. Steve Alexander, Assistant Town Administrator, explained that the Town, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or the "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company, pursuant to Section 104.301 of the Texas Utilities Code, for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP

statute. In April 2024, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost of service in a test year ending on December 31, 2023, entitled it to additional system-wide revenues of \$196.8 million. Application of the standards set forth in ACSC's RRM Tariff reduces Atmos' request to \$182.5 million, \$132.6 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$149.6 million instead of the claimed \$182.5 million. After several settlement meetings, the parties have agreed to settle the case for \$164.7 million. This is a reduction of \$32.1 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2024. ACSC members should take action to approve the Ordinance before September 30, 2024. On a motion made by Council Member Leland White, seconded by Council Member Alan Friedman, the Town Council unanimously voted to approve an ordinance approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corporation, Mid-Tex Division regarding 2024 Rate Review Mechanism filings.

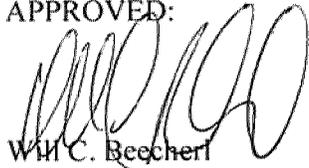
ORDINANCE NO. 2135

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HIGHLAND PARK, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2024 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

Mayor Beecherl adjourned the Town Council meeting at 9:11 a.m.

Approved on this the 17th day of September 2024.

APPROVED:



Will C. Beecherl
Mayor

ATTEST:

A handwritten signature in black ink, appearing to read 'Joanna Mekeal', written in a cursive style.

Joanna Mekeal
Town Secretary