

1. Agenda

Documents:

[08-24-2017 AGENDA.PDF](#)

2. Meeting Materials

Documents:

[08-24-2017 COUNCIL PACKET \(PUBLIC\).PDF](#)



**Town of Northlake
Council Meeting Agenda
Thursday, August 24, 2017 at 5:30 pm
1400 FM 407 - Chamber Room
Northlake, Texas**

Notice is hereby given as required by Title 5, Chapter 551.041 of the Government Code that the Northlake Town Council will meet in a work session and regular meeting on Thursday, August 24, 2017 at 5:30 pm at the Northlake Town Hall in the Chamber Room, 1400 FM 407, Northlake Texas. The items listed below are placed on the agenda for discussion and/or action.

1. Call Regular Work Session to Order
2. Briefing Items
 - A. Specific Use Permit (SUP) for an accessory dwelling to be constructed on Lot 14, Block A, The Highlands Phase 1, a 1.27-acre lot at 3409 Knights Court and zoned Rural Estate (RE)
3. Call Regular Meeting to Order
Pledge of Allegiance-Moment of Silence
4. Public Input
This item is available for citizens to address the Town Council on any issues that are not the subject of a public hearing. No action by law may be taken on the topic. The presiding officer reserves the right to impose a time limit on this portion of the agenda
5. Consent Items
All items listed below are considered routine by Town Council and will be enacted with one motion. There will be no separate discussion of items unless a Councilmember so requests, in which event the item will be removed and considered separately
 - B. Consider for approval the July 27, 2017 Town Council Meeting Minutes
 - C. Consider for approval the August 10, 2017 Town Council Meeting Minutes
 - D. Consider for approval a Resolution approving the "Draft" Denco Area 911 District FY 2018 Financial Plan
 - E. Consider for approval Interlocal Cooperation Contract with Texas Department of Public Safety for Supplies
6. Regular Items
 - F. Consider for approval a Resolution authorizing the Town Administrator to submit a Letter of No Objection to U.S. Department of Commerce for the Minor Boundary Modification to Foreign Trade Zone #196
 - G. Consider for approval the Fourth Amendment to the Third Amended and Restated Development Agreement (Town of Northlake-Harvest) by and between Town of Northlake, Texas, Belmont 407 LLC, Realty Capital Argyle 114 Ltd, Hillwood Enterprises LP, Harvest Phase 1 LLC, Harvest Phase 11 LLC, Harvest Phase 3 LLC, Meadows Phase 2 at Harvest LLC, Harvest Meadows Phase 3 LLC and Belmont Fresh Water Supply District No. 1 of Denton County

- H. Second public hearing on a proposed Property Tax Rate for Fiscal Year 2017-2018 of \$0.2950 per \$100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 7, 2017 meeting
 - I. Public Hearing on the Proposed Budget for Fiscal Year 2017-18 beginning on October 1, 2017 and ending on September 30, 2018 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), The Highlands Public Improvement District
 - J. Consider a motion to call a special session for September 7, 2017 and canceling the September 14th, September 28th, October 26th, November 23rd, and December 28th 2017 meetings
7. Convene into Executive Session
- Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:
- a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except:
 - 1) When the governmental body seeks the advice of its attorney about:
 - (a) Pending or contemplated litigation; or
 - (b) A settlement offer; or
 - 'Town of Northlake vs. City of Justin (Cause No. 15-08170-367)
 - (c) Appellate Docket No. 06-17-00054-CV
 - City of Justin vs. Town of Northlake
 - b. Section 551.074 Personnel Matters authorizes certain deliberations about officers and employees of the governmental body
 - (a) Performance Review- Town Administrator
8. Adjournment

CERTIFICATION

I hereby certify that the above agenda was posted on the front glass doors and bulletin board at Town Hall 1400 FM 407, Northlake, Texas on Friday, August 18, 2017 by 4 pm.



Shirley Rogers, Town Secretary

NOTE: The Town Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code Section 551.071 (Consultation with Attorney); Section 551.072 (Deliberations about Real Property); 551.073 (Deliberations about Gifts and Donations); 551.074 (Personnel Matters); 55.076 (Deliberations about Security Devices); 551.087 (Economic Development Negotiations)



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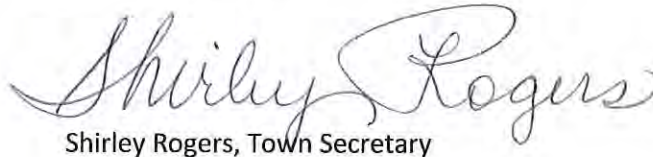
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Regular Work Session

Agenda Item 1



Briefing Items

Agenda Item 2

- A. Specific Use Permit (SUP) for an accessory dwelling to be construed on Lot 14, Block A, The Highlands Phase 1, 1.27 acre lot at 3409 Knights Court and zoned Rural Estate (RE)

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

CC: Drew Corn, Town Administrator
Shirley Rogers, Town Secretary

Date: August 24, 2017

Re: Specific Use Permit for Accessory Dwelling Unit at 3409 Knights Court (SUP-17-001)

The property owner has submitted a request for a Specific Use Permit (SUP), a discretionary zoning permit approved by Council for certain uses as required in the Unified Development Code (UDC), to allow for the construction of a detached accessory dwelling unit at 3409 Knights Court, a lot in the first phase of the Highlands subdivision which includes a 4,075 square-foot house that was recently completed. A building permit for a 629 square-foot guest house, a type of accessory dwelling unit, was also obtained pursuant to the UDC provisions for accessory dwelling units in the Rural Estate (RE) zoning district, and construction of the guest house is nearing completion.

Among the requirements for the accessory dwelling is that it be attached to the main house by way of a porte-cochere. This requirement is interpreted to include a covered connection for pedestrians or automobiles. The plans approved with the initial building permit show a covered walkway connection to the main house, but the owner has requested that the guest house be allowed without the connection. In order for the guest house to pass final inspection, it needs to include a covered walkway connection as proposed unless an SUP is approved by the Town Council which specifies that such a connection is not required. The UDC requires that an accessory dwelling unit to be constructed, used or occupied in any other manner than specified within Section 8.3, Accessory Dwelling Units, must receive SUP approval. All requirements except for the connection to the main house have been met, including the exterior matching the main house. The following photo on the following page shows the guest house in relation to the main home and additional exhibits from the building permit submittal show the guest house plans. This SUP request is simply to allow the removal of the covered walkway connection that is shown on the plans.

A public hearing and ordinance will be placed on the September 7th Town Council meeting agenda to consider the SUP. The attached public hearing notice was sent out to all property owners within 200 feet of the property. One written response in favor of the SUP has been received so far. A copy of the response is attached.

Please contact me at 940-242-5703 if you have any questions.



Guest house located behind the main house at 3409 Knights Court



NOTICE OF PUBLIC HEARING

Notice is hereby given that the Northlake Town Council will hold a public hearing on Thursday, September 7, 2017, at a meeting to begin at 5:30 pm at Northlake Town Hall, 1400 FM 407, Northlake, Texas. The purpose of this hearing is to hear comments for or against a Specific Use Permit (SUP) for an accessory dwelling to be constructed on Lot 14, Block A, The Highlands Phase 1, a 1.27-acre lot at 3409 Knights Court and zoned Rural Estate (RE). James Lambert is the owner/applicant. Case # SUP-17-001.

ABOUT THIS REQUEST

A summary of the SUP request is provided on the following page/s. If you would like more information or have any questions about this request, please contact Nathan Reddin, Development Director, at 940-242-5703 or nreddin@town.northlake.tx.us. You may also visit Northlake Town Hall between the hours of 8:00 am to 4:00 am, Monday – Friday.

PUBLIC HEARING PROCESS

The public hearing process is designed to provide opportunities for citizen involvement and comment. The public hearing is held before the Town Council. During the public hearing, interested persons are asked to sign in and speak before the Town Council to provide comments for or against the request before the Town Council. Prior to the public hearing, Northlake landowners within two hundred (200) feet of the subject property are notified of the request by mailing of this notice thirty (30) days prior to the date of the public hearing. Notifications are also published in the Denton Record-Chronicle fifteen (15) days prior to the date of the public hearing.

WRITTEN RESPONSE PROCESS

You may also make your opinion known on this request by returning the enclosed Notification Response Form. Please return this form with your comments prior to the date of the public hearing. *This in no way prohibits you from attending and participating in the public hearing.* The Council is informed of the percent of responses in support and in opposition of the request. If the owners of more than twenty (20) percent of the Northlake land area within two hundred (200) feet of the site submit written opposition, then four (4) out of five (5) votes of the Town Council are required to approve the request. ***These forms are used to calculate the percentage of landowner opposition.***

SUMMARY OF SUP REQUEST

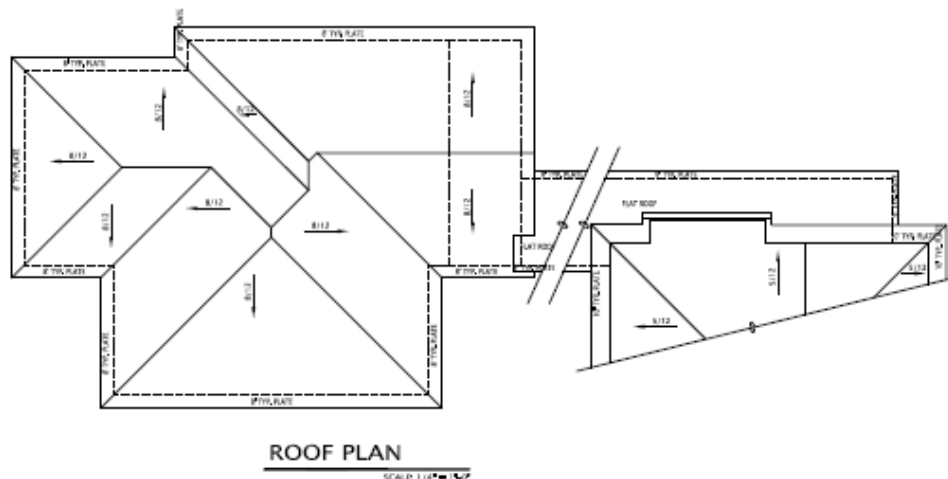
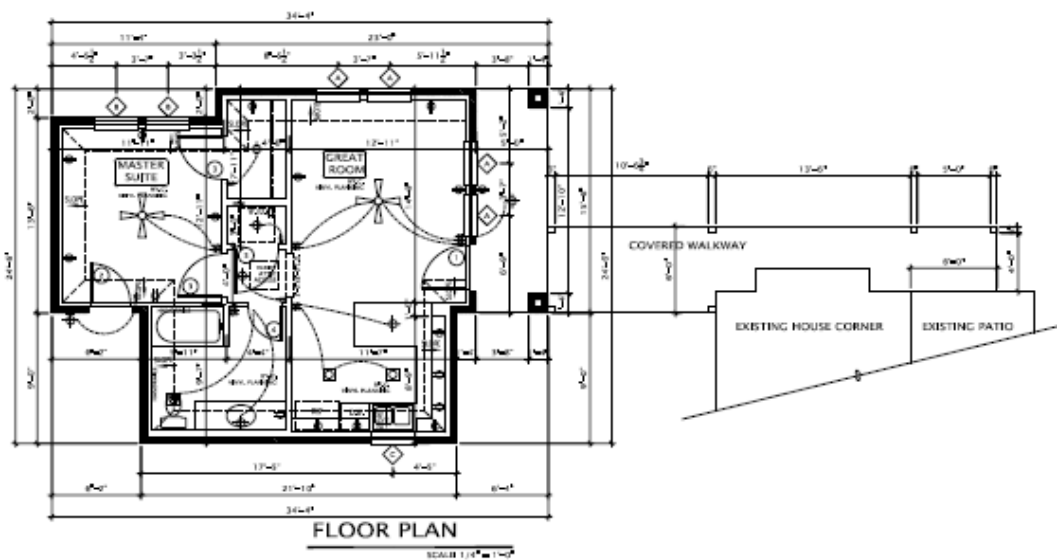
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OFFICIAL NOTIFICATION

Page 2 of 4

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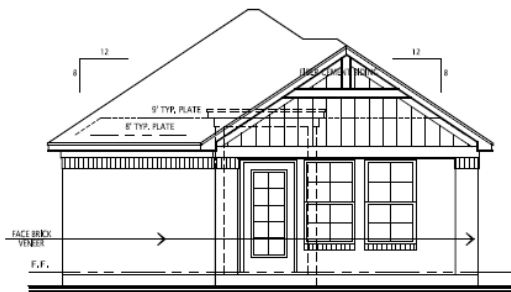
GUEST HOUSE PLANS



OFFICIAL NOTIFICATION

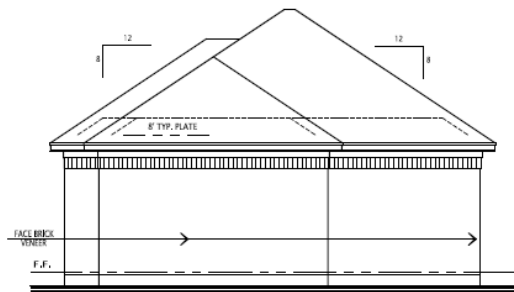
Page 3 of 4

GUEST HOUSE ELEVATIONS



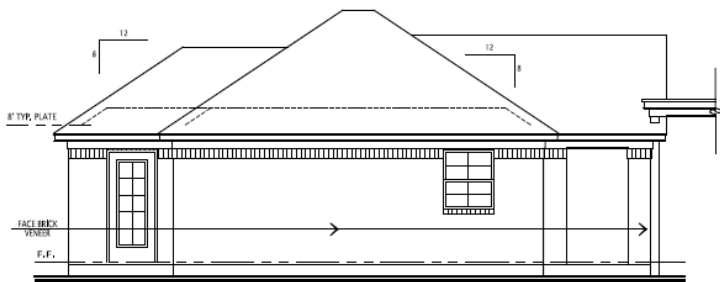
FRONT ELEVATION

SCALE: 1/4" = 1'-0"



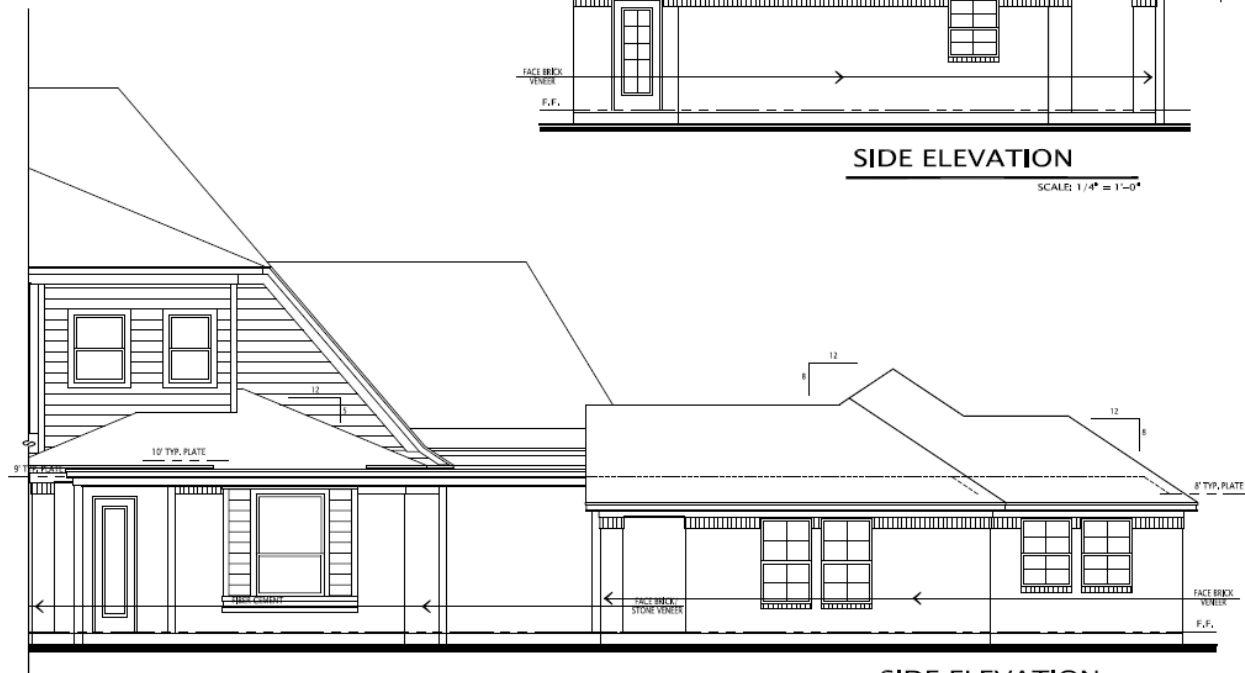
REAR ELEVATION

SCALE: 1/4" = 1'-0"



SIDE ELEVATION

SCALE: 1/4" = 1'-0"



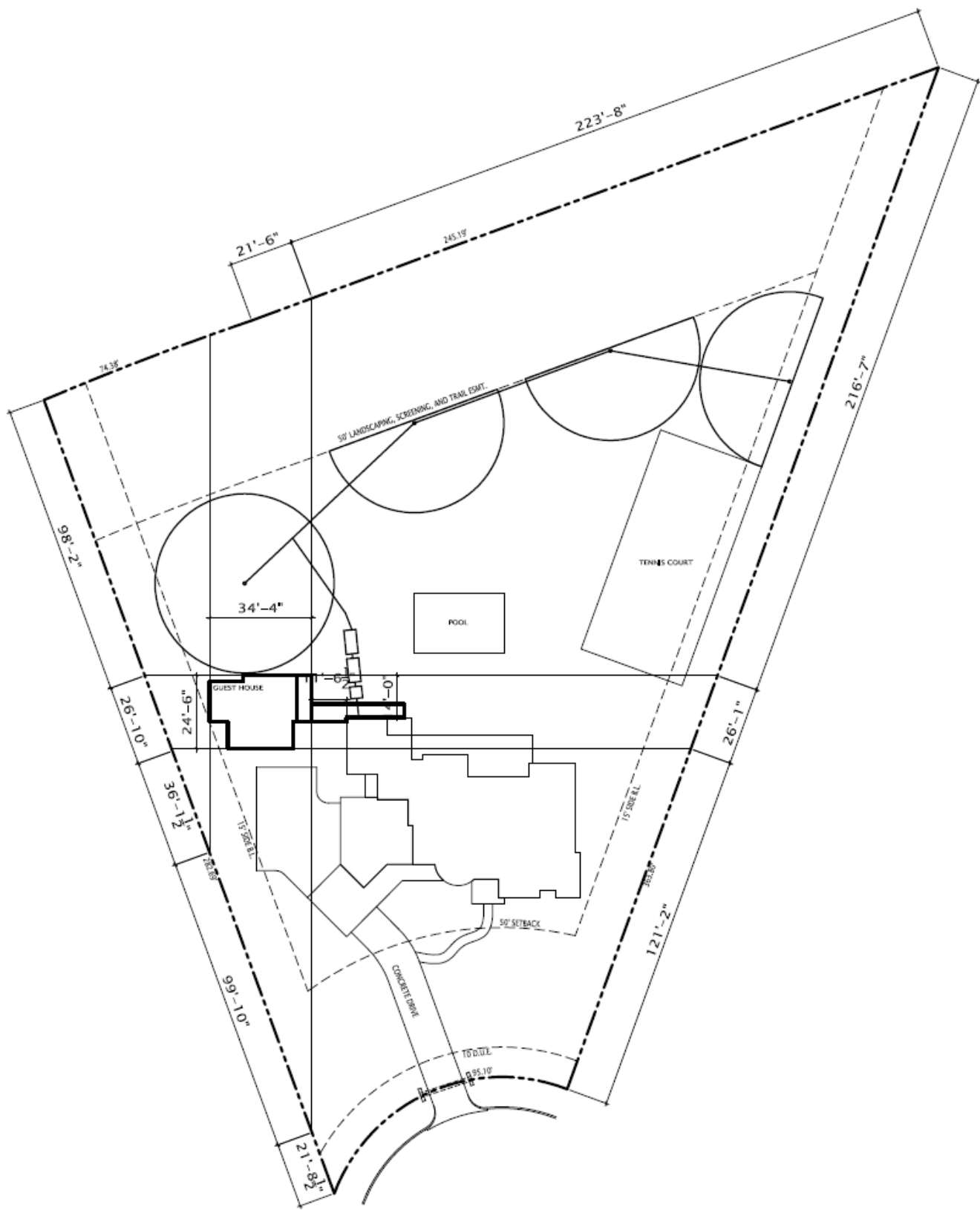
SIDE ELEVATION

SCALE: 1/4" = 1'-0"

OFFICIAL NOTIFICATION

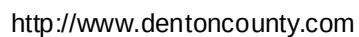
Page 4 of 4

GUEST HOUSE SITE PLAN





Denton County
Technology Services
Geographic Information Systems



Denton County does not guarantee the correctness or accuracy of any features on this product and assumes no responsibility in connection therewith. This product may be revised at any time without notification to any user.



200 Foot Notification List for Public Hearing

Case Name: 3409 Knights Court Accessory Dwelling
Case Type: Specific Use Permit (SUP)
Case Number: SUP-17-001
Public Hearing Date: September 7, 2017

PROPERTY ID	OWNER NAME	OWNER ADDRESS	CITY	STATE	ZIP	LEGAL DESCRIPTION
OWNER/ APPLICANT	JAMES & KATHRYN LAMBERT	4708 SHAGBARK DR	ARGYLE	TX	76226	THE HIGHLANDS PHASE I BLK A LOT 14
MULTIPLE	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY STE 150	IRVING	TX	75039	A0785A A. MCDONALD, TR 3A & THE HIGHLANDS PHASE I BLK A LOTS 12 & 13
MULTIPLE	INDEPENDENCE CUSTOM HOMES INC	PO BOX 716		TX	76034	THE HIGHLANDS PHASE I BLK A LOTS 11 & 16
669992	BOND, RHONDA G	3285 GLENMORE AVE	NORTHLAKE	TX	76247	THE HIGHLANDS PHASE I BLK B LOT 1
669961	BRUGLER, MERCER L & DONNA J	17407 PRESCOTT MNR	CYPRESS	TX	77433	THE HIGHLANDS PHASE I BLK A LOT 15
165020	WEST, BOBBY B JR & DARLENE J	2740 FM 407	JUSTIN	TX	76247	A1593A A.M. FELTUS, TR 2A



NOTIFICATION RESPONSE FORM

Form revised 9/14/2011

CASE INFORMATION

Public Hearing Date: September 7, 2017, 5:30 pm
Case Type: Specific Use Permit (SUP)
Case Name: 3409 Knights Court Accessory Dwelling
Case #: SUP-17-001

WRITTEN RESPONSE

Please check one: ☒ In favor of request ☐ Neutral/Undecided on request ☐ Opposed to request

Comments (optional):

Our future address will be
3401 Knights Court

Signature:

Mercer L Brugler

Date:

Aug 12, 2017

Printed Name:

Mercer L Brugler

Address:

17407 Prescott Manor

City/State/ZIP:

Cypress TX 77433

Phone number:

[REDACTED]

RETURN COMPLETED FORM VIA EMAIL, FAX OR HAND DELIVERY BEFORE THE START OF THE SCHEDULED PUBLIC HEARING.

RETURN RESPONSES AND/OR DIRECT QUESTIONS TO:

Town of Northlake

Development Director

Email: nreddin@town.northlake.tx.us

Phone: 940-242-5703

Fax: 940-648-0363

Address:

1400 FM 407

Northlake, Texas 76247

FOR OFFICE USE ONLY

Stamp Received

RECEIVED
AUG 16 2017
BY: *TR*

Property within notification area: ☒ Yes ☐ No

Property ID: *669961*

Size of property within notification area: *1.05 ac.*



Regular Session

Agenda Item 3



Public Input

Agenda Item 4



Consent Items

Agenda Item 5

- B. Consider for approval the July 27, 2017 Town Council Meeting Minutes
- C. Consider for approval the August 10, 2017 Town Council Meeting Minutes
- D. Consider for approval a resolution approving the "Draft" Denco Area 911 District FY 2018 Financial Plan
- E. Consider for approval Interlocal Cooperation Contract with Texas Department of Public Safety for Supplies



**Town of Northlake
Council Meeting Minutes
Thursday, July 27, 2017
1400 FM 407 - Chamber Room
Northlake, Texas**

1. Mayor Peter Dewing called the regular work shop to order at 5:30 pm and stated a quorum was present

Council present: Peter Dewing, Jean Young, Mike McBride, Michael Ganz, Roger Sessions
Danny Simpson

Staff present: Drew Corn, Town Administrator; Nathan Reddin, Development Director; Eric Tamayo, Public Works Director; Karen Bolyard, Finance Director; Alex Arnold, Sergeant and Shirley Rogers, Town Secretary

Consultants present: Ashley Dierker, Legal Counsel; Ben McGahey, PE, Town Engineer

2. Briefing Items

- A. FY 2017 Quarterly Investment Update given by Drew Corn
- B. FY 2017 Quarterly Budget Report given by Drew Corn
- C. FY 2018 Proposed Budget Presentation given by Drew Corn

3. Mayor Dewing called the regular meeting to order at 6:17 pm
Pledge of Allegiance and a Moment of Silence was observed

4. Public Input

- Travis Berryman, resident of Northlake, introduced himself to the council, resident of the town 7 years, would like to be considered for a position on the EDC board; stated his willingness to get involved in the town. Thanked the council for the job they are doing
- Joel McGregor, resident of Northlake, commented that he did not want the tax rate raised, did not want town in debt should the economy change, use temporary workers instead of employing full time workers
- Tom Dudark, resident of Northlake, commented on the noise level of the compressor station located on Mulkey Lane, asked the town if there is anything they could get the gas company to do to rebuild the sound wall that had blown down in a storm
- Robin Young, resident of Northlake, asked the town to consider allowing fireworks on private property only on Christmas, New Years and July 4th; has issues with the Town giving away a small portion of property from the water tower site south of town for exchange of right-of-way in another part of town; and wants to go to the lower tax rate, no raises for employees and did not want the TMRS service years lowered from 25 to 20 years

5. Consent Items

Councilmember Young moved to approve the consent items. 2nd by Councilmember Sessions

Vote: Motion passed unanimous

- D. June 8, 2017 meeting minutes
- E. Interlocal Cooperation Agreement for Public Safety Application Support and Maintenance with Denton County
- F. Interlocal Cooperation Agreement for Shared Governance Communications & Dispatch Services System with Denton County
- G. FY 2018 Contract for Technical Services with Trinity River Authority of Texas

6. Regular Items

- H. Councilmember Sessions moved to approve a revised Development Agreement with Northlake Office Park, LLC as submitted with the condition that owner submit a petition to the Town requesting annexation of the property within 18 months after the effective date. 2nd by Councilmember Simpson

Vote: Motion passed unanimous

- I. Councilmember Ganz moved to approve the Site Plan for a proposed 4,364 square-foot IHOP Restaurant on 1.503 acres situated in the L. Medlin Survey, Abstract No. 830, to be platted as Lot 3, Block 5, Northport Addition as submitted, including the alternative landscape plan and variance for exterior building materials. Case # SP-17-005. 2nd by Mayor Pro Tem McBride

Vote: Motion passed

For: Ganz, McBride, Young, Sessions

Opposed: Simpson

- J. Councilmember Simpson moved to approve Resolution No. 17-17 awarding the bid to HD Cooks Rock Solid Inc. for resurfacing of Florance Road (from FM 407 to Strader Lane). 2nd by Councilmember Sessions

Vote: Motion passed unanimous

- K. Councilmember Simpson moved to approve Resolution No. 17-18 awarding the bid to Peachtree Construction, Ltd. for resurfacing of Cleveland Gibbs (from Dale Earnhardt Way to Sam Lee Lane). 2nd by Councilmember Young

Vote: Motion passed unanimous

- L. Mayor Pro Tem McBride moved to approve Resolution No. 17-19 approving Supplemental Agreement No. 1 (Sam Lee Lane Extension) Design of Public Lighting between Pacheco Koch LLC and the Town of Northlake with the amount not to exceed \$13,750. 2nd Councilmember Ganz

Vote: Motion passed unanimous

- M. Councilmember Young moved to approve Resolution No. 17-20 for the appointment of Sue Tejml to the Board of Managers of the Denco Area 9-1-1 District. 2nd by Councilmember Simpson

Vote: Motion passed unanimous

- N. Councilmember Ganz moved to approve Ordinance No. 17-0727 of the Town Council approving a property exchange agreement with HW Indian Springs, LP to exchange unused public right of way generally described as 0.681 acres out of the B.B.B. and C.R.R. Co. Survey, Abstract No. 189, Town of Northlake, Denton County, Texas for certain other real property; vacating and abandoning such unused public right of way; declaring that such property is unnecessary for use by the public; authorizing the Town Administrator to execute all documents needed to accomplish the exchange, including execution of a special warranty deed transferring and assigning such property to HW Indian Springs LP in exchange for HW Indian Springs LP executing a special warranty deed transferring and assigning certain other real property, specifically, 2.938 acres out of the MEP&PRR Co. Survey, Abstract No. 913, FM Woodard Survey, Abstract No. 1420, Town of Northlake, Denton Co. Texas to the Town. 2nd by Mayor Pro Tem McBride

Vote: Motion passed

For: Ganz, McBride, Sessions, Simpson

Opposed: Young

- O. Councilmember Sessions made a motion to place a proposal to adopt a tax rate not to exceed \$0.295 on a future agenda, schedule tax rate public hearings for the Fiscal Year 2017-2018 on August 10, 2017 and August 24, 2017 council meetings and set the date of the adoption of the tax rate on the agenda of September 7, 2017 Council Meeting. 2nd by Councilmember Simpson

Vote: Motion passed unanimous

- P. Councilmember Simpson moved to set a public hearing date for the proposed 2017-2018 Town Budget, Northlake Economic Development Corporation and Community Development Corporation Budgets, Northlake Public Improvements District No. 1 (Harvest), and Northlake Public Improvement District No. 2 (The Highlands) for August 24, 2017. 2nd by Councilmember Sessions

Vote: Motion passed unanimous

- Q. Councilmember Sessions moved to appoint Ron Berryman to the Northlake Economic Development Corporation Board of Directors. 2nd by Councilmember Young

Vote: Motion failed

For: Sessions, Young

Opposed: McBride, Ganz, Simpson

Councilmember Ganz moved to appoint Victor Riveria to the Northlake Economic Development Corporation Board of Directors. 2nd by Councilmember Simpson

Vote: Motion passed unanimous

7. Mayor Dewing convened the Council into Executive Session at 7:22 pm to discuss the item listed below
Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

- a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except:
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 - (c) Appellate Docket No. 06-17-00054-CV
City of Justin vs. Town of Northlake

Mayor Dewing reconvene the Council into open session at 7:24 pm and stated no action was taken during the closed session

8. Mayor Dewing adjourned the meeting at 7:24 pm

Passed and approved on this the 24^h day of August, 2017

TOWN OF NORTHLAKE, TEXAS

Peter Dewing, Mayor

Attest:

Shirley Rogers, Town Secretary



**Town of Northlake
Town Council Meeting Minutes
Thursday, August 10, 2017
1400 FM 407 - Chamber Room
Northlake, Texas**

1. Mayor Dewing called the regular work session to order at 5:31 pm, quorum present

Councilmembers present: Peter Dewing, Jean Young, Mike McBride, Michael Ganz, Roger Sessions

Councilmember absent: Danny Simpson

Staff Present: Drew Corn, Town Administrator; Nathan Reddin, Development Director; Robert Crawford, Police Chief; Eric Tamayo, Public Work Director; Karen Bolyard, Finance Director; and Shirley Rogers, Town Secretary

Staff present: Ashley Dierker, Town Counsel; Ben McGahey, PE, Town Engineer

2. Briefing Items

A. Nathan Reddin briefed the council on a proposed development to be known as Sunrise Hill Addition on an 11.24-acre tract of land owned by IMA Development Group, LLC and located on the east side of Thompson Road north of FM 407 in the extraterritorial jurisdiction of the Town of Northlake

3. Mayor Dewing called the regular meeting to order at 6:12 pm (Simpson absent)

Pledge of Allegiance and Moment of Silence was observed

4. Public Input – no comments

5. Regular Items

B. Councilmember Session moved to approve the Preliminary Plat for Harvest Meadows Phases 4 & 5, an 78.616-acre tract of land out of the Patrick Rock Survey, Abstract No. 1063, generally located on the south side of Old Justin Road approximately 700 feet west of Cleveland-Gibbs Road in the extraterritorial jurisdiction of the Town of Northlake-Case # PP-17-005. 2nd by Councilmember Young

Vote: Motion carried unanimous

- C. Mayor Pro Tem McBride moved to approve the Interlocal Agreement between the North Texas Council of Governments and Town of Northlake for GIS Data . 2nd by Councilmember Ganz

Vote: Motion carried unanimous

- D. 1st Public Hearing on a proposed Property Tax Rate for Fiscal Year 2017-2018 of \$0.2950 per \$100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 7, 2017 meeting

Mayor Dewing open the public hearing at 6:22 pm to hear comments for or against the proposed tax rate

- Joel McGregor, resident of Northlake, commented he would like to see the council move towards a lower tax rate for residents

Mayor Dewing closed the public hearing at 6:23 pm

6. Did not convene into Executive Session during this meeting

Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

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(a) Pending or contemplated litigation; or

(b) A settlement offer; or

'Town of Northlake vs. City of Justin (Cause No. 15-08170-367)

(c) Appellate Docket No. 06-17-00054-CV

City of Justin vs. Town of Northlake

7. Mayor Dewing adjourned the meeting at 6:43 pm

Passed and approved on this the 24th day of August, 2017

Town of Northlake, Texas

Peter Dewing, Mayor

Attest:

Shirley Rogers, Town Secretary

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 17-21

A RESOLUTION APPROVING THE "DRAFT" Denco AREA 9-1-1 DISTRICT FISCAL YEAR 2018 FINANCIAL PLAN, PURSUANT TO THE TEXAS HEALTH AND SAFETY CODE, CHAPTER 772, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town Council of the Town of Northlake has been presented the "DRAFT" Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan for consideration, in accordance with Section 772.309 Texas Health and Safety Code, as amended.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, HEREBY RESOLVES:

Section I. That the Town of Northlake hereby approves the financial plan.

Section II. That this resolution shall become effective immediately from and after its passage.

PASSED AND APPROVED on this the 24th day of August, 2017

TOWN OF NORTHLAKE, TEXAS

Peter Dewing, Mayor

ATTEST:

Shirley Rogers, Town Secretary

Denco Area 9-1-1 District

Fiscal Year 2018



DRAFT

Financial Plan

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Denco Area 9-1-1 District

**Fiscal Year 2018
Financial Plan**

Section 1

Preface

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Denco Area 9-1-1 District

1075 Princeton Street • Lewisville, TX 75067 • Mailing: PO BOX 293058 • Lewisville, TX 75029-3058

Phone: 972-221-0911 • Fax: 972-420-0709

To: Denco Area 9-1-1 District Participating Jurisdictions
Date: July 21, 2017
Subject: Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan

The Denco Area 9-1-1 District Board of Managers, at its July 20, 2017, regular meeting, approved the "Draft" Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan and authorized the District's staff to forward it to all participating jurisdictions for review and comment. On behalf of the Board, I request that your governing body review the following budget and provide us with any comments prior to September 1, 2017.

This financial plan reflects Denco's commitment to provide a state-of-the-art, high availability, emergency 9-1-1 system to the citizens of the district, while preserving our long term financial viability; a tradition that began 27 years ago on August 18, 1990, when the first 9-1-1 call was made in the Denco district.

As the increasingly mobile and data-centric populace demands more interactivity with the 9-1-1 system, and with the higher cost of providing advanced technology, we are mindful of the need for a sustainable approach and have taken a long-term look at both revenue and expenses. The recommended budget maintains the quality programs our partner agencies rely upon while taking important steps to enhance the level of services we deliver to all stakeholders.

For 2018, Denco's budgetary focus will be on the Annex and backup PSAP, with minor system refinements and service enhancements across direct services.

At the time of this writing, Denco was breaking ground on its ICC-500, EF-5 tornado-rated Annex and backup PSAP. The 10-month project will span both the current fiscal year and fiscal year 2018, as reflected in the attached financial plan.

Denco is committed to providing our citizens the most technologically advanced and best managed systems and services available. Please review the attached budget and provide us with any comments, either in support of the plan as proposed, or suggestions for improvement. If you have any questions or need additional information, please do not hesitate to contact Mark Payne, our executive director, at (972) 221-0911 or by email at mark.payne@denco.org. The Denco Area 9-1-1 District Board of Managers will adopt a final 2018 budget during our regular meeting on September 7th.

The Denco Area 9-1-1 District Board of Managers and staff appreciate your support and confidence.

A handwritten signature in black ink, appearing to read "Jack Miller".

Jack Miller, Chairman
Board of Managers

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Denco Area 9-1-1 District

1075 Princeton Street • Lewisville, TX 75067 • Mailing: PO BOX 293058 • Lewisville, TX 75029-3058

Phone: 972-221-0911 • Fax: 972-420-0709

To: Denco Area 9-1-1 District Participating Jurisdictions

Date: July 21, 2017

Subject: Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan

Enclosed is a copy of the "Draft" Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan for your jurisdiction's review and comment. Texas Health and Safety Code requires the District to submit the draft budget to its participating jurisdictions for a 45-day review and comment period. After the review and comment period, the District's board of managers will adopt a budget for 2018 based on the feedback received. A copy of the statute and approval policy is included in Section 5 of the draft budget.

At its July 20, 2017 regular meeting, the Denco Area 9-1-1 District Board of Managers unanimously approved the enclosed "Draft" financial plan to be submitted to its participating jurisdictions for consideration. The District requests that your jurisdiction review the proposed budget and submit comments to the Denco board prior to September 1, 2017. At its regular meeting on September 7, 2017, the Denco board will consider final approval of the 2018 Financial Plan. If the District does not receive a response from individual jurisdictions, it will assume, according to statute, that those jurisdictions support the draft budget.

Please fax responses to Denco at (972) 420-0709, email them to Carla Flowers, Director of Administration, at carla.flowers@denco.org or mail them to 1075 Princeton Street, Lewisville, Texas 75067. A PDF version of the 2018 financial plan can be downloaded from Denco's website, www.denco.org.

The enclosed budget includes the following sections that provide an overview of both the operations of the Denco Area 9-1-1 District and its financial position:

Section 1: Preface

This section includes memorandums from Jack Miller, Chair of the Denco Board of Managers, and me. It provides a brief summary of the District's strategic plans for fiscal year 2018 and an overview of the approval process.

Section 2: District Overview

The District overview provides a brief summary about the history of the Denco Area 9-1-1 District and its current operations. It also provides background information about the 9-1-1 system, its terminology and the benefits it provides.

Section 3: Financial Plan Summary

Section 3 includes an executive summary of the budget; providing an overview of the District's plans and their impact on its financial position. Also included is a Summary of Cost Classifications that briefly describes the expenditure categories included in the budget.

Section 4: Anticipated Revenues and Proposed Expenditures

Section 4 includes a spreadsheet that summarizes the overall budget for fiscal year 2018, followed by two worksheets that give more detail about the anticipated revenues and proposed expenditures for the year. The section also includes a five-year projection spreadsheet that depicts both the growth and decline of the District's fund balance and a graph reflecting the actual fund balance for the past five years and that projected for the next five.

Section 5: Reference Materials

The final section includes reference material that provides guidelines under which the District operates. Included are copies of resolutions defining the budget approval process, a copy of House Bill 1984 that provides the statutory requirements for budget approval and a copy of the legislation under which Denco operates.

The District is pleased to provide your jurisdiction with a copy of the "Draft" Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan for consideration. The plan provides the District the financial resources necessary to meet the fiscal year 2018 requirements.

If you have any questions, need additional information or would like for me to meet with your staff or governing body, please do not hesitate to call me at (972) 221-0911 or email me at mark.payne@denco.org. I would welcome the opportunity to meet with you and discuss the enclosed budget and the operations of the Denco Area 9-1-1 District.

Thanks for your continued support of the Denco Area 9-1-1 District.



Mark Payne, Executive Director

Denco Area 9-1-1 District

**Fiscal Year 2018
Financial Plan**

Section 2

District Overview

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DENCO AREA 9-1-1 DISTRICT

District Overview

Formation of the Denco Area 9-1-1 District

Legislation

During its 1985 session, the 69th Texas Legislature passed Article 1432e (Section 772, Texas Health and Safety Code), Emergency Telephone Number Act, which provided for the creation, administration, expansion, funding and dissolution of emergency communication districts in certain counties in Texas. The Emergency Telephone Number Act is the legislation under which the Denco Area 9-1-1 District operates.

Purpose

Section 772.302, Texas Health and Safety Code, states the purpose of the Act to be the following:

"To establish the number 9-1-1 as the primary emergency telephone number for use by certain local governments in this state and to encourage units of local governments and combinations of those units of local government to develop and improve emergency communication procedures and facilities in a manner that will make possible the quick response to any person calling the telephone number 9-1-1 seeking police, fire, medical, rescue and other emergency services."

Creation of Denco Area 9-1-1 District

On August 8, 1987, Denton County held a special election to confirm the creation of the Emergency Communication District of Denton County and authorize a 9-1-1 emergency service fee, not to exceed 3.0% of the base rate of the principal service supplier per month, to be charged by the District for the purpose of establishing and maintaining E9-1-1 in Denton County. By a margin of 13,086 to

3,024, the voters favored the creation of the emergency communication district. After the special election, the city and county governing bodies within Denton County passed resolutions of participation. The resolutions stated that the city or county would become a participating jurisdiction in the District pursuant to the provisions of the Emergency Telephone Number Act.

The participating jurisdictions of the District are the following:

<i>Argyle</i>	<i>Hackberry</i>	<i>Northlake</i>
<i>Aubrey</i>	<i>Hebron</i>	<i>Oak Point</i>
<i>Bartonville</i>	<i>Hickory Creek</i>	<i>Pilot Point</i>
<i>Carrollton</i>	<i>Highland Village</i>	<i>Ponder</i>
<i>Copper Canyon</i>	<i>Justin</i>	<i>Providence Village</i>
<i>Corinth</i>	<i>Krugerville</i>	<i>Roanoke</i>
<i>Corral City</i>	<i>Krum</i>	<i>Sanger</i>
<i>Cross Roads</i>	<i>Lake Dallas</i>	<i>Shady Shores</i>
<i>Denton</i>	<i>Lakewood Village</i>	<i>The Colony</i>
<i>DISH</i>	<i>Lewisville</i>	<i>Trophy Club</i>
<i>Double Oak</i>	<i>Little Elm</i>	<i>Unincorporated Denton County</i>
<i>Flower Mound</i>		

On December 8, 1987, the District's board of managers ordered the levy and collection of the emergency service fee to commence with the January 1988 billing cycle. The board ordered the service fee, collected by the telephone companies, to be charged at a rate of 3.0% of the current base rate of GTE Southwest (now Frontier). In 1992, the board capped the emergency service fee, for basic levels of wireline telephone service charged to customers in the district, at \$0.27 for residential customers, \$0.71 for business customers and \$1.13 for trunks.

On June 28, 1988, the board of managers named the Emergency Communications District of Denton County, Denco Area 9-1-1 District.

Organizational Structure

The board of managers is the governing body for the Denco Area 9-1-1 District. The county, participating cities and the Denton County Fire Chiefs Association appoint the board. Board members serve staggered two-year terms and are eligible for reappointment. The following members currently sit on the board of managers:

Board Member**Represents**

Mr. Jack Miller, Chair

Denton County Commissioners Court

Mr. Bill Lawrence, Vice Chair

Denton County Commissioners Court

Asst. Chief Terry McGrath, Secretary

Denton County Fire Chiefs' Association

Mayor Sue Tejml

Participating Municipalities

Mr. Jim Carter

Participating Municipalities

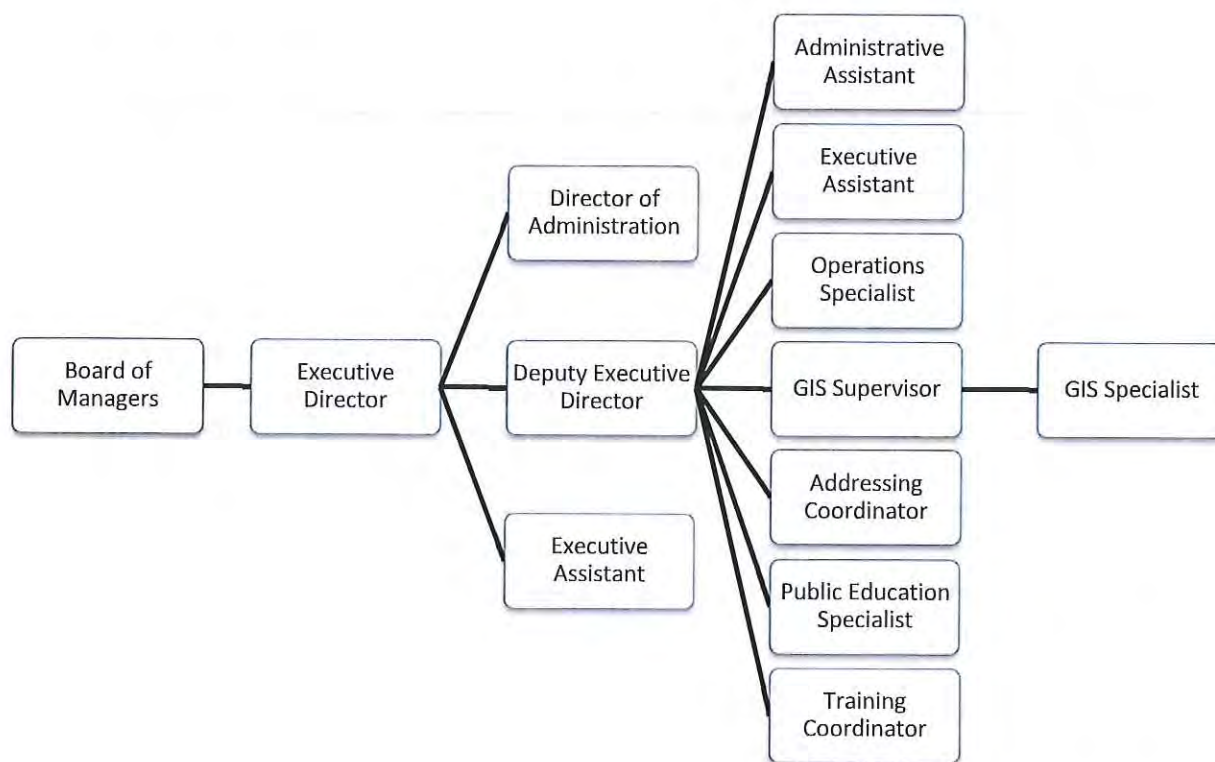
Mr. Rob McGee

Verizon Business, Advisory

The Emergency Telephone Number Act states, "...the board shall manage, control and administer the District. The board may adopt rules for the operation of the District." The legislation also allows the board to appoint a director of communications for the District who serves as its general manager. The director, with approval from the board, manages the services necessary to carry out the purposes of the Emergency Telephone Number Act.

The Denco Area 9-1-1 District's staff is responsible for performing all the duties that may be required for the District to accomplish its mission within the framework provided by the board. The "Draft" Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan provides for sixteen full-time staff members who provide the planning, operations, and maintenance functions for the District. The organizational structure of the District includes Administration and Operational program areas that serve the 9-1-1 PSAPs and emergency service providers within the district. Operational program areas—sometimes referred to as Direct Services—include: 9-1-1 Systems, Public Education, and Training and Education Development.

Included in the organizational chart on the following page, are the titles of staff members in each functional area.



Mission, Values and Goals Statement

Mission

The mission of the Denco Area 9-1-1 District is to provide an efficient, effective enhanced 9-1-1 emergency telecommunications system that assists its member jurisdictions in response to police, fire and medical emergency calls.

Values

The Denco Area 9-1-1 District pledges to uphold the following values:

Value 1: The control of District operations is the responsibility of member jurisdictions and the board of managers.

Value 2: The District will provide the most reliable, efficient, cost-effective and proven technologies within available resources.

Goals

The Denco Area 9-1-1 District has the following goals that support its endeavor to carry out its mission.

Goal 1: To represent the interests of member jurisdictions, emergency service providers and end users by establishing and providing the means for the Denco Area 9-1-1 District to accomplish its mission, values, goals and objectives.

Goal 2: To manage the Denco Area 9-1-1 District in an objective, efficient, effective and responsive manner.

Goal 3: To increase public awareness of 9-1-1 issues and promote the proper use of the 9-1-1 system.

Goal 4: To provide training programs which enable Public Safety Answering Point (PSAP) personnel to effectively process 9-1-1 calls.

Goal 5: To provide and maintain advanced, effective 9-1-1 Systems that are compatible with changing communication technologies.

Goal 6: To assure that 9-1-1 calls, from all sources, are routed properly to PSAPs and that PSAPs have the most accurate, reliable, and useable data at all times.

Designated Core Competencies

The Denco Area 9-1-1 District has identified the following core competencies as a means for measuring its efficiency, effectiveness and overall performance.

Integrity/Honesty

Instills mutual trust and confidence; creates a culture that fosters high standards of ethics; behaves in a fair and ethical manner toward others, and demonstrates a sense of corporate responsibility and commitment to public service.

Responsive Customer Service

Balancing interests of a variety of clients, readily readjusts priorities to respond to pressing and changing client demands. Anticipates and meets the needs of clients; achieves quality end products; is committed to continuous improvement of services.

Team Work

Encourages and facilitates cooperation within the organization and with customer groups; fosters commitment, team spirit, pride, and trust. Develops leadership in others through coaching, mentoring, rewarding, and guiding employees. Actively participates in healthy debate and discussion sharing personal points of view and rational for individual thinking; once decision has been made, openly supports and owns the majority decision as if it were his or her own; doesn't undermine or second guess majority decision after the fact.

Flexibility

Open to change and new information; adapts behavior and work methods in response to new information, changing conditions or unexpected obstacles. Adjusts rapidly to new situations warranting attention and resolution.

Decisiveness

Exercises good judgment by making sound and well informed decisions; perceives the impact and implications of decisions; makes effective and timely decisions, even when data is limited or solutions produce unpleasant consequences; is proactive and achievement oriented.

Background Information

What is E9-1-1?

Enhanced Nine-One-One (E9-1-1) is a single, easy-to-remember number used when reporting emergencies to fire, police and emergency medical service providers. The E9-1-1 system, operational in the Denco Area 9-1-1 District, is designed to automatically route any 9-1-1 call, placed from a telephone instrument (including wireless and Internet) within the District's geographical boundaries, to the proper public safety answering point (PSAP) responsible for dispatching emergency services to the caller. (At the current time, there are limitations to both wireless and Internet location technologies.)

Benefits of E9-1-1

The E9-1-1 system has enhanced the ability of emergency service providers to save the lives and property of citizens in the Denco Area 9-1-1 District. Some of the direct benefits of the emergency communication system provided by Denco are the following:

- Only one three-digit number to remember in an emergency situation.
- The 9-1-1 call is routed to the proper agency responsible for dispatching help to the caller.
- Trained telecommunicators answer 9-1-1 calls. (In the Denco Area 9-1-1 District, telecommunicators are trained to provide emergency medical dispatch, thus reducing response time for medical emergencies.)
- Telecommunicators have the equipment and training necessary to communicate with hearing/speech impaired callers using TTY equipment as well as via text messages to 911.
- The caller's name, address and telephone number, as well as the proper fire, police and emergency medical service designated to respond to the caller's address, is automatically provided to the telecommunicator; thus reducing total response time. In the event the caller is unable to speak, the telecommunicator has the ability to dispatch help to the caller's location that is provided by the E9-1-1 system.
- All PSAPs in the Denco Area 9-1-1 District are part of a common network, allowing each to transfer calls, conference multiple PSAPs and/or share information within a closed system.
- ANI/ALI information provides a means to control and reduce prank calls.

- The public education programs associated with E9-1-1 promote citizen awareness and involvement with emergency service providers.
- The E9-1-1 system enhances local government's ability to address the ever growing public expectation of emergency services created by the technology vendors, the media and popular television programming.
- The E9-1-1 system is designed to allow PSAPs the ability to directly transfer a caller to another public safety agency or poison control center.
- The E9-1-1 system will identify calls from wireless and Internet phones, advising the telecommunicator to ask proper questions to determine the location of the emergency. Phase I provides the caller's telephone number so that the telecommunicator has the ability to reconnect if the call is terminated. Phase II provides additional location information to telecommunicators. Location information for Internet phones (VoIP) is typically entered by the subscriber through a website.
- The system has the ability to identify telephone companies serving 9-1-1 callers, thus streamlining the process.

Glossary of Terms

9-1-1 (Nine-One-One). A designated easy-to-remember, easy-to-call, three-digit emergency telephone number developed to provide citizens with a reliable, fast and convenient way to access fire, police, or medical service in the event of an emergency.

ANI (Automatic Number Identification). ANI is the feature that provides the caller's telephone number on a console at the PSAP.

ALI (Automatic Location Identification). ALI provides the caller's name and address on a computer monitor at the PSAP along with the name of the correct police, fire and emergency medical services designated to respond to the caller's location. Callers should always know their location in the event the ALI information is not available because of limited technology.

Database. The 9-1-1 Database is the information accompanying a 9-1-1 call at the PSAP. The information provided is the caller's name, address and telephone number, as well as the emergency service providers designated to respond to the caller's address. The database information is not always available from wireless and VoIP callers.

E9-1-1 (Enhanced 9-1-1). The system that is operational in Denton County providing SR, ANI and ALI (defined below).

ESInet (Emergency Services IP Network). An ESInet is a managed IP network that is used for emergency services communications, and which can be shared by all public safety agencies. It provides the IP transport infrastructure upon which independent application platforms and core functional processes can be deployed, including, but not restricted to, those necessary for providing NG9-1-1 services. ESInets may be constructed from a mix of dedicated and shared facilities. ESInets may be interconnected at local, regional, state, federal, national and international levels to form an IP-based inter-network (network of networks).

GIS (Geographic Information Systems). The technology used to develop and display the mapped data used to locate 9-1-1 callers.

i3 or i3 PSAP (See also NG9-1-1). NENA's Detailed Functional and Interface Standard for NG9-1-1 (i3), which describes a PSAP that is capable of receiving IP-based signaling for delivery of emergency calls and for originating calls and is conformant to NENA specifications for such PSAPs.

IWS (Integrated Workstation). The computerized 9-1-1 answering equipment provided by Denco that gives telecommunicators, in addition to the 9-1-1 function, additional tools such as computer-aided dispatch, paging, mapping and radio communications. Denco has 64 integrated workstations at its eleven (11) operational, and one (1) backup, PSAP(s).

NG9-1-1 (Next Generation 9-1-1). NG9-1-1 is an Internet Protocol (IP)_based system comprised of managed Emergency Services IP networks (ESInets), functional elements (applications), and databases that replicate traditional E9-1-1 features and functions and provides additional capabilities. NG9-1-1 is designed to provide access to emergency services from all connected communications sources, and provide multimedia data capabilities for Public Safety Answering Points (PSAPs) and other emergency service organizations. Denco migrated to NG9-1-1 in April 2014.

Phase I. Wireless Phase I Enhanced 9-1-1 is the Federal Communication Commission (FCC) mandate to the wireless telephone industry and to 9-1-1 requiring the routing of wireless 9-1-1 calls to appropriate PSAPs and the provision of the callers' ANI to the telecommunicators.

Phase II. Phase II provides the approximate geographic location of wireless callers, in addition to the FCC's Phase I enhancements.

PSAP (Public Safety Answering Point). The location of the equipment used to answer 9-1-1 emergency calls. The following are the eleven (13) PSAPs that are currently capable of answering 9-1-1 calls in the Denco Area 9-1-1 District:

City of Denton Police Department	City of Roanoke Police Department
Denton County Sheriff's Office	City of The Colony Police Department
Town of Flower Mound Police Department	University of North Texas Police Department
City of Highland Village Police Department	Texas Woman's University Police Department
City of Lewisville Police Department	Host A Backup PSAP
North Texas Emergency	Host B Backup PSAP and Training Center
Communications Center (Carrollton)	

Public Safety Telecommunicator. The individual answering the 9-1-1 calls; trained to communicate with persons seeking emergency assistance and with agencies and individuals providing such assistance.

SR (Selective Routing). Selective Routing provides automatic routing of 9-1-1 calls, based on the caller's location, to the appropriate PSAP. The caller is not required to determine which public safety agency to call. Callers using wireless or VoIP telephones should know their location because the routing technology is not as accurate for these services.

Denco Area 9-1-1 District

**Fiscal Year 2018
Financial Plan**

Section 3

Financial Plan Summary

Summary of Cost Classifications

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DENCO AREA 9-1-1 DISTRICT

Fiscal Year 2018 Financial Plan Summary

The 2018 Financial Plan for the Denco Area 9-1-1 District provides funding for the continued delivery of high-quality services that the citizens and PSAPs in the Denco district have come to rely upon for the past 27 years. Those trusted services include: the support of all elements of the 9-1-1 system (e.g. database, routing, network and equipment) throughout the district; addressing and mapping services; public education and training services; and the continuing legislative and regulatory advocacy services that Denco provides in Austin and Washington D.C. In addition to these ongoing services, the District is continually updating its strategic plans to focus on providing the most efficient and effective services available within its financial resources.

Financial Plan Overview

Section 4 of the Denco Area 9-1-1 District Fiscal Year 2018 Financial Plan provides the following spreadsheets that summarize the budget: "Summary of Anticipated Revenues and Proposed Expenditures"; "Anticipated Revenues, Proposed Expenditures"; and "Five Year Projections". Also provided, following the spreadsheets is a graph that depicts the Cash Fund Balance (Assigned and Unassigned). It provides a picture of the actual change in fund balance from fiscal year 2010 through estimated 2017, and projections through 2022.

Denco has no debt at the current time. It prides itself in being fiscally responsible by planning and saving to meet future funding requirements. Recent planning and service fee adjustments ensure Denco's financial stability into the future by projecting resources necessary to provide enhanced mission critical services.

Summary of Anticipated Revenues and Proposed Expenditures

The summary spreadsheet provides information about the financial position of the District at the beginning of fiscal year 2018, its projected revenues and expenditures for the year, and the financial position at the end of the year. The Beginning of Year Fund Balance for fiscal year 2018 represents the total cash and invested funds balance estimated at the end of the current fiscal year. The End of Year Total Fund Balance at the end of fiscal year 2018 will decrease by

\$2,761,267 as Denco completes construction of its Annex and hardened backup Public Safety Answering Point.

Revenues

During the board budget workshop the board of managers ordered the wireline service fees for fiscal year 2018 set to 3% of the current tariff base rate, as established by voters in 1988.

Total revenues anticipated for fiscal year 2018 are \$5,942,525 with 98.5% being derived from 9-1-1 service fee revenue. The wireless service fee growth rate is projected to be 2.5%. Estimated interest earned on investments is projected to decrease slightly to \$30,000 as cash and investment funds are drawn down during the construction of the Annex. Total revenue anticipated for fiscal year 2018 is projected to be \$888,805 more than the fiscal year 2017 estimated budget.

The following summarizes assumptions utilized in forecasting fiscal year 2018 revenues:

Service Fee Revenue Assumptions

- Incumbent Local Exchange Carriers (i.e. Frontier, AT&T, and CenturyLink) access lines will continue to decline, but due to resetting the service fees, overall revenue will increase. Access line decreases will continue in the future due to the continued consumer migration from traditional wireline services to Voice over IP (VoIP) and digital voice services.
- Wireless 9-1-1 service fee revenues will continue to grow at approximately 2.5%.

Non-Service Fee Revenue Assumptions

- The construction of the Annex will dramatically reduce the availability of investment funds. Interest revenue is estimated to be \$30,000 for the fiscal year.
- Denco will continue to charge a nominal fee to training program participants from outside the district. Fiscal year 2018, training program revenue will remain steady at \$25,000.
- The North Texas Emergency Communications Center will continue to fund additional GIS coordination services at \$15,000.

- Denco and Denton County have a long-standing agreement for Denco staff to coordinate the issuance of addresses in unincorporated Denton County. This agreement will be continued at the previously established rate of \$20,000 per year.

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Expenditures

The total expenditures proposed in the fiscal year 2018 financial plan reflect a \$2,151,325 increase in spending when compared to the estimated expenditures for fiscal year 2017, including capital costs for construction of the Annex.

Without considering capital costs, there is a \$226,325 increase in the proposed budget from the FY2017 estimated expenditures or \$156,285 increase from the FY2017 approved budget.

Personnel

Total personnel expenditures proposed in 2018 are \$1,491,032, or 17.1% of the total budget, representing a decrease in this budget section of \$10,292 when compared with the estimated fiscal year 2017 budget. This small decrease is a result of reducing the elective TCDRS contribution rate. In FY2018, Denco will pay 3 months at the currently elected rate of 16% of salary for plan year 2017, and 9 months at the newly required rate of 5.7% of salary for plan year 2018.

The personnel budget includes an increase in employee insurance premiums. Health insurance costs through TML MultiState IEBP will increase by 20.0% with dental premiums remaining unchanged for 2018.

The salary line item represents a 3.5% increase to provide for market movement pay adjustments and potential merit-based pay increases during fiscal year 2018.

Total benefit expenditures proposed in fiscal year 2018 are \$46,194 less than estimated in the current fiscal budget, representing 28.8% of the total personnel budget.

Administration

The total administration expenditures proposed for fiscal year 2018 is \$370,560 or 4.3% of the total budget expenditures. Proposed spending is \$5,267 more than estimated fiscal year 2017 spending.

The budget includes funds to replace Denco's administrative telephone system with a new, feature rich, VoIP system with the capacity to serve both the existing administrative facility and the new Annex and hardened backup PSAP.

Direct Services

Direct Services expenditures are the core mission of the District and include 9-1-1 technical and operational elements, Geographic Information Systems and database, the training program, public education, and supporting capital projects. These services account for 32.6% of the fiscal year 2018 budget.

Technical Services

Fiscal year 2018 will focus on enhancing project planning to support the relocation of the Denco 9-1-1 host equipment from the current facility to the new hardened Annex. This relocation will dramatically improve the system survivability in the event of adverse weather or other catastrophic incidents. Technical staff will methodically plan the relocation to ensure there is no operational downtime as a result of the move.

During fiscal year 2017, technical staff hours were expanded to provide a more coverage and greater accessibility for PSAPs. Denco technical staff are on-duty during normal business days from 6:00 a.m. until 9:00 p.m. This scheduling approach provides for enhanced monitoring, troubleshooting and response to all network and equipment situations. The expanded hours also support improved coordination with network and other service providers.

Cybersecurity continues to be an integral part of Denco's focus to ensure the reliability of its 9-1-1 systems. Denco staff monitors constantly changing threats and vulnerabilities using both prevention and detection approaches. Denco continually strives to comply with industry best practices such as the NENA security standard 75-001, NENA Security for Next Generation 9-1-1 Standard (NG-SEC), recommendations of the Multi-State Information Sharing and Analysis Center (MS-ISAC), a division of the Center for Internet Security and the US Department of Homeland Security, and the National Institute of Standards and Technology. This proposed fiscal year 2018 budget includes increased expenditures to maintain security of Denco 9-1-1 and administrative networks.

This year, Denco has completed several equipment projects to enhance PSAP agency operations, such as expanding the number of 9-1-1 workstations at the Highland Village Police Department and The Colony Police Department. New 24-key programmable desktop keypads are installed at all workstation in the district to access common phone functions easier and more quickly.

The North Texas Emergency Communications Center in Carrollton recently transitioned to an automatic call distribution (ACD) approach in an effort to provide better distribution of incoming calls and more accountability for call processing. Denco programmed and installed an activity display board at NTECC to identify the number of active agents, number of agents committed to calls, number and category of incoming calls and amount of time the longest ringing call has been in queue to provide enhanced operational oversight.

The proposed budget includes ongoing costs associated with maintenance and operation of the jointly owned public safety microwave system. Denco technical staff recently coordinated a project with Denton County to identify and document necessary microwave system technology enhancements. The current technology will place increased risk on system operational reliability unless proactive investments are strategically planned. Both agencies have reviewed the budgetary impact of replacing outdated equipment supporting the decade old system and has projected expenditures for fiscal year 2019, which begins October 1, 2018. Technical staff will complete operational planning for the system upgrade during the current fiscal year so that this critical public safety infrastructure need proceed, as recommended.

Geographic Information System Services

The project to enhance Denco's GIS data to support current and next generation 9-1-1 services has progressed significantly due to extensive efforts of Denco staff and refocused coordination with local partner agency's GIS departments. The enhanced data provides increased mapping accuracy for today's public safety response and readiness for future 9-1-1 call routing technology. The GIS accomplishments in this area include development and implementation of GIS workflows with all stakeholders, development and implementation of NG9-1-1 GIS and standard operating procedures, aggregation of partner jurisdiction data to the regional dataset and implementation of concise quality assurance/quality control processes.

Detailed quality assurance/quality control (QA/QC) reports are compiled monthly by comparing each data element to a corresponding data set to determine inconsistencies. Inconsistencies in the data are considered errors and are assigned to staff for resolution. Staff has made significant progress in error identification and correction and will continue enhancing this critical data for full NG9-1-1 implementation.

Denco staff completes regular routing audits for wireless sectors within the district. After a review of actual call location data for 9-1-1 calls handled by specific

wireless sectors staff validated or modifies routing determinations with the goal of minimizing the number of 9-1-1 transfers. During the wireless routing audits, Denco determined that PSAPs not previously deployed for phase II enhanced wireless 9-1-1 should be receiving wireless 9-1-1 calls directly. Denco has completed work with wireless service providers to implement enhanced wireless 9-1-1 for Highland Village, and Roanoke bringing all current PSAPs to primary Phase II status.

PSAP Support Services

Denco has expanded its recruiting and testing programs in support of partner agency telecommunicator hiring processes. The Denco program provides mass media recruiting, participation in job fairs, and supplemental materials describing a career as a 9-1-1 telecommunicator. Additionally, interested candidates participate in centralized orientation and screening activities conducted by Denco on behalf of local agencies. The proposed budget includes support for ongoing recruiting and testing activities.

Denco achieved its statutory obligations to support the implementation of Kari's Law. This new law requires direct dialing capability for 9-1-1 from a multi-line phone system (e.g. hotels, motels, businesses). No prefix digits, such as "9", are required to get an outside line in order to call 9-1-1.

Training Services

Denco recently achieved accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA). The Denco Area 9-1-1 District's training program is the first and only non-law enforcement entity focused on 9-1-1 telecommunicators to receive national accreditation. The agency also maintains its status as a contract training provider for the Texas Commission on Law Enforcement (TCOLE).

As part of the accreditation and TCOLE assessment activities, Denco conducted a close examination of its training support materials, records and processes at a level of detail that has not been normal in day-to-day operations. Denco has implemented structured operating procedures and has updated all lesson plans providing the foundation of the district's training program. CALEA standards and Denco policy requires an annual review of all curriculum to ensure the material is up-to-date, comprehensive and continually improved.

The proposed budget continues Denco's robust training program. Resources are included for both local instructors and national public safety experts to support filling gaps identified in the annual formal training needs analysis.

Public Education Services

Denco provides marketing and public education messages to select groups, and the public in general, supporting a philosophy that a caller who knows when and how to use 9-1-1 effectively, can make a significant difference in the outcome of an emergency.

During the current fiscal year, Denco has focused on strengthening relationships with public and private schools and various community groups. The public education staff has increased engagement with partner agency representatives such as PIOs, Media and Community Outreach representatives and public education/marketing staff and is focused on identification of additional community events that are appropriate venues for public education activities.

Denco staff coordinated with local jurisdictions to include information about text-to-911 in various governmental newsletters, an educational brochure, and a short video played in local movie theaters. The end of school year campaign targeted approximately 70,000 elementary school students with a summer safety message in both English and Spanish.

Denco provided information to chambers of commerce concerning text-to-911 and Kari's Law for distribution to their membership. In addition, Denco secured full-page advertisement in the Lewisville Chamber Directory and the Destination Denton magazine highlighting these two important topics and directing citizens to the Denco web pages for additional information.

Denco secured a retail kiosk at Golden Triangle Mall for the summer. The kiosk, located near the children's play area, is stocked with various public safety brochures and signage and is staffed by Denco's public education specialist at various times throughout the week.

Denco participated in the regional media campaign with the Tarrant County 9-1-1 District and the North Central Texas Council of Governments. The "Know your Location" public service announcement was broadcast more than 175 times on several local stations including KTVT, KXAS, WFAA and KXTX (Spanish). Additionally, the PSA was broadcast in a combination of zoned cable, zoned ATT, DISH and cable super zones. The public service announcement distributed via Pandora provided approximately 1.8 million impressions and outreach targeted to the Vietnamese community included 112 announcements on Radio Saigon. Two outdoor billboards in the district, located at I-35E south of Sandy Lake Road and on FM 1171 west of 121 Business advertised the know your location message during the Spring campaign.

To enhance marketing and promotional communications, Denco has published and distributed the first issue of a newsletter titled, The Line. This recurring newsletter is distributed to all elected officials, city chief administrators and public safety agency directors to provide timely and relevant information concerning Denco's administration, programs and activities.

Five Year Projections

The Five Year Projections spreadsheet in "Section 4," along with the graph that follows it, depicts the long-term financial position and stability of the Denco Area 9-1-1 District.

Summary of Significant Projections

The multi-year projections identify the cost associated with ongoing operations and significant one-time investments in the near future. Expenses included continue existing programs and activities and do not include an inflationary factor. The specific, one-time costs are projected for the next four fiscal years, as follows:

Fiscal Year 2019

- Building Service increase to support Denco Annex
- Microwave Technology Upgrade
- Transition of PSAP mapping platform to ESRI based format

Fiscal Year 2020

- 9-1-1 equipment refresh for NG9-1-1 call processing equipment

- Increase in 9-1-1 selective routing and database costs due to contract expiration
- Renewal of Airbus software support for PSAP workstation software and transition of managed services to annualized expense

Fiscal Year 2022

- Implementation of Emergency Call Routing Function (ECRF) for enhanced NG911 call routing based on location data for all types of devices

Explanation of Fund Balance Movement

When looking at the *Cash Fund Balance (Assigned and Unassigned)* graph at the end of Section 4, the following will be helpful in its interpretation:

Beginning in fiscal years 2010 and 2011, the District drew upon its capital projects fund to expand its training facilities and for the initial phase of its NG9-1-1 system project. In 2012, due to NG9-1-1 project implementation delays, the fund balance grew until the project resumed in fiscal year 2013, at which point project expenses further reduced the fund balance. In 2014, the NG9-1-1 project drew to a close and the fund balance began to rise again, to a balance of \$3,863,764.

By the end of fiscal year 2017, with construction beginning on the Annex and backup PSAP, the fund balance will be reduced to \$3,113,449. Fiscal year 2018 will see the completion of the Annex and backup PSAP, reducing the projected end of year fund balance to \$352,182.

Due to additional investments in fiscal years 2019 and 2020 for upgrades to the microwave system and 9-1-1 call-processing equipment, the graph reflects a shallow growth curve for the gradual replenishment of Denco's system enhancement and capital improvement reserves.

Denco Area 9-1-1 District

**Fiscal Year 2018
Financial Plan**

Section 4

Anticipated Revenues

Proposed Expenditures

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DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

Summary of Anticipated Revenues and Proposed Expenditures Fiscal Year 2018		
	Proposed	Percent of Budget
Beginning of Year Estimated Fund Balance	\$ 3,113,449	
Anticipated Revenues		
9-1-1 Service Fee Revenue	\$ 5,852,525	98.5%
Interest Revenue	\$ 30,000	0.5%
Contract Services Revenue	\$ 20,000	0.3%
Miscellaneous Revenue (Expense)	\$ 40,000	0.7%
Total Anticipated Revenues	\$ 5,942,525	100.0%
Proposed Expenditures		
Personnel	\$ 1,491,032	17.1%
Administration	\$ 370,560	4.3%
Direct Services	\$ 2,837,200	32.6%
Capital Projects	\$ 4,005,000	46.0%
Total Proposed Expenditures	\$ 8,703,792	100.0%
Increase (Decrease) in Fund Balance	\$ (2,761,267)	
End of Year Estimated Fund Balance	\$ 352,182	

DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

Anticipated Revenues		
Fiscal Year 2018		
	Proposed	Percent of Total Revenue
Wireline Service Fee Revenue		
Frontier	\$ 603,328	10.2%
AT&T	\$ 193,395	3.3%
CenturyLink	\$ 82,813	1.4%
Other Local Exchange Carriers (CLECs)	\$ 1,231,739	20.7%
Net Wireline Service Fee Revenue	\$ 2,111,275	35.5%
Wireless Service Fee Revenue	\$ 3,741,250	63.0%
Total Service Fee Revenue	\$ 5,852,525	98.5%
Non-Service Fee Revenue		
Interest Revenue	\$ 30,000	0.5%
Contract Service Revenue	\$ 20,000	0.3%
Miscellaneous Revenue (Expenses)	\$ 40,000	0.7%
Total Non-Service Fee Revenue	\$ 90,000	1.5%
Total Anticipated Revenues	\$ 5,942,525	100.0%

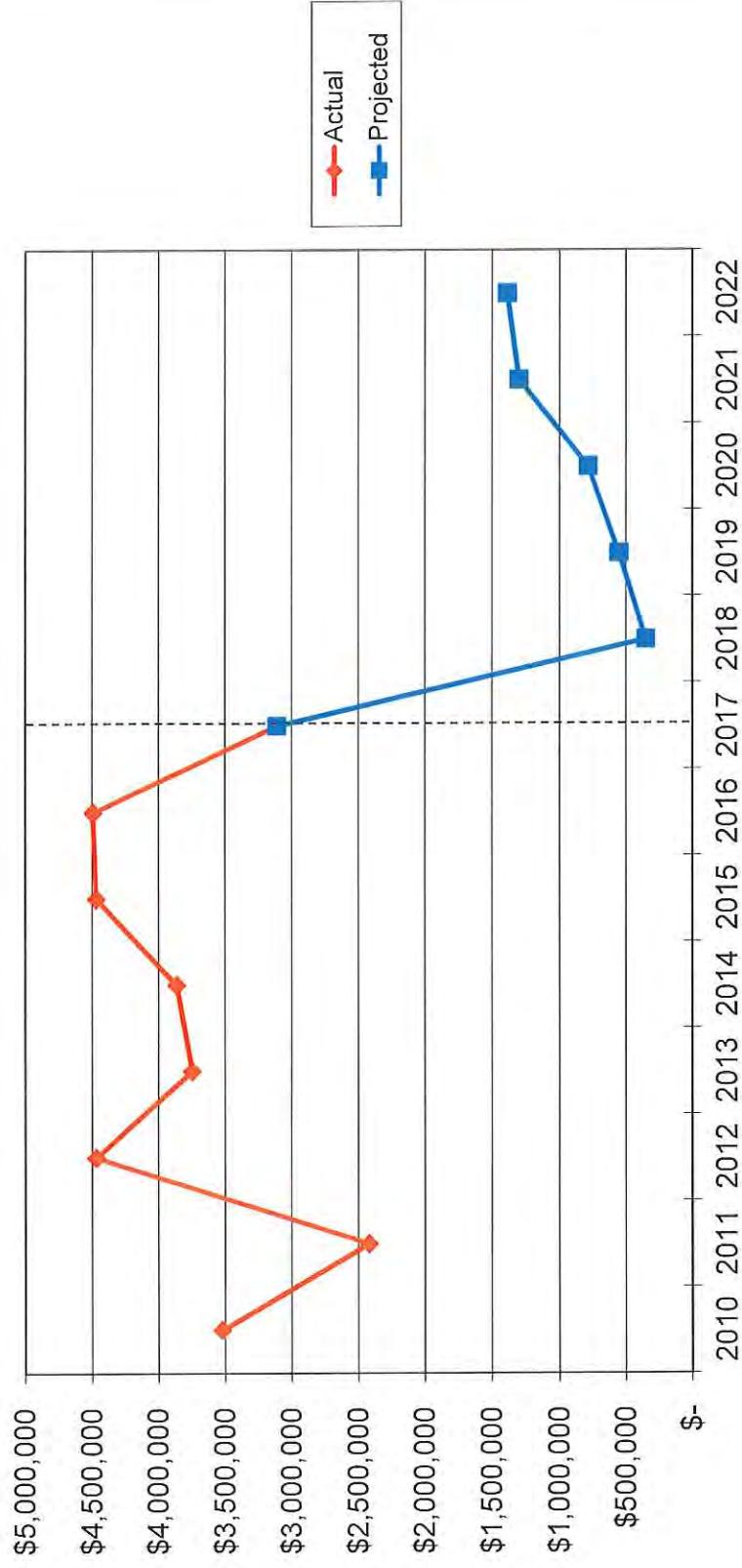
DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

Proposed Expenditures Fiscal Year 2018		
	Proposed	Percent of Budget
Personnel		
Salaries	\$ 1,061,658	12.2%
Benefits	\$ 429,374	4.9%
Total Personnel	\$ 1,491,032	17.1%
Administration		
Office Expenses	\$ 91,850	1.1%
Contract Services	\$ 119,735	1.4%
Facilities	\$ 104,000	1.2%
Memberships/Subscriptions	\$ 6,175	0.1%
Professional Development	\$ 20,900	0.2%
Travel	\$ 27,900	0.3%
Total Administration	\$ 370,560	4.3%
Direct Services		
Operations	\$ 782,500	9.0%
Network Services	\$ 1,859,000	21.4%
Equipment	\$ 153,500	1.8%
Facilities — Annex	\$ 42,200	0.5%
Total Direct Services	\$ 2,837,200	32.6%
Capital Projects Expenditures	\$ 4,005,000	46.0%
Total Proposed Expenditures	\$ 8,703,792	100.0%

DENCO AREA 9-1-1 DISTRICT FINANCIAL PLAN

Five Year Projections						
Fiscal Year 2018						
	FY 2017 Estimated	FY 2018 Proposed	FY 2019 Projected	FY 2020 Projected	FY 2021 Projected	FY 2022 Projected
Beginning of Year Fund Balance	\$ 4,612,197	\$ 3,113,449	\$ 352,182	\$ 552,889	\$ 782,997	\$ 1,299,357
Revenue						
Net Service Fee Revenue (2.0% Growth)	\$ 4,920,000	\$ 5,852,525	\$ 5,969,576	\$ 6,088,967	\$ 6,210,746	\$ 6,334,961
Interest Revenue	\$ 47,320	\$ 30,000	\$ 26,000	\$ 12,000	\$ 12,000	\$ 12,000
Contract Services Revenue	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Miscellaneous Revenue (Expense)	\$ 66,400	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Total Revenue	\$ 5,053,720	\$ 5,942,525	\$ 6,055,576	\$ 6,160,967	\$ 6,282,746	\$ 6,406,961
Expenditures						
Personnel	\$ 1,501,324	\$ 1,491,032	\$ 1,545,365	\$ 1,601,686	\$ 1,660,067	\$ 1,720,584
Administration	\$ 365,293	\$ 370,560	\$ 383,323	\$ 396,549	\$ 410,254	\$ 424,457
Direct Services	\$ 2,605,850	\$ 2,837,200	\$ 3,926,180	\$ 3,932,625	\$ 3,696,066	\$ 4,176,018
Capital Projects	\$ 2,080,000	\$ 4,005,000	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 6,552,467	\$ 8,703,792	\$ 5,854,868	\$ 5,930,859	\$ 5,766,387	\$ 6,321,059
Increase (Decrease) In Fund Balance	\$ (1,498,747)	\$ (2,761,267)	\$ 200,707	\$ 230,108	\$ 516,359	\$ 85,902
End of Year Total Fund Balance	\$ 3,113,449	\$ 352,182	\$ 552,889	\$ 782,997	\$ 1,299,357	\$ 1,385,258

Cash Fund Balance (Assigned and Unassigned)



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Denco Area 9-1-1 District

**Fiscal Year 2018
Financial Plan**

Section 5

Budget Resolutions

House Bill 1984

District Legislation

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AN ACT

relating to the consolidation of emergency communication districts and to the approval of proposed budgets of certain emergency communication districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 771.001(3), Health and Safety Code, is amended to read as follows:

(3) "Emergency communication district" means:

(A) a public agency or group of public agencies acting jointly that provided 9-1-1 service before September 1, 1987, or that had voted or contracted before that date to provide that service; or

(B) a district created under Subchapter B, C, ~~or~~ D, or F, Chapter 772.

SECTION 2. Sections 772.309(b), (c), and (d), Health and Safety Code, are amended to read as follows:

(b) the board shall submit a draft of the proposed budget to the governing bodies of the participating jurisdictions not later than the 45th day before the date the board adopts the budget. The participating jurisdictions shall review the proposed budget and submit any comments regarding the budget to the board.

(c) if the governing body of a county, municipality, or other participating jurisdiction does not approve or disapprove the budget before the 61st day after the date the body received the proposed budget for review, the budget is approved by operation of law.

(d) A revision of the budget must be approved in the same manner as the budget.

~~(e)~~ [(e)] As soon as practicable after the end of each district fiscal year, the director shall prepare and present to the board and to each participating jurisdiction in writing a sworn statement of all money received by the district and how the money was used during the preceding fiscal year. The report must show in detail the operations of the district for the fiscal year covered by the report.

~~(f)~~ [(d)] The board shall have an independent financial audit of the district performed annually.

SUBCHAPTER D. EMERGENCY COMMUNICATION DISTRICTS: COUNTIES WITH POPULATION OVER 20,000

§ 772.301. Short Title

This subchapter may be cited as the Emergency Telephone Number Act.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.302. Purpose

It is the purpose of this subchapter to establish the number 9-1-1 as the primary emergency telephone number for use by certain local governments in this state and to encourage units of local government and combinations of those units to develop and improve emergency communication procedures and facilities in a manner that will make possible the quick response to any person calling the telephone number 9-1-1 seeking police, fire, medical, rescue, and other emergency services. To this purpose the legislature finds that:

- (1) it is in the public interest to shorten the time required for a citizen to request and receive emergency aid;
- (2) there exist thousands of different emergency telephone numbers throughout the state, and telephone exchange boundaries and central office service areas do not necessarily correspond to public safety and political boundaries;
- (3) a dominant part of the state's population is located in rapidly expanding metropolitan areas that generally cross the boundary lines of local jurisdictions and often extend into two or more counties; and
- (4) provision of a single, primary three-digit emergency number through which emergency services can be quickly and efficiently obtained would provide a significant contribution to law enforcement and other public safety efforts by making it less difficult to notify public safety personnel quickly.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.303. Definitions

In this subchapter:

- (1) "Board" means the board of managers of a district.
- (2) "Director" means the director of communication for a district.

(3) "District" means an emergency communication district created under this subchapter.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.304. Application of Subchapter

(a) This subchapter applies only to a county with a population of more than 20,000 or to a group of two or more contiguous counties each with a population of 20,000 or more in which an emergency communication district was created under Chapter 288, Acts of the 69th Legislature, Regular Session, 1985, before January 1, 1988, or to a public agency or group of public agencies that withdraws from participation in a regional plan under Section 771.058(d).

(b) This subchapter does not affect the authority of a public agency to operate under another law authorizing the creation of a district in which 9–1–1 service is provided.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1999, 76th Leg., ch. 1405, § 32, eff. Sept. 1, 1999.

§ 772.305. Additional Territory

(a) If a municipality that is part of a district annexes territory that is not part of the district, the annexed territory becomes part of the district.

(b) A public agency located in whole or part in a county adjoining the district, by resolution adopted by its governing body and approved by the board of the district, may become part of the district and subject to its benefits and requirements.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.306. Board of Managers

(a) A district is governed by a board of managers.

(b) If the most populous municipality in the district has a population of more than 140,000, the board consists of:

(1) one member for each county in the district appointed by the commissioners court of each county;

(2) two members appointed by the governing body of the most populous municipality in the district;

(3) one member appointed by the governing body of the second most populous municipality in the district;

(4) one member appointed as provided by this section to represent the other municipalities located in whole or part in the district; and

(5) one member appointed by the principal service supplier.

(c) If Subsection (b) does not apply to a district, the board consists of:

(1) the following members representing the county or counties in the district:

(A) if the district contains only one county, two members appointed by the commissioners court of the county;

(B) if the district originally contained only one county but contains more than one county when the appointment is made, two members appointed by the commissioners court of the county in which the district was originally located, and one member appointed by the commissioners court of each other county in the district; or

(C) if the district originally contained more than one county and the district contains more than one county when the appointment is made, one member appointed by the commissioners court of each county in the district;

(2) two members appointed jointly by all the participating municipalities located in whole or part in the district;

(3) one member appointed jointly by the volunteer fire departments operating wholly or partly in the district, with the appointment process coordinated by the county fire marshal or marshals of the county or counties in the district; and

(4) one member appointed by the principal service supplier.

(d) The board member appointed by the principal service supplier is a nonvoting member. If the board is appointed under Subsection (c), the principal service supplier may waive its right to appoint the board member and designate another service supplier serving all or part of the district to make the appointment.

(e) The board member appointed under Subsection (b)(4) is appointed by the mayor's council established to administer urban development block grant funds, if one exists in the district. Otherwise, the member is appointed by the other members of the board on the advice and recommendation of the governing bodies of all the municipalities represented by the member.

(f) The initial board members appointed by municipalities under Subsection (c)(2) are appointed by all the municipalities located in whole or part in the district.

(g) Board members are appointed for staggered terms of two years, with as near as possible to one-half of the members' terms expiring each year.

(h) A board member may be removed from office at will by the entity that appointed the member.

(i) A vacancy on the board shall be filled for the remainder of the term in the manner provided for the original appointment to that position.

(j) Board members serve without compensation. The district shall pay all expenses necessarily incurred by the board in performing its functions under this subchapter.

(k) The board may appoint from among its membership a presiding officer and any other officers it considers necessary.

(l) The director or a board member may be appointed as secretary of the board. The board shall require the secretary to keep suitable records of all proceedings of each board meeting. After each meeting the presiding officer at the meeting shall read and sign the record and the secretary shall attest the record.

(m) Voting members of the board may meet in executive session in accordance with Chapter 551, Government Code.

(n) A majority of the voting members of the board constitutes a quorum.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1995, 74th Leg., ch. 76, § 5.95(82), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 638, § 15, eff. Sept. 1, 1995.

§ 772.307. Powers and Duties of Board

(a) The board shall control and manage the district.

(b) The board may adopt rules for the operation of the district.

(c) The board may contract with any public or private entity to carry out the purposes of this subchapter, including the operation of a 9–1–1 system.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.308. Director of District

(a) The board shall appoint a director of communication for the district and shall establish the director's compensation. The director must be qualified by training and experience for the position.

(b) The board may remove the director at any time.

(c) With the board's approval, the director may employ any experts, employees, or consultants that the director considers necessary to carry out the purposes of this subchapter.

(d) The director shall perform all duties that the board requires and shall supervise as general manager the operations of the district subject to any limitations prescribed by the board.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.309. Budget; Annual Report; Audit

(a) The director shall prepare under the direction of the board an annual budget for the district. To be effective, the budget must:

(1) be approved by the board;

(2) be presented to and approved by the commissioners court of each county in the district;

(3) be presented to and approved by the governing body of the most populous municipality in the district, if that municipality has a population of more than 140,000; and

(4) be presented to the governing body of each other participating jurisdiction and approved by a majority of those jurisdictions.

(b) The board shall submit a draft of the proposed budget to the governing bodies of the participating jurisdictions not later than the 45th day before the date the board adopts the budget. The participating jurisdictions shall review the proposed budget and submit any comments regarding the budget to the board.

(c) If the governing body of a county, municipality, or other participating jurisdiction does not approve or disapprove the budget before the 61st day after the date the body received the proposed budget for review, the budget is approved by operation of law.

(d) A revision of the budget must be approved in the same manner as the budget.

(e) As soon as practicable after the end of each district fiscal year, the director shall prepare and present to the board and to each participating jurisdiction in writing a sworn statement of all money received by the district and how the money was used during the preceding fiscal year. The report must show in detail the operations of the district for the fiscal year covered by the report.

(f) The board shall have an independent financial audit of the district performed annually.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1999, 76th Leg., ch. 1406, § 2, eff. Aug. 30, 1999.

§ 772.310. Establishment of 9-1-1 Service

(a) A district shall provide 9-1-1 service to each participating jurisdiction through one or a combination of the following methods and features:

- (1) the transfer method;
- (2) the relay method;
- (3) the dispatch method;
- (4) automatic number identification;
- (5) automatic location identification;
- (6) selective routing; or
- (7) any equivalent method.

(b) A district shall provide 9-1-1 service using one or both of the following plans:

- (1) the district may design, implement, and operate a 9-1-1 system for each participating jurisdiction with the consent of the jurisdiction; or
- (2) the district may design, implement, and operate a 9-1-1 system for two or more participating jurisdictions with the consent of each of those jurisdictions if a joint operation would be more economically feasible than separate systems for each jurisdiction.

(c) Under either plan authorized by Subsection (b), the final plans for the particular system must have the approval of each participating jurisdiction covered by the system.

(d) The district shall recommend minimum standards for a 9-1-1 system.

(e) A service supplier involved in providing 9–1–1 service, a manufacturer of equipment used in providing 9–1–1 service, or an officer or employee of a service supplier involved in providing 9–1–1 service is not liable for any claim, damage, or loss arising from the provision of 9–1–1 service unless the act or omission proximately causing the claim, damage, or loss constitutes gross negligence, recklessness, or intentional misconduct.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1995, 74th Leg., ch. 638, § 16, eff. Sept. 1, 1995.

§ 772.311. Primary Emergency Telephone Number

The digits 9–1–1 are the primary emergency telephone number in a district. A public safety agency whose services are available through a 9–1–1 system may maintain a separate number or numbers for emergencies and shall maintain a separate number or numbers for nonemergency telephone calls.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.312. Transmitting Requests For Emergency Aid

(a) A 9–1–1 system established under this subchapter must be capable of transmitting requests for fire-fighting, law enforcement, ambulance, and medical services to a public safety agency or agencies that provide the requested service at the place from which the call originates. A 9–1–1 system may also provide for transmitting requests for other emergency services such as poison control, suicide prevention, and civil defense.

(b) A public safety answering point may transmit emergency response requests to private safety entities.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.313. Powers of District

(a) The district is a body corporate and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out the purposes and provisions of this subchapter, including the capacity to sue or be sued.

(b) To fund the district, the district may apply for, accept, and receive federal, state, county, or municipal funds and private funds and may spend those funds for the purposes of this subchapter. The board shall determine the method and sources of funding for the district.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.314. 9–1–1 Emergency Service Fee

(a) The board may impose a 9–1–1 emergency service fee on service users in the district.

(b) The fee may be imposed only on the base rate charge or its equivalent, excluding charges for coin-operated telephone equipment. The fee may not be imposed on more than 100 local exchange access lines or their equivalent for a single business entity at a single location, unless the lines are used by residents of the location. The fee may also not be imposed on any line that the Advisory Commission on State Emergency Communications excluded from the definition of a local exchange access line or an equivalent local exchange access line pursuant to Section 771.063. If a business service user provides residential facilities, each line that terminates at a residential unit and that is a communication link equivalent to a residential local exchange access line shall be charged the 9–1–1 emergency service fee. The fee must have uniform application and must be imposed in each participating jurisdiction.

(c) The rate of the fee may not exceed six% of the monthly base rate in a service year charged a service user by the principal service supplier in the participating jurisdiction. For purposes of this subsection, the jurisdiction of the county is the unincorporated area of the county.

(d) The board shall set the amount of the fee each year as part of the annual budget. The board shall notify each service supplier of a change in the amount of the fee not later than the 91st day before the date the change takes effect.

(e) In imposing the fee, the board shall attempt to match the district's revenues to its operating expenditures and to provide reasonable reserves for contingencies and for the purchase and installation of 9–1–1 emergency service equipment. If the revenue generated by the fee exceeds the amount of money needed to fund the district, the board by resolution shall reduce the rate of the fee to an amount adequate to fund the district or suspend the imposition of the fee. If the board suspends the imposition of the fee, the board by resolution may reinstitute the fee if money generated by the district is not adequate to fund the district.

(f) In a public agency whose governing body at a later date votes to receive 9–1–1 service from the district, the fee is imposed beginning on the date specified by the board. The board may charge the incoming agency an additional amount of money to cover the initial cost of providing 9–1–1 service to that agency. The fee authorized to be charged in a district applies to new territory added to the district when the territory becomes part of the district.

(g) For the purposes of this section, the jurisdiction of the county is the unincorporated area of the county.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 14, eff. Aug. 30, 1993; Acts 1999, 76th Leg., ch. 1203, § 5, eff. June 18, 1999.

§ 772.315. Collection of Fee

(a) Each billed service user is liable for the fee imposed under Section 772.314 until the fee is paid to the service supplier. The fee must be added to and stated separately in the service user's bill from the service supplier. The service supplier shall collect the fee at the same time as the service charge to the service user in accordance with the regular billing practice of the service supplier. A business service user that provides residential facilities and owns or leases a publicly or privately owned telephone switch used to provide telephone service to facility residents shall collect the 9-1-1 emergency service fee and transmit the fees monthly to the district.

(b) The amount collected by a service supplier from the fee is due monthly. The service supplier shall remit the amount collected in a calendar month to the district not later than the 60th day after the last day of the calendar month. With each payment the service supplier shall file a return in a form prescribed by the board.

(c) Both a service supplier and a business service user under Subsection (a) shall maintain records of the amount of fees it collects for at least two years after the date of collection. The board may require at the board's expense an annual audit of a service supplier's books and records or the books and records of a business service user described by Subsection (a) with respect to the collection and remittance of the fees.

(d) A business service user that does not collect and remit the 9-1-1 emergency service fee as required is subject to a civil cause of action under Subsection (g). A sworn affidavit by the district specifying the unremitted fees is prima facie evidence that the fees were not remitted and of the amount of the unremitted fees.

(e) A service supplier is entitled to retain an administrative fee from the amount of fees it collects. The amount of the administrative fee is two% of the amount of fees it collects under this section.

(f) A service supplier is not required to take any legal action to enforce the collection of the 9-1-1 emergency service fee. However, the service supplier shall provide the district with an annual certificate of delinquency that includes the amount of all delinquent fees and the name and address of each nonpaying service user. The certificate of delinquency is prima facie evidence that a fee included in the certificate is delinquent. A service user account is considered delinquent if the fee is not paid to the service supplier before the 31st day after the payment due date stated on the user's bill from the service supplier.

(g) The district may institute legal proceedings to collect fees not paid and may establish internal collection procedures and recover the cost of collection from the nonpaying service user. If the district prevails in legal proceedings instituted to collect a fee, the court may award the district court costs, attorney's fees, and interest in addition to other amounts recovered. A delinquent fee accrues interest at an annual rate of 12% beginning on the date the payment becomes due.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 15, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 638, § 17, eff. Sept. 1, 1995.

§ 772.316. District Depository

(a) The board shall select a depository for the district in the manner provided by law for the selection of a county depository.

(b) A depository selected by the board is the district's depository for two years after the date of its selection and until a successor depository is selected and qualified.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.317. Allowable Expenses

Allowable operating expenses of a district include all costs attributable to designing a 9–1–1 system and to all equipment and personnel necessary to establish and operate a public safety answering point and other related answering points that the board considers necessary.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.318. Number and Location Identification

(a) As part of computerized 9–1–1 service, a service supplier shall furnish current telephone numbers of subscribers and the addresses associated with the numbers on a call-by-call basis.

(b) A business service user that provides residential facilities and owns or leases a publicly or privately owned telephone switch used to provide telephone service to facility residents shall provide to those residential end users the same level of 9–1–1 service that a service supplier is required to provide under Subsection (a) to other residential end users in the district.

(c) Information furnished under this section is confidential and is not available for public inspection.

(d) A service supplier or business service user under Subsection (b) is not liable to a person who uses a 9–1–1 system created under this subchapter for the release to the district of the information specified in Subsections (a) and (b).

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

Amended by Acts 1993, 73rd Leg., ch. 936, § 16, eff. Aug. 30, 1993; Acts 1995, 74th Leg., ch. 638, § 18, eff. Sept. 1, 1995.

§ 772.319. Public Review

(a) Periodically, the board shall solicit public comments and hold a public review hearing on the continuation of the district and the 9–1–1 emergency service fee. The first hearing shall be held three years after the date the order certifying the creation of the district is filed with the county clerks. Subsequent hearings shall be held three years after the date each order required by Subsection (d) is adopted.

(b) The board shall publish notice of the time and place of the hearing once a week for two consecutive weeks in a daily newspaper of general circulation published in the district. The first notice must be published not later than the 16th day before the date set for the hearing.

(c) At the hearing, the board shall also solicit comments on the participation of the district in the applicable regional plan for 9–1–1 service under Chapter 771. After the hearing, the board may choose to participate in the regional plan as provided by that chapter.

(d) After the hearing, the board shall adopt an order on the continuation or dissolution of the district and the 9–1–1 emergency service fee.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.320. Dissolution Procedures

(a) If a district is dissolved, 9–1–1 service must be discontinued on the date of the dissolution. The commissioners court of the county in which the district was located or, if the district contains more than one county, the commissioners courts of those counties acting jointly, shall assume the assets of the district and pay the district's debts. If the district's assets are insufficient to retire all existing debts of the district on the date of dissolution, the commissioners court or courts acting jointly shall continue to impose the 9–1–1 service fee, and each service supplier shall continue to collect the fee for the commissioners court or courts. Proceeds from the imposition of the fee after dissolution of the district may be used only to retire the outstanding debts of the district.

(b) The commissioners court or courts shall retire the district's debts to the extent practicable according to the terms of the instruments creating the debts and the terms of the orders and resolutions authorizing creation of the debts.

(c) The commissioners court or courts by order may adopt the rules necessary to administer this section.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.321. Issuance of Bonds

The board may issue and sell bonds in the name of the district to finance:

(1) the acquisition by any method of facilities, equipment, or supplies necessary for the district to begin providing 9–1–1 service to all participating jurisdictions; and

(2) the installation of equipment necessary for the district to begin providing 9–1–1 service to all participating jurisdictions.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.322. Repayment of Bonds

The board may provide for the payment of the principal of and interest on the bonds by pledging all or any part of the district's revenues from the 9–1–1 emergency service fee or from other sources.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.323. Additional Security for Bonds

(a) The bonds may be additionally secured by a deed of trust or mortgage lien on part or all of the physical properties of the district and the rights appurtenant to those properties, vesting in the trustee power to sell the properties for payment of the indebtedness, power to operate the properties, and all other powers necessary for the further security of the bonds.

(b) The trust indenture, regardless of the existence of the deed of trust or mortgage lien on the properties, may include provisions prescribed by the board for the security of the bonds and the preservation of the trust estate and may make provisions for investment of funds of the district.

(c) A purchaser under a sale under the deed of trust or mortgage lien is the absolute owner of the properties and rights purchased and may maintain and operate them.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.324. Form of Bonds

(a) A district may issue its bonds in various series or issues.

(b) Bonds may mature serially or otherwise not more than 25 years after their date of issue and shall bear interest at any rate permitted by state law.

(c) A district's bonds and interest coupons, if any, are investment securities under the terms of Chapter 8, Business & Commerce Code, may be issued registrable as to principal or as to both principal and interest, and may be made redeemable before maturity, at the option of the district, or contain a mandatory redemption provision.

(d) A district may issue its bonds in the form, denominations, and manner and under the terms, and the bonds shall be signed and executed, as provided by the board in the resolution or order authorizing their issuance.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.325. Provisions of Bonds

(a) In the orders or resolutions authorizing the issuance of bonds, including refunding bonds, the board may provide for the flow of funds and the establishment and maintenance of the interest and sinking fund, the reserve fund, and other funds and may make additional covenants with respect to the bonds, the pledge revenues, and the operation and maintenance of any facilities the revenue of which is pledged.

(b) The orders or resolutions of the board authorizing the issuance of bonds may also prohibit the further issuance of bonds or other obligations payable from the pledged revenue or may reserve the right to issue additional bonds to be secured by a pledge of and payable from the revenue on a parity with or subordinate to the lien and pledge in support of the bonds being issued.

(c) The orders or resolutions of the board issuing bonds may contain other provisions and covenants as the board may determine.

(d) The board may adopt and have executed any other proceedings or instruments necessary and convenient in the issuance of bonds.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.326. Approval and Registration of Bonds

(a) Bonds issued by a district must be submitted to the attorney general for examination.

(b) If the attorney general finds that the bonds have been authorized in accordance with law, the attorney general shall approve them. On approval by the attorney general, the comptroller shall register the bonds.

(c) After the approval and registration of bonds, the bonds are incontestable in any court or other forum for any reason and are valid and binding obligations according to their terms for all purposes.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.327. Refunding Bonds

(a) A district may issue bonds to refund all or any part of its outstanding bonds, including matured but unpaid interest coupons.

(b) Refunding bonds shall mature serially or otherwise not more than 25 years after their date of issue and shall bear interest at any rate or rates permitted by state law.

(c) Refunding bonds may be payable from the same source as the bonds being refunded or from other sources.

(d) The refunding bonds must be approved by the attorney general as provided by Section 772.326 and shall be registered by the comptroller on the surrender and cancellation of the bonds refunded.

(e) The orders or resolutions authorizing the issuance of the refunding bonds may provide that they be sold and the proceeds deposited in the place or places at which the bonds being refunded are payable, in which case the refunding bonds may be issued before the cancellation of the bonds being refunded. If refunding bonds are issued before cancellation of the other bonds, an amount sufficient to pay the principal of the bonds being refunded and interest on those bonds accruing to their maturity dates or to their option dates if the bonds have been duly called for payment before maturity according to their terms shall be deposited in the place or places at which the bonds being refunded are payable. The comptroller shall register the refunding bonds without the surrender and cancellation of bonds being refunded.

(f) A refunding may be accomplished in one or in several installment deliveries. Refunding bonds and their interest coupons are investment securities under Chapter 8, Business & Commerce Code.

(g) In lieu of the method set forth in Subsections (a)–(f), a district may refund bonds, notes, or other obligations as provided by the general laws of this state.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.328. Bonds as Investments and Security for Deposits

(a) District bonds are legal and authorized investments for:

- (1) a bank;
- (2) a savings bank;
- (3) a trust company;
- (4) a savings and loan association;
- (5) an insurance company;
- (6) a fiduciary;
- (7) a trustee;
- (8) a guardian; and

(9) a sinking fund of a municipality, county, school district, and other political subdivision of the state and other public funds of the state and its agencies, including the permanent school fund.

(b) District bonds are eligible to secure deposits of public funds of the state and municipalities, counties, school districts, and other political subdivisions of the state. The bonds are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

§ 772.329. Tax Status of Bonds

Because a district created under this subchapter is a public entity performing an essential public function, bonds issued by the district, any transaction relating to the bonds, and profits made in the sale of the bonds are exempt from taxation by the state or by any municipality, county, special district, or other political subdivision of the state.

Acts 1989, 71st Leg., ch. 678, § 1, eff. Sept. 1, 1989.

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

www.dps.texas.gov



STEVEN C. McCRAW
DIRECTOR
DAVID G. BAKER
ROBERT J. BODISCH, SR.
DEPUTY DIRECTORS



COMMISSION
STEVEN P. MACH, CHAIRMAN
MANNY FLORES
A. CYNTHIA LEON
JASON K. PULLIAM
RANDY WATSON

August 1, 2017

To Whom It May Concern:

The Department of Public Safety Interlocal Cooperation Contract for General Stores supplies will expire August 31, 2017. Enclosed is the revised contract, which is effective as of the date of the last party to sign the contract and ends on August 31, 2021.

This year, all purchases require a current contract on file before DPS can process your order. This includes printed materials as well as intoxilyzer mouthpieces, alcohol blood test kits, gunshot residue kits, urine specimen kits, or syringe transport tubes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Iffla', followed by a horizontal line.

Michael Iffla, Director,
General Services Bureau

**INTERLOCAL COOPERATION CONTRACT
DPS GENERAL STORES
P.O. BOX 15999
AUSTIN, TEXAS 78761-5999**

STATE OF TEXAS

TRAVIS COUNTY

THIS CONTRACT is entered into between the Department of Public Safety (DPS) and the Local Governmental Entity listed in Section I (Contracting Parties) under the authority of the Texas Government Code Chapter 791 (the Interlocal Cooperation Act) and in furtherance of the responsibilities of DPS as provided in Texas Government Code Chapter 411.

I. CONTRACTING PARTIES

Department of Public Safety

and

Local Governmental Entity: NORTHLAKE POLICE DEPARTMENT

Complete Address: 1400 FM 407 NORTHLAKE, TX 76247
Street Address City and State Zip Code

II. STATEMENT OF SERVICE

DPS will provide certain forms, manuals, gunshot residue kits, and other supplies for the Local Governmental Entity to use in the Breath Testing and Laboratory Alcohol and Drug Testing Program. The purpose and objective of this Contract is to facilitate the use of uniform and consistent procedures, paperwork, printed materials, and supplies.

III. BASIS FOR CALCULATING COSTS

Costs will be in accordance with the DPS General Stores' non-DPS users price sheet.

IV. PAYMENT FOR SUPPLIES

Local Governmental Entity must submit full payment to DPS at the time of order. Payment will be made from the Local Governmental Entity's current revenues.

V. TERM OF CONTRACT

This Contract is effective as of the date of the last party to sign the contract and ends on August 31, 2021.

THE UNDERSIGNED CONTRACTING PARTIES bind themselves to the faithful performances of this Contract and have full authority to enter into this Contract on behalf of the respective parties.

If the governing body of a party is required to approve this Contract, it will not become effective until approved by the governing body of that party. In that event, this Contract will be executed by the duly authorized official of the party as expressed in the approving resolution or order of the governing body of said party, a copy of which must be attached to this Contract.

NORTHLAKE POLICE DEPARTMENT

Name of Local Governmental Entity

DEPARTMENT OF PUBLIC SAFETY

Name of Agency

By: _____

Authorized Signature



By: _____

Authorized Signature

CHIEF OF POLICE

Title

Title

Date: _____

08/11/17

Date: _____

INTRODUCTION

The Department of Public Safety stocks certain forms, manuals, gunshot residue kits, and supplies for the Intoxilyzer Breath Testing Program and the Laboratory Alcohol and Drug Testing Program for all Texas cities and counties. DPS performs this service to facilitate the use of uniform and consistent procedures, paperwork, printed materials, and supplies.

DPS requires certain minimum quantities and packaging in order to be as efficient as possible. The prices will differ between DPS and non-DPS users. The non-DPS users will be charged a slightly higher price to cover administrative and handling expenses and will be required by law to have an Interlocal Cooperation Contract on file with DPS General Services for any printed materials or supply items, such as mouthpieces, alcohol blood test kits, gunshot residue kits, and urine specimen kits.

DPS strongly urges entities to discuss and coordinate all purchases with its local Breath Test Program Technical Supervisor or DPS Headquarters Laboratory Alcohol and Drug Testing Program personnel. These individuals are familiar with the ordering procedure and should be aware of any price changes. Your local Breath Test Program Technical Supervisor or our DPS Laboratory Alcohol and Drug Testing personnel should also be able to advise the purchaser of the quantities of supplies that may be needed.

INSTRUCTIONS FOR THE PURCHASE OF
INTOXILYZER BREATH TESTING AND LABORATORY ALCOHOL/DRUG TESTING
PRINTED MATERIALS/SUPPLIES AND GUN SHOT RESIDUE KITS

1. **Submit your request on your department's letterhead using the sample on page 5.**

This request must be signed by an authorized representative and the name and phone number of a contact person. Also, furnish exemption number if tax exempt.

Attach pages 3 and 4 to include the requested items and total amount due.

This request should be addressed to the following.

DPS GENERAL STORES
P.O.BOX 15999
AUSTIN, TEXAS 78761-5999

2. Prices will be subject to change on a periodic basis and include shipping and handling.
3. Submit check or money order made out to the **Department of Public Safety, General Stores**, along with your request.
4. Our minimum stock quantities for non-DPS users of Intoxilyzer Breath Testing and Alcohol/Drug testing supplies and printed materials are listed on pages 3 and 4.
Non-DPS users must adhere to minimum quantities.
5. If you have any questions, please contact the following.

DPS GENERAL STORES
512-424-2017
GSoutsidesales@dps.texas.gov

NON-DPS USERS PRICE SHEET

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

THESE ITEMS MUST BE PRE-PAID

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>MINIMUM QUANTITY</u>	<u>PRICES</u>	<u>TOTAL AMOUNT</u>
_____	DIC 23 PEACE OFFICERS SWORN REPORT (Rev. 9-01)	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 23A SPECIMEN ROUTING REPORT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 24 STATUTORY WARNING	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 25 NOTICE OF SUSPENSION TEMPORARY DRIVING PERMIT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 54 PEACE OFFICER'S SWORN REPORT COMM. MOTOR VEHICLE	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 55 STATUTORY WARNING COMMERCIAL MOTOR VEHICLE OPERATORS	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 56 BREATH TEST TECHNICAL SUPERVISOR AFFIDAVIT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 57 NOTICE OF DISQUALIFICATION (Rev. 9-01)	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
DIC SPANISH FORMS:				
_____	DIC 24S DWI STATUTORY WARNING	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 25S NOTICE OF SUSPENSION	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 57S NOTICE OF DISQUALIFICATION	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
THP FORMS:				
_____	THP 1 OFFENSE REPORT	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00
_____	THP 1A SFST SCORING SHEET	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00

_____	THP 51 STATUTORY AUTHORIZATION MANDATORY BLOOD SPECIMEN	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00
_____	THP 51A AFFIDAVIT OF PERSON WHO WITHDREW BLOOD	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00
_____	THP/BR 38 INTOXILYZER MANUAL	(BINDER, TABS & CONTENTS)	\$8.75/EACH	_____ \$0.00
SUPPLIES				
_____	* PBT (MOUTHPIECES) (PORTABLE BREATH TESTING TUBE)	1 PKG of 25 EACH	\$4.50/PKG.	_____ \$0.00
_____	* INTOXILYZER MOUTHPIECES	1 PKG of 100 EACH	\$23.00/PKG.	_____ \$0.00
_____	* ALCOHOL BLOOD TEST KIT	1 EACH	\$6.50/EACH	_____ \$0.00
_____	* URINE SPECIMEN TEST KIT	1 EACH	\$4.50/EACH	_____ \$0.00
_____	* SYRINGE TRANSPORT TUBES	1 EACH	\$3.50/EACH	_____ \$0.00
_____	* GUNSHOT RESIDUE KIT	1 EACH	\$8.50/EACH	_____ \$0.00
TOTAL ENCLOSED				_____ \$0.00
(Items from pages 3 and 4)				

MAIL ORDERS AND PAYMENTS TO:

**DPS GENERAL STORES
P.O. BOX 15999
AUSTIN, TEXAS 78761-5999
512 -424-2017**

**USING YOUR LETTERHEAD, PRINT THIS PAGE,
ATTACH ORDER SHEETS, AND MAIL TO:
DPS GENERAL STORES
P.O. BOX 15999
AUSTIN, TEXAS 78761-5999**

DATE _____

Please enter our order for the attached supplies. My check is enclosed.

Sincerely,

Title _____

Tax exempt number _____

Contact person _____ Phone number _____

Physical Address (City, State, Zip)

Email Address



Regular Items

Agenda Item 6

- F. Consider for approval a Resolution authorizing the Town Administrator to submit a Letter of No Objection to U.S. Department of Commerce for the Minor Boundary Modification to Foreign Trade Zone #196
- G. Consider for approval the Fourth Amendment to the Third Amended and Restated Development Agreement (Town of Northlake-Harvest) by and between Town of Northlake, Texas, Belmont 407 LLC, Realty Capital Argyle 114 Ltd, Hillwood Enterprises LP, Harvest Phase 1 LLC, Harvest Phase 11 LLC, Harvest Phase 3 LLC, Meadows Phase 2 at Harvest LLC, Harvest Meadows Phase 3 LLC and Belmont Fresh Water Supply District No. 1 of Denton County
- H. Second public hearing on a proposed Property Tax Rate for Fiscal Year 2017-2018 of \$0.2950 per \$100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 7, 2017 meeting
- I. Public Hearing on the Proposed Budget for Fiscal Year 2017-18 beginning on October 1, 2017 and ending on September 30, 2018 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), The Highlands Public Improvement District
- J. Consider a motion to call a special session for September 7, 2017 and canceling the September 14th, September 28th, October 26th, November 23rd, and December 28th 2017 meetings

**TOWN OF NORTHLAKE, TEXAS
RESOLUTION NO. 17-22**

A RESOLUTION OF THE TOWN OF NORTHLAKE, TEXAS, PROVIDING NOTIFICATION TO U.S. DEPARTMENT OF COMMERCE OF SUPPORT FOR A MINOR BOUNDARY ADJUSTMENT AS APPLIED FOR BY ALLIANCE CORRIDOR INC. TO INCLUDE 259 ACRES IN THE FOREIGN TRADE ZONE #196; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Northlake, Texas ("Town") recognizes the importance of its role in local economic development; and

WHEREAS, the Town desires to pursue the creation of the proper economic and social environment to induce the investment of private resources in productive business enterprises located in the Town and to provide employment to residents in Foreign Trade Zones (FTZ); and

WHEREAS, the Town understands that Alliance Corridor, Inc., Grantee of Foreign Trade Zone #196, may be applying for a Minor Boundary Modification for a Usage Driven Site for FTZ activation for the Northlake land according to the attached map and that this location is within Northlake's taxing jurisdiction; and

WHEREAS, the Town recognizes the importance of international trade in the community and supports any future FTZ applications in this location; and

WHEREAS, the Town is aware that when an application is approved, imported inventory and inventory held in a FTZ warehouse for export will be exempt from local ad valorem tax;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

Section 1. That the Town Administrator is hereby authorized to send this resolution with cover letter to the Executive Secretary of the Foreign-Trade Zones Board of the U.S. Department of Commerce.

Section 2. That this resolution shall take effect immediately from and after its passage.

PASSED AND APPROVED this the 24th day of August, 2017.

Town of Northlake, Texas

Peter Dewing, Mayor

ATTEST:

Shirley Rogers, Town Secretary

Hillwood Land
259 acres

227 ac
Tract

32 ac
Tract



(TAXING ENTITY LETTER HEAD)

(DATE)

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
U.S. Department of Commerce
1401 Constitution Ave., NW, Room 21013
Washington, DC 20230

Dear Mr. McGilvray:

(taxing entity) understands that Alliance Corridor, Inc., Grantee of Foreign Trade Zone #196, may be applying for a Minor Boundary Modification for a Usage Driven Site for FTZ activation for the Northlake land according to the attached map and that this location is within our taxing jurisdiction.

(taxing entity) recognizes the importance of international trade in our community and supports any future FTZ application in this location. We are aware that when an application is approved, imported inventory and inventory held in a Foreign Trade Zone (FTZ) warehouse for export will be exempt from local ad valorem tax.

Sincerely,

(taxing entity)

Memo

To: Honorable Mayor and Town Council
From: Drew Corn, Town Administrator
CC: Shirley Rogers, Town Secretary
Nathan Reddin, Development Director
Date: August 24, 2017
Re: Proposed Fourth Amendment to the Harvest Development Agreement

Please find attached the Fourth Amendment to the Third Amended and Restated Harvest Developer Agreement. The original agreement which was adopted in November 2006 when the development was still known as Belmont. The First Amended and Restated Agreement was adopted in April 2008 and provided for the funding on the Trinity River Authority Graham Branch Regional Wastewater Collection System. The Second Amended and Restated Agreement was adopted in August 2010 and provided developer surety for the Town to enter into a water customer contract with Upper Trinity Regional Water District.

The Third Amended and Restated Agreement was adopted on September 27, 2012 and reflects the change in concept plan and development code to reflect the new vision of Hillwood Communities and the new name for the development from Belmont to Harvest. The Third Amended and Restated Agreement also reflects a number of events that have occurred such as the construction of the regional wastewater system, the contract with Upper Trinity, and the creation of the Denton County Emergency Services District.

Since the Third Amended and Restated Agreement, the agreement has been amended by smaller discrete amendments rather than restating the entire agreement. The First Amendment occurred shortly after the master agreement was restated on October 12, 2012, added the Thompson and McGee tracts to the development, and held those tracts to similar standards of the original property. The Second amendment approved on July 25, 2013 reflected the new boundary between Northlake and Argyle along Harvest Way and the subsequent changes to extraterritorial jurisdiction and certificate of cause and necessity boundaries. The Third Amendment included an additional Thompson tract into the development with the same restrictions.

August 24, 2017

Proposed Fourth Amendment to the Harvest Developer Agreement

Page 2 of 2

For Council consideration is the Fourth Amendment to the Third Amended and Restated Developer Agreement with Hillwood, Realty Capital and investors. This latest amendment brings up-to-date current property ownership, updates the development code, allows board member to remain in manufactured housing until 180 days after appointment of successor, provides for limited purpose annexation, and realigns certain roadways.

In addition, the Fourth Amendment releases the Town from any sewer system oversizing reimbursements to the developer or district due to the additional property brought into the development and therefore sewer system. The district will convey property to the Town for the elevated storage tank location. Finally, the amendment spells out the contribution cost per connection the district pays for the Phase 3 expansion of the North Pressure Plain water system and when said contributions begin.

You may also contact me at 940.242.5701 if you have any questions or comments before the Council meeting.

**FOURTH AMENDMENT TO THE
THIRD AMENDED AND RESTATED DEVELOPMENT AGREEMENT
(Town of Northlake-Harvest)**

This Fourth Amendment to the Third Amended and Restated Development Agreement (Town of Northlake-Harvest) (this "Fourth Amendment") is made and entered into by and between the Town of Northlake, Texas, a municipal corporation (the "Municipality"), Belmont 407, LLC (hereinafter "Belmont 407"), a Delaware limited liability company, Realty Capital Argyle 114, Ltd. (hereinafter "Argyle 114"), a Texas limited partnership, Hillwood Enterprises, L.P. (hereinafter "Hillwood"), a Texas limited partnership, Harvest Phase I, LLC (hereinafter "HP1"), a Texas limited liability company, Harvest Phase II, LLC (hereinafter "HP2"), a Texas limited liability company, Harvest Phase 3, LLC (hereinafter "HP3"), a Texas limited liability company, Meadows Phase 2 at Harvest, LLC (hereinafter "MP2"), a Texas limited liability company, Harvest Meadows Phase 3, LLC (hereinafter "MP3"), a Texas limited liability company, and Belmont Fresh Water Supply District No. 1 of Denton County (the "Original District" or the "District"). This Agreement is to be effective as of the date set out below (the "Effective Date").

RECITALS

WHEREAS, Municipality, Belmont 407, Argyle 114, and District entered into that certain Third Amended and Restated Development Agreement (Town of Northlake-Harvest), effective September 27, 2012, as amended by that First Amendment to the Third Amended and Restated Development Agreement, that Second Amendment to the Third Amended and Restated Development Agreement, and that Third Amendment to the Third Amended and Restated Development Agreement (collectively, the "Third Amended Development Agreement"); and

WHEREAS, HP1, HP2, HP3, MP2, and MP3 are successors in interest to certain portions of land within the District and the parties desire that HP1, HP2, HP3, MP2, and MP3 be subject to this Fourth Amendment; and

WHEREAS, the purpose of this Fourth Amendment is to amend the Third Amended Development Agreement to more accurately reflect the current state of the District, including, but not limited to, updating and amending the Road Infrastructure Plan and Utility Service Plan; updating and amending the Harvest Development Code; updating certain exhibits referenced and incorporated in the Third Amended Development Agreement; extending the term of the Third Amended Development Agreement; and addressing funding, capacity and use limits in both the sanitary sewer and water distribution systems;

WHEREAS, the Third Amended Development Agreement may be amended only with the written consent of the Parties and with the Town Council pursuant to Section 11.21 thereof; and

WHEREAS, the Parties desire to amend the Third Amended Development Agreement as hereinafter set forth.

WHEREAS, all of the capitalized terms used herein shall have the meanings ascribed to them in the Third Amended Development Agreement unless otherwise defined herein; and

NOW THEREFORE, for and in consideration of the above recitals and the terms, conditions and agreements stated in this Fourth Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I AMENDMENTS

1.01. Exhibits to Third Amended Development Agreement. The following exhibits referenced and attached to the Third Amended Development Agreement are replaced with the following exhibits of the same name, which are attached to this Fourth Amendment and incorporated by reference:

- 1) Exhibit "A"
- 2) Exhibit "B"
- 3) Exhibit "C"
- 4) Exhibit "D"
- 5) Exhibit "E-1" through "E-4"
- 6) Exhibit "I"
- 7) Exhibit "J"
- 8) Exhibit "K"
- 9) Exhibit "L"
- 10) Exhibit "M"

1.02. Harvest Development Code. The Harvest Development Code, which is attached to the Third Amended Development Agreement as Exhibit "H," is revised according to the following:

1) the Zone Classification Master Plan, shown on page seven (7) of the Harvest Development Code, is replaced with the Revised Zone Classification Master Plan, which is attached to this Fourth Amendment as Exhibit "N," and incorporated by reference; and

2) the Master Plan, shown on page eleven (11) of the Harvest Development Code, is replaced with the Revised Master Plan, which is attached to this Fourth Amendment as Exhibit "O," and incorporated by reference.

1.03. Oversized Capacity. The Parties acknowledge that as part of the Third Amended Development Agreement, the District funded certain oversizing of the capacity District's wastewater system to account for the Municipality's needs. Specifically, on behalf of the Municipality, the District purchased 115,000 gallons of capacity in a TRA Line (the "Oversize Capacity"). The Oversize Capacity was purchased in two phased payments of \$197,464.50 and \$168,008.98, and such amounts were to be reimbursed by the Municipality to the District through certain capital recovery fees. The District has not yet made a demand on Municipality for payment

of such capital recovery fees, nor has the Municipality paid any such capital recovery fees relating to the reimbursement of the amounts paid by the District for the Oversize Capacity. The Third Amended Development Agreement also contemplated that the District could obtain the Oversize Capacity should such capacity become necessary to serve the District's residents.

The District has since annexed additional land into the District such that the District's planned wastewater needs now exceed the District Capacity and the Oversize Capacity has become necessary to serve the District's residents. As a result, the Municipality releases all of its interest in the Oversize Capacity and allocates such capacity to the District. Therefore, for all purposes of the Third Amended Development Agreement, as amended, the definition of "District Capacity" shall include the Oversize Capacity. Further, the Municipality's obligation to reimburse the District for funding the Oversize Capacity is terminated.

1.04. Definitions. The definition of "Landowner" contained in Section 1.01 of the Third Amended Development Agreement is replaced in its entirety by the following paragraph:

"Landowner" means, collectively, Belmont 407, LLC, a Texas limited liability company, as Assignee of Realty Capital Belmont, Ltd., a Texas limited partnership, Realty Capital Argyle 114, Ltd., a Texas limited partnership; Hillwood Enterprises, L.P., a Texas limited partnership, Harvest Phase I, LLC, a Texas limited liability company, Harvest Phase II, LLC, a Texas limited liability company, Harvest Phase 3, LLC, a Texas limited liability company, Meadows Phase 2 at Harvest, LLC, a Texas limited liability company, Harvest Meadows Phase 3, LLC, a Texas limited liability company. The term "Landowner" also includes any Landowner Assignee permitted by this Agreement, but does not include a Lot Owner.

1.06. Dedication of Property. The Parties acknowledge that as of the date of this Fourth Amendment, approximately three (3) acres of real property has been conveyed to the Municipality under Section 3.03 of the Third Amended Development Agreement for the stated purpose of a fire station. Such conveyance was made by a deed, dated February 23, 2016, and recorded in the Denton County real property records as document number 2016-19693.

The Parties also acknowledge that in the future the District or Landowner will convey to the Municipality a portion of real property inside the District boundaries, approximately one (1) acre in size, for the purpose of constructing an elevated storage tank to serve areas within both the Municipality and the District.

The Parties further acknowledge that the conveyances detailed in this section will satisfy the District and Landowner's obligations to convey property to the Municipality under Section 3.03 of the Third Amended Development Agreement.

1.07. Temporary Manufactured Housing. The last sentence of Section 3.05 of the Third Amended Development Agreement is replaced in its entirety with the following:

Notwithstanding the foregoing, in the event that an occupant of a unit of Manufactured Housing is currently serving as a member of the governing board of a District ("Board") on the Removal Date, such occupant's unit of Manufactured

Housing will not be removed from the District until 180 days after the date of election or appointment to the Board of such occupant's successor.

1.08. Full Purpose Annexation. Section 5.03 of the Third Amended Development Agreement is amended in its entirety to read as follows:

The Parties have agreed that the Northlake Tract 1 may be included within the boundaries of not more than three (3) Resulting Districts provided that a Resulting District shall contain no more than 495 acres and no less than 200 acres at its creation. As a condition to the creation of any Resulting District, such District shall be contiguous to the corporate boundaries of the Municipality. During the term of this Agreement, the Municipality may, at its option, exercise its right, to the extent permitted by law, to full-purpose annex that portion of Northlake Tract 1 located within a Resulting District on or after the earlier to occur of: i) expiration of the Term of this Agreement as it may be extended; (ii) upon completion of construction of at least 90% of the Infrastructure planned for all phases of development within such District; or (iii) the dissolution of the District (other than as a result of annexation by the Municipality), and for all three options provided that all persons who have provided funding for any construction within such District have been fully reimbursed for all eligible expenditures therefor through the issuance of bonds by the District, or the Municipality has paid in cash to such persons all amounts not previously reimbursed for such eligible expenditures.

Should the Municipality annex any land within the District for full purposes under sections i) and iii) prior to the completion of 90% of the utility and road infrastructure planned for all phases of development for such land to be annexed, then the Municipality agrees to assume the obligation of funding the remaining costs existing at the time of annexation necessary to complete 90% of the utility and road infrastructure planned for all phases of development for such land to be annexed.

If the Municipality takes action to annex any land within the District for full purposes under this section, the Municipality will notify the District of its intention to annex at least one hundred and eighty (180) days prior to any action by the Municipality to formally annex for full purposes. Upon such receipt of such notice, within thirty (30) days the District will provide a written report to the Municipality providing the percentage of the utility and road infrastructure planned for all phases of development within the land to be annexed completed as of the date of the written report. If the percentage of completion is less than 90%, then prior to formally annexing any portion of the District for full purposes, the Municipality will provide the District with its plan to complete the utility and road infrastructure planned for all phases of development within the land to be annexed, and enter into an agreement detailing Municipality's obligation to complete such utility and road infrastructure.

1.09. Limited Purpose Annexation. Section 5.04 of the Third Amended Development Agreement is amended to add Section 5.04(c) as follows:

(c) As further consideration for the benefits received by the District under this Fourth Amendment, the Parties acknowledge that a Strategic Partnership Agreement (the “SPA”), substantially in the form attached as Exhibit “P,” will be entered into for the Limited Purpose Annexation of certain property (the “Annexed Property”) located within the District and adjacent to FM 407, such Annexed Property being more particularly described in the attached Exhibit “P.” The Parties acknowledge that the Annexed Property will be used for commercial purposes only, and the Municipality, in exchange for specific benefits provided to the District, herein and in such SPA, will receive 100% of the sales tax collected from the Annexed Property.

1.10. Improvement to Onsite Thoroughfare Roads. Section 6.02(b) of the Third Amended Development Agreement is replaced in its entirety with the following:

The Concept Plan provides for the realignment of Cleveland-Gibbs Road (CGR) through the portions of the Northlake Tracts. Landowner agrees that CGR shall be rerouted in the general alignment as shown on Exhibit “J” attached hereto. Landowner/Original District further agrees that CGR will be planned as a divided four (4) lane thoroughfare as described in Exhibit “E-3”. With respect to that portion of CGR located wholly within the Northlake Tracts, Landowner/Original District agrees to dedicate the necessary right of way for a four (4) lane divided road contemporaneous with the date of the Municipality’s approval of the final plat that includes land contiguous to CGR as shown on Exhibit “J”.

1.11. Improvement to Offsite Thoroughfare Roads. Section 6.03 of the Third Amended Development Agreement is removed in its entirety.

1.12. Water Structure Improvements. Section 7.02(e) of the Third Amended Development Agreement is replaced in its entirety by the following paragraph:

The Parties acknowledge that there exists a need for central water facilities to provide water service to connections both 1) inside the District boundaries and 2) outside the District boundaries but within the Municipality’s certificated utility service area. Such central water facilities (the “Central Water Facilities”) will include, but may not be limited to, all future phases of a water plant (the “Water Plant”) serving the District and the Municipality, an elevated storage tank (the “EST”), and the Previous Construction (hereafter defined).

The Parties further acknowledge that the District has previously constructed portions of the Central Water Facilities, including phases 1 and 2 of the Water Plant, a 16" water line located in Harvest Phase 1, a 16" water line in Harvest Phase 2A, and a 16" water line in Harvest 3B (the “Previous Construction”).

The Parties also acknowledge that under the terms of the Third Amended and Restated Development Agreement, the District has the obligation to convey all of the facilities consisting of the Central Water Facilities to the Municipality upon completion of such facilities in consideration for the Municipality's obligation to operate and maintain the Central Water Facilities and the Municipality's obligation to secure wholesale water supply and provide perpetual wholesale water service to the District.

The Parties have determined that it is in the best interests of the District and Municipality that the Municipality design, construct, and maintain the remaining portions of the Central Water Facilities necessary to provide water service to the Northlake Tracts, and any other land annexed into the District, with such Central Water Facilities having the capacity to serve a minimum of 3,000 esfcs within the District. Such Central Water Facilities shall consist of any necessary expansion of the Water Plant, any required water distribution lines not considered internal lines, the EST sufficient to serve both District and Municipality needs, and any other necessary facility as determined by the Municipality's or District's engineer.

In consideration for the agreement of Municipality to construct all remaining portions of the Central Water Facilities (including phase 3 expansion of the Water Plant and EST), the District agrees to pay Municipality a fee (the "Capital Recovery Fee") in the amount of \$1,105.00 per each esfc located within the District in excess of 1,127 esfcs. Such amount has been determined by the Municipality's engineer pursuant to an analysis dated July 12, 2017 and the Parties acknowledge and agree that such per unit cost is reasonable and will approximate the estimated actual cost of providing the Central Water Facilities.

Capital Recovery Fees will be billed by the Municipality on a quarterly basis for the quarterly periods ending March 31, June 30, September 30, and December 31 each year during the Term hereof (a "Quarterly Period"). The billing will be made by written invoice (a "Quarterly Invoice") sent to the District, which shall be paid within 30 days from date of receipt. The amount of a Quarterly Invoice will be calculated by multiplying the number of building permits issued by the Municipality for esfcs within the District during the applicable Quarterly Period by the \$1,105.00 Capital Recovery Fee.

The initial Quarterly Invoice to be billed by the Municipality will be for the Quarterly Period during which the Municipality issues the 1,128th building permit for esfcs within the District. The amount of the initial Quarterly Invoice will be calculated by subtracting 1,127 building permits from the total number of building permits issued within the District through the end of the initial Quarterly Period, and multiplying the difference by the \$1,105.00 Capital Recovery Fee.

1.13. Notices The contact information of the parties listed in Section 11.12 of the Third Amended Development Agreement are replaced with the following contact information:

MUNICIPALITY:

Attn: Mayor, Town of Northlake
1400 FM 407
Northlake, Texas 76247
TEL: (940) 648-3290
FAX: (940) 648-0363

With a copy to:

Attn: Ms. Ashley Dierker
Taylor, Olson, Adkins, Sralla & Elam, L.L.P.
6000 Western Place, Suite 200
Fort Worth, Texas 76107
TEL: (817) 332-2580
FAX: (817) 332-4740

LANDOWNER:

Belmont 407, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Realty Capital Argyle 114, Ltd.
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Hillwood Enterprises, LP
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Harvest Phase I, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Harvest Phase II, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Harvest Phase 3, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Meadows Phase 2 at Harvest, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

and

Harvest Meadows Phase 3, LLC
c/o Hillwood Development Company
Attn: Angela Mastrocola
3000 Turtle Creek Blvd.
Dallas, Texas 75219
TEL: (972) 201-2939
EMAIL: Angie.Mastrocola @ hillwood.com

Belmont Freshwater Supply District No. 1 of Denton County, Texas

Attn: President
Crawford & Jordan LLP
3100 McKinnon Street, Suite 1100
Dallas, Texas 75201
TEL: (214) 981-9090
FAX: (214) 981-9071

With a copy to:

Attn: Mr. Clay E. Crawford
Crawford & Jordan LLP
3100 McKinnon Street, Suite 1100
Dallas, Texas 75201
TEL: (214) 981-9090
FAX: (214) 981-9071

**ARTICLE II
MISCELLANEOUS**

2.01. Entire Agreement. This Fourth Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior understanding or oral or written agreement between the parties respecting the subject matter.

2.02. Ratification. No other amendment to the Third Amended Development Agreement is made or intended to be made hereby and, except as amended by this Fourth Amendment, the Third Amended Development Agreement is hereby ratified, confirmed and reaffirmed by the parties.

2.03. Severability. If any provision in this Fourth Amendment is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability will not affect any other provision of this Fourth Amendment, and this Fourth Amendment will be construed as if the unenforceable provision had never been part of this Fourth Amendment.

2.04. Counterpart Originals. If this Fourth Amendment is executed in multiple counterparts, all counterparts taken together will constitute this Fourth Amendment.

2.06. Exhibits. All exhibits to this Fourth Amendment are attached hereto and incorporated herein for all purposes.

2.08. Recordation. Following execution, this Fourth Amendment shall be recorded in the real Property Records of Denton County, Texas.

AGREED AND ACCEPTED this _____ day of _____, 2017.

ATTEST:

TOWN OF NORTHLAKE

City Secretary

By: _____

Mayor

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me on _____, 2017, by _____, Mayor of Town of Northlake, a municipal corporation, on behalf of said municipal corporation.

Notary Public in and for the State of Texas

BELMONT 407, LLC
a Delaware limited liability company

By: _____

Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Belmont 407, LLC, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of Texas

REALTY CAPITAL ARGYLE 114, LTD.
a Texas limited partnership

By: H4 Argyle GP, LLC,
a Texas limited liability company,
its general partner

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of H4 Argyle GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Realty Capital Argyle 114, Ltd., a Texas limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

HARVEST PHASE I, LLC
a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Harvest Phase I, LLC, a Texas limited liability company, on behalf of said limited company.

Notary Public in and for the State of Texas

HILLWOOD ENTERPRISES, L.P.
a Texas limited partnership

By: AHB, LLC,
a Texas limited liability company,
its general partner

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of AHB, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Enterprises, L.P., a Texas limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

HARVEST PHASE II, LLC
a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Harvest Phase II, LLC, a Texas limited liability company, on behalf of said limited company.

Notary Public in and for the State of Texas

HARVEST PHASE 3, LLC
a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Harvest Phase 3, LLC, a Texas limited liability company, on behalf of said limited company.

Notary Public in and for the State of Texas

MEADOWS PHASE 2 AT HARVEST, LLC
a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Meadows Phase 2 at Harvest, LLC, a Texas limited liability company, on behalf of said limited company.

Notary Public in and for the State of Texas

HARVEST MEADOWS PHASE 3, LLC
a Texas limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2017, by Angela Mastrocola, Senior Vice President of Harvest Meadows Phase 3, LLC, a Texas limited liability company, on behalf of said limited company.

Notary Public in and for the State of Texas

**BELMONT FRESH WATER SUPPLY DISTRICT
NO. 1 OF DENTON COUNTY, TEXAS**

By: _____

Its: _____

ATTEST:

By: _____

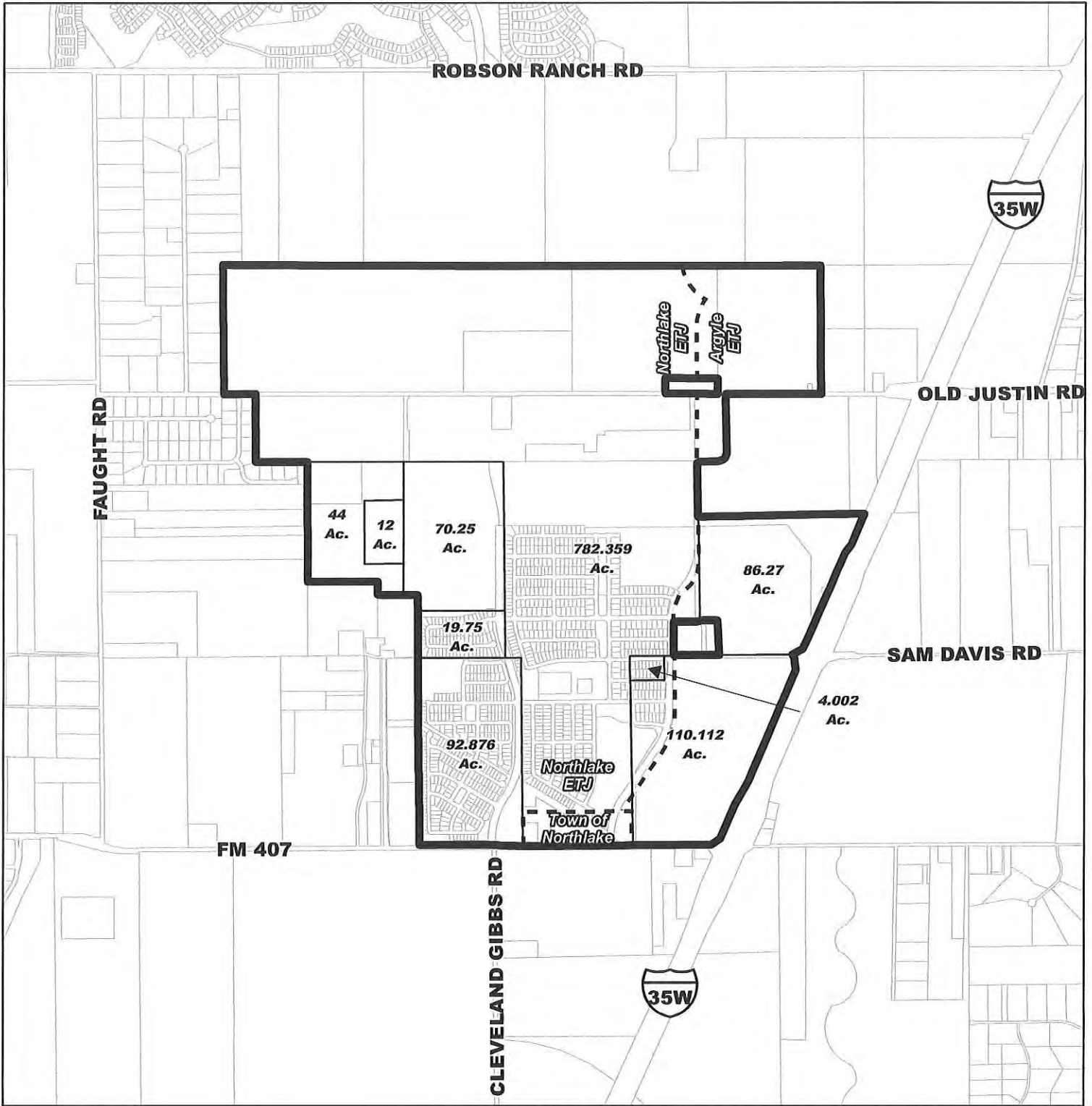
Its: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2017, by _____, _____ of Belmont Fresh Water Supply District No. 1 of Denton County, a Texas fresh water supply district created pursuant to the Texas Water Code, on behalf of said fresh water supply district.

Notary Public in and for the State of Texas

EXHIBIT "A"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy completeness, reliability, or usability of the information included within this exhibit.



JONES CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

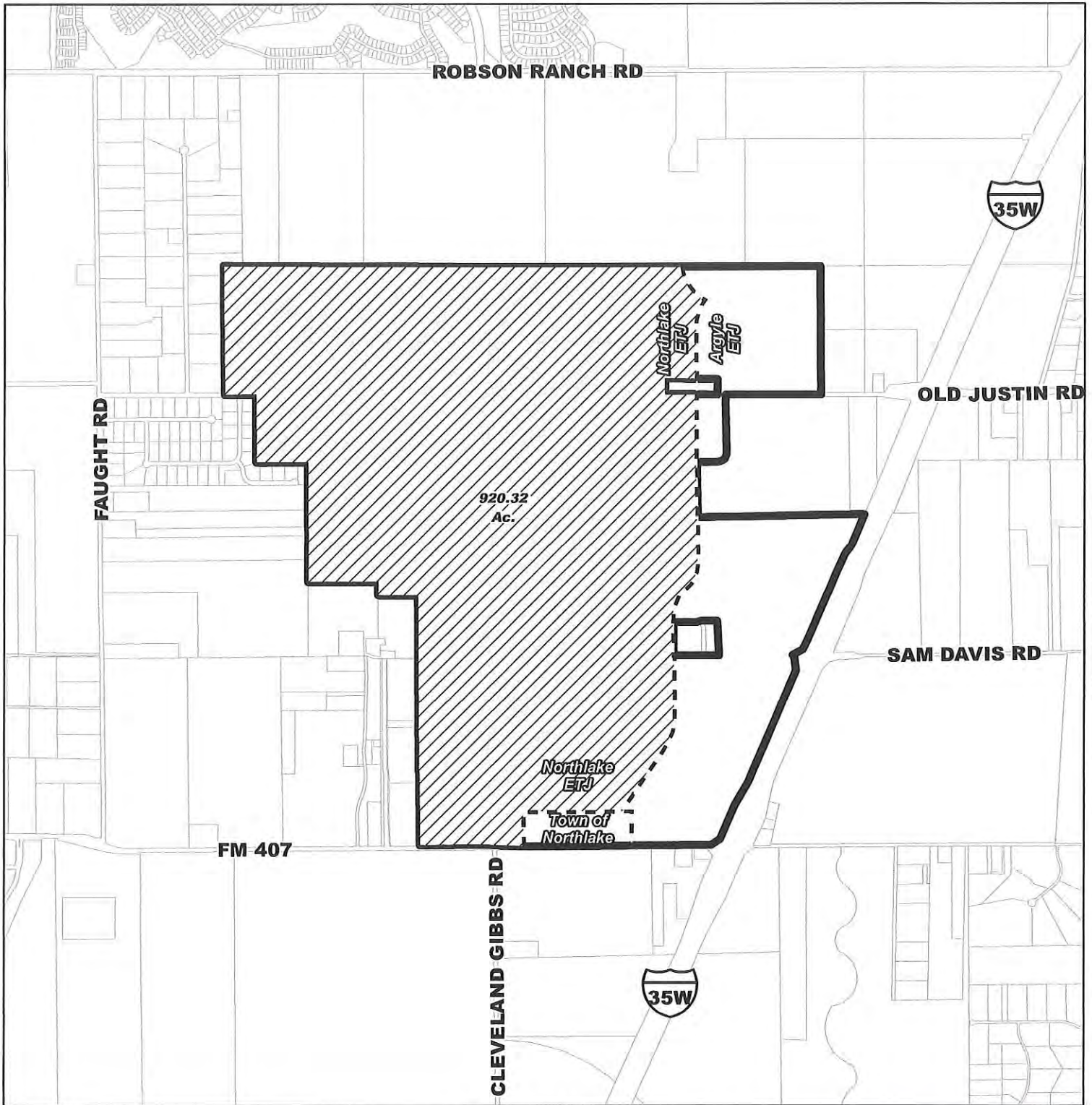
- Harvest Boundary (1,167.55 Ac.)
- Harvest Tracts
- ETJ
- Parcels



VICINITY MAP

Scale: 1 inch equals 5 miles

EXHIBIT "B"



Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy completeness, reliability, or usability of the information included within this exhibit.



JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST
DENTON COUNTY, TEXAS

LEGEND

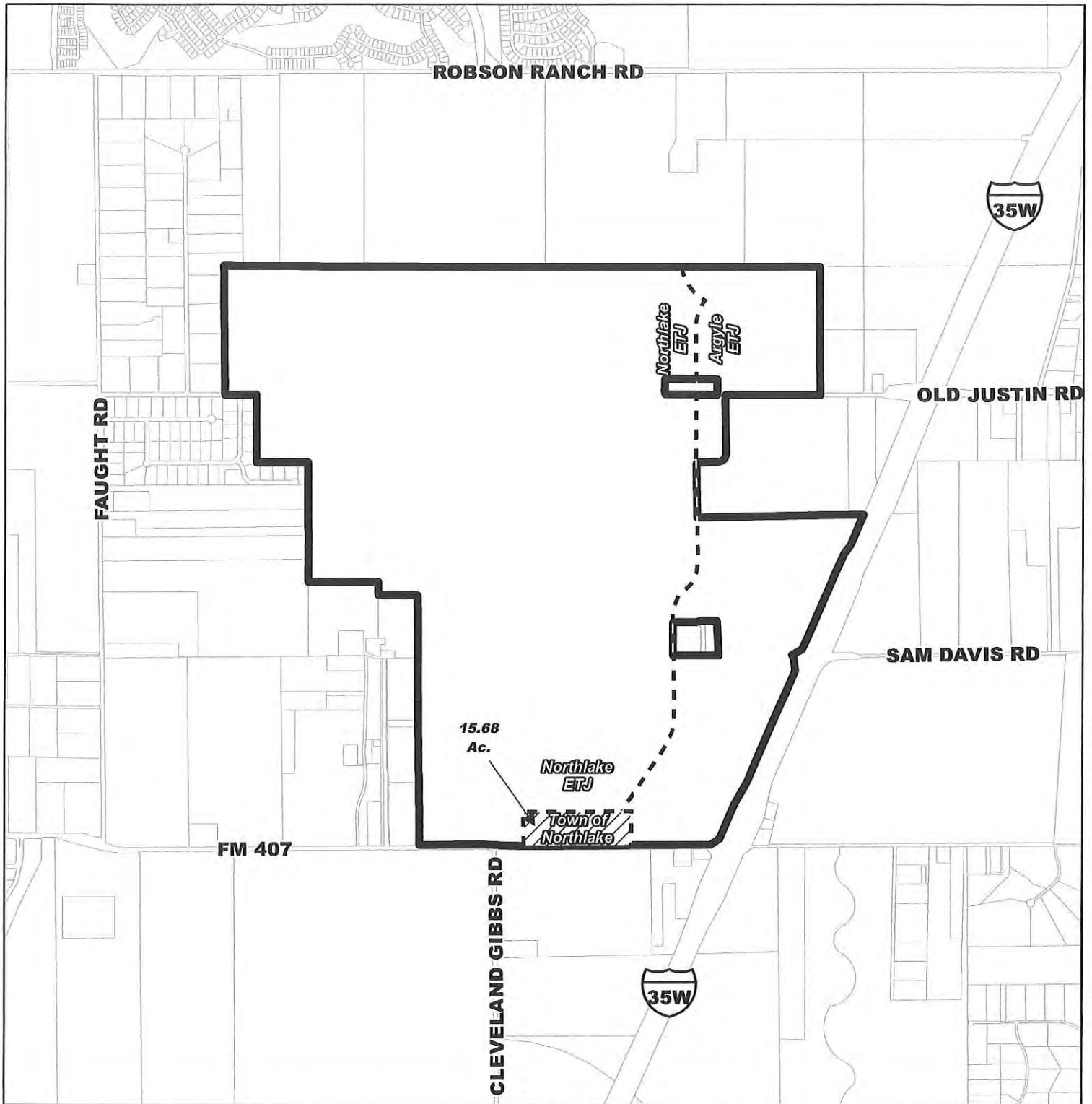
- Harvest Boundary (1,167.55 Ac.)
- Northlake ETJ (920.32 Acres)
- ETJ
- Parcels



VICINITY MAP

Scale: 1 inch equals 5 miles

EXHIBIT "C"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

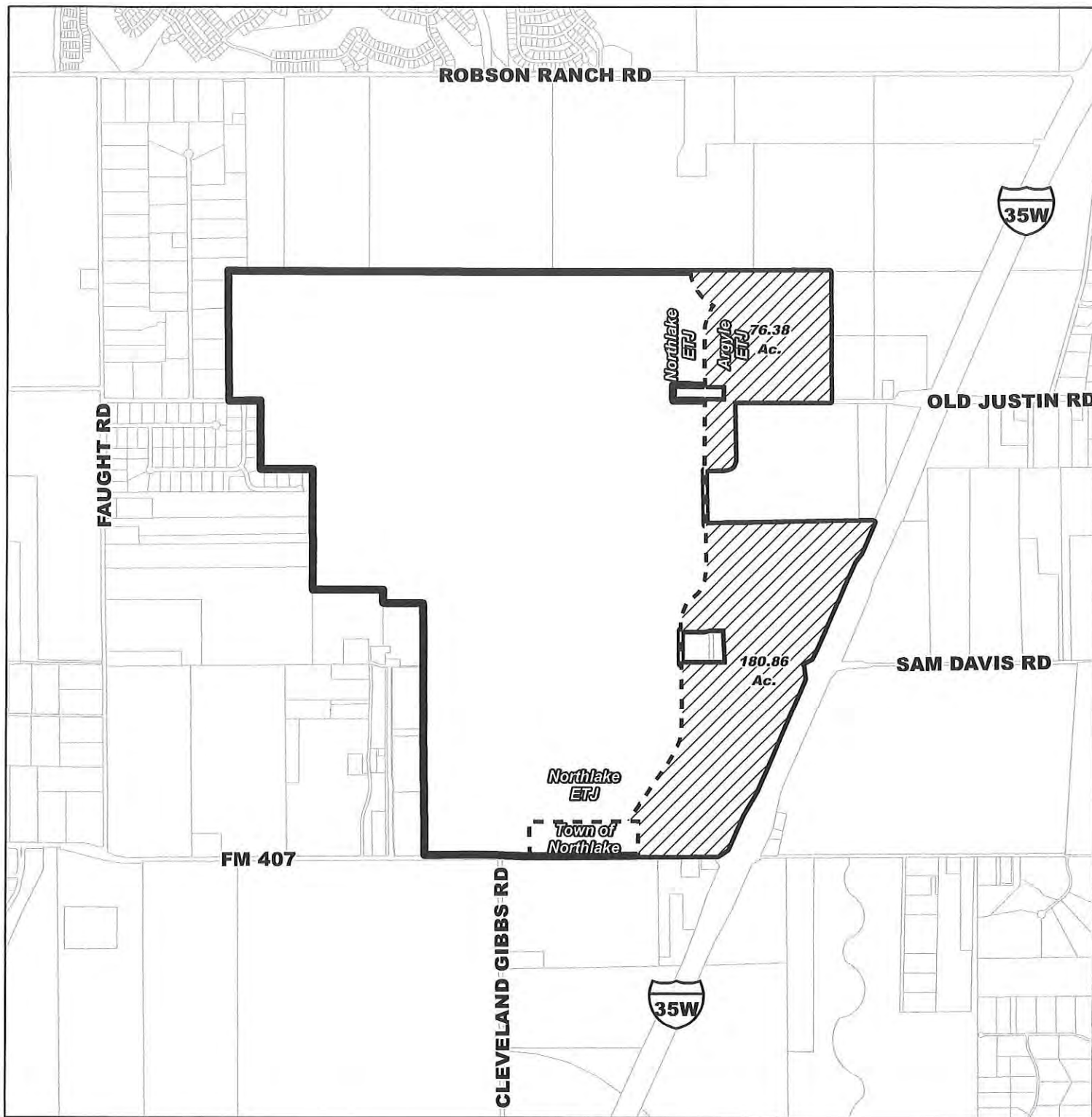
-  Harvest Boundary (1,167.55 Ac.)
-  Town of Northlake (15.68 Acres)
-  ETJ
-  Parcels



VICINITY MAP

Scale: 1 inch equals 5 miles

EXHIBIT "D"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



HARVEST DENTON COUNTY, TEXAS

LEGEND

- Harvest Boundary (1,167.55 Ac.)
- Argyle ETJ (247.23 Acres)
- ETJ
- Parcels



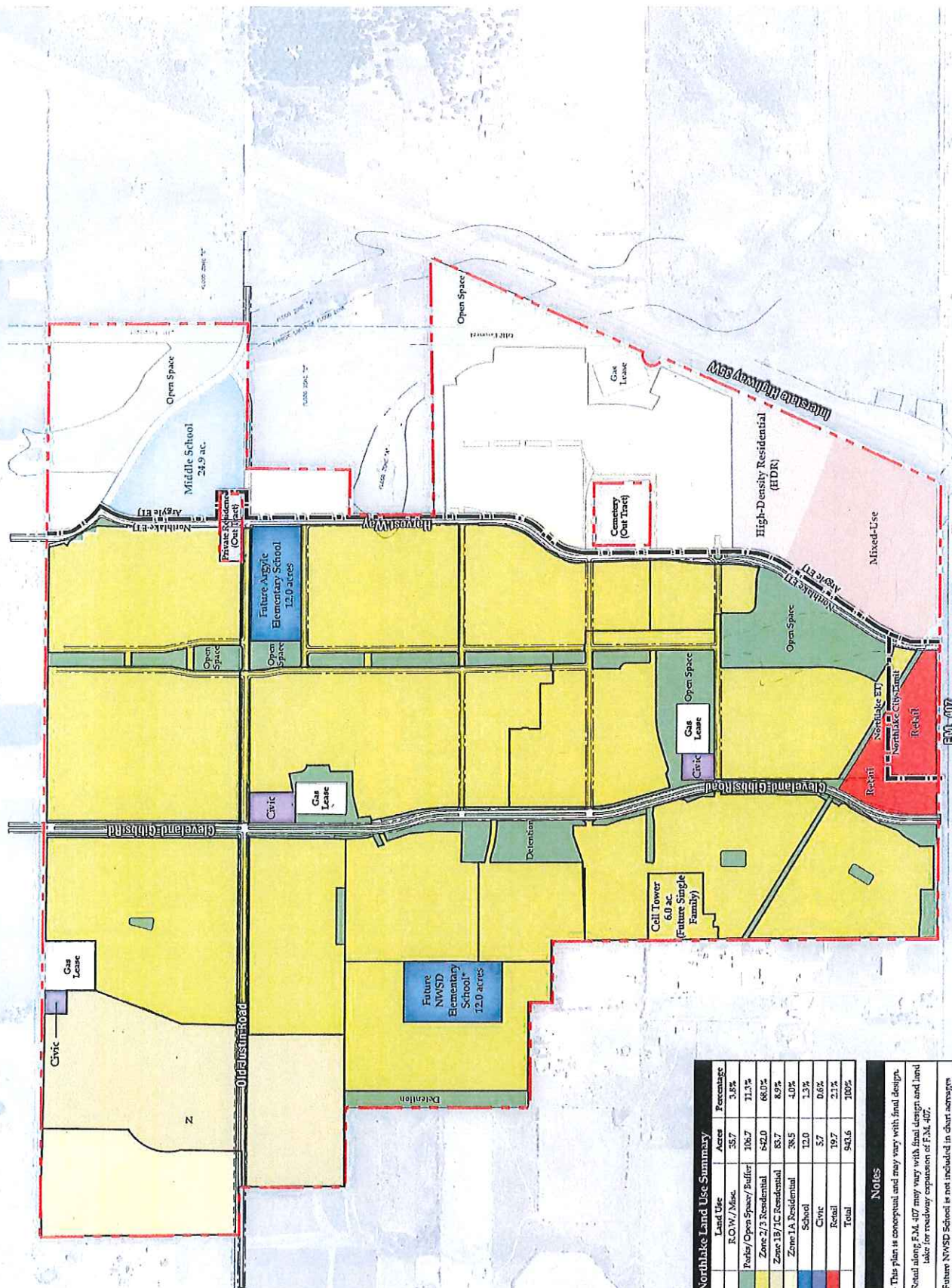
JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439



VICINITY MAP
Scale: 1 inch equals 5 miles

EXHIBIT "E-1"



Northlake Land Use Summary

Land Use	Acres	Percentage
ROW / Misc.	337	3.8%
Park/Open Space/Buffer	106.7	11.3%
Zone 2/3 Residential	642.0	68.0%
Zone 13/1C Residential	83.7	8.9%
Zone 1A Residential	38.5	4.0%
School	12.0	1.3%
Civic	5.7	0.6%
Retail	19.7	2.1%
Total	943.6	100%

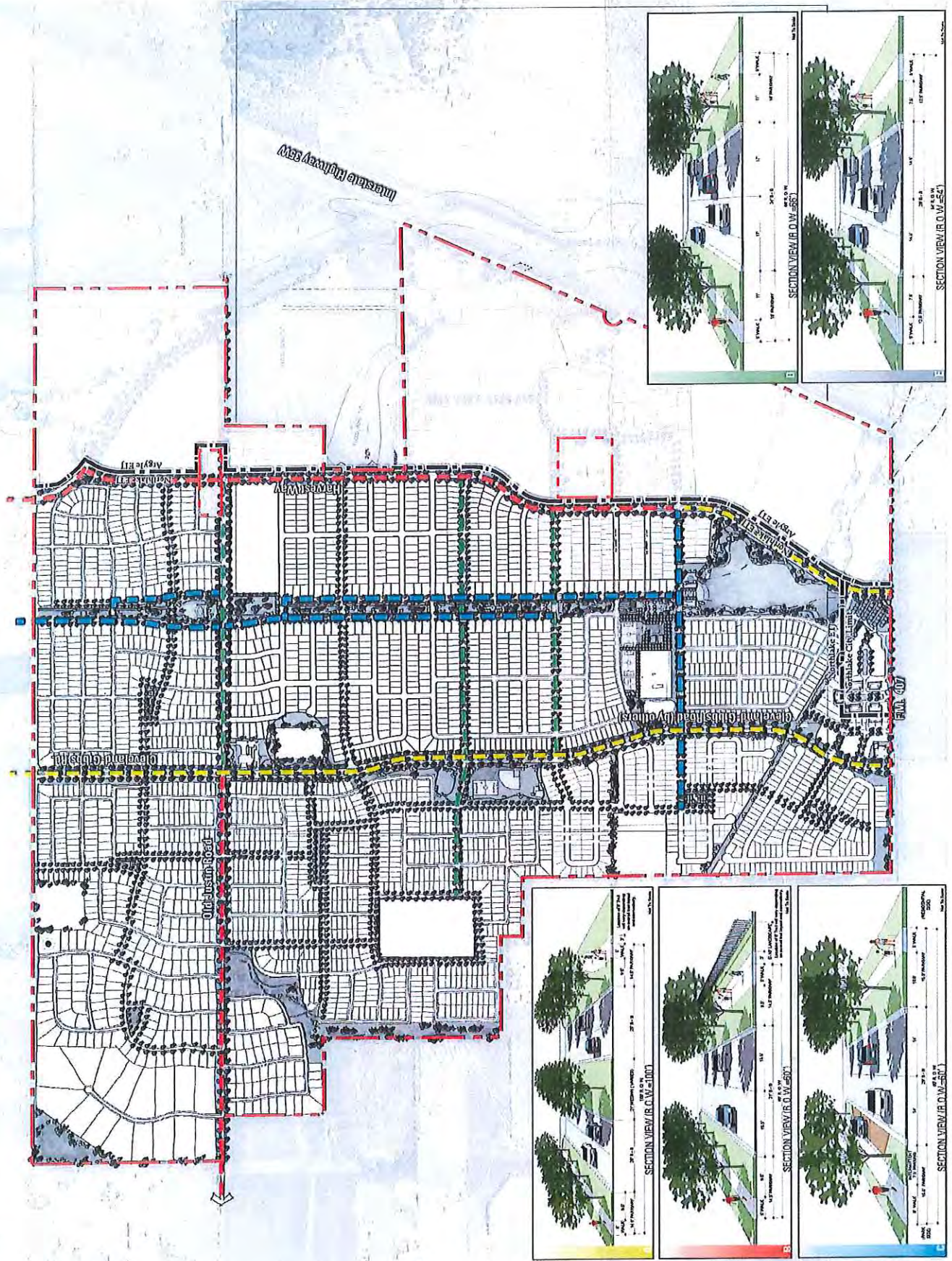
Notes

- This plan is conceptual and may vary with final design.
- Road along F.M. 407 may vary with final design and land take for roadway expansion of F.M. 407.
- Future NWSD School is not included in chart summary.

[illegible]

- This plan is conceptual and may vary with final design.

EXHIBIT "E-3"



Open Space

Notes

The community trail alignments shown are to show the general framework and desired sections, and may vary with final design.

Community trails will be eight feet (8') in width.

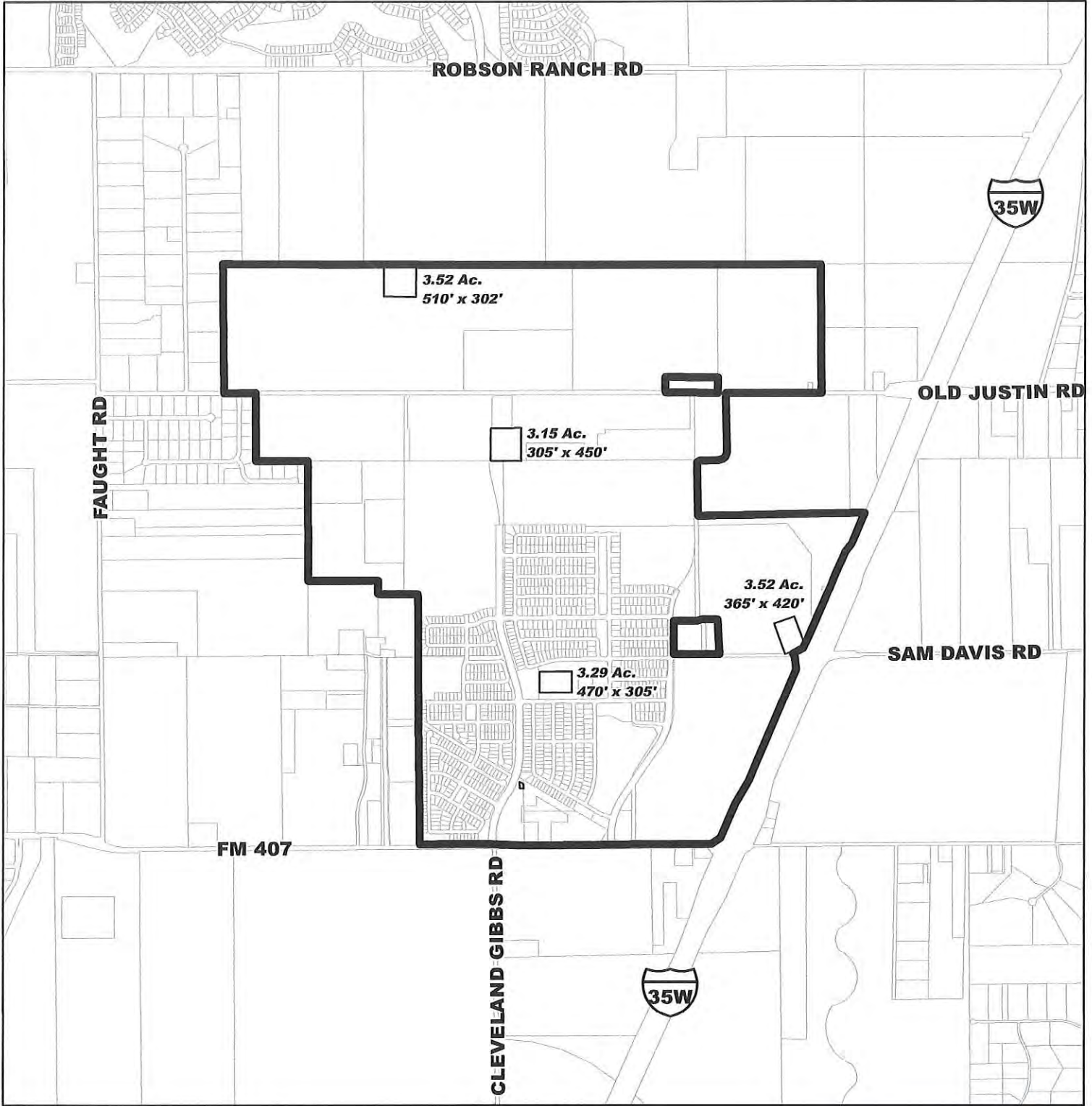
Urban road network of the community will have sidewalks widths of five feet (5') and serve as the link to the community trails system.

Land Use	Acres	Percentage
Open Space / Buffer	106.7	11.3%

Notes
- The community trail alignments shown are intended to show the general framework and desired connections, and may vary with final designs. - Community trails will be eight feet (8') in width. - The five-grain road <i>network</i> of the community will have minimum sidewalks widths of five feet (5') and serve as the internal linkage to the community trails system.

- Community trails will be eight feet (8') in width

EXHIBIT "I"



1 inch equals 2,000 feet

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JONES CARTER
Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

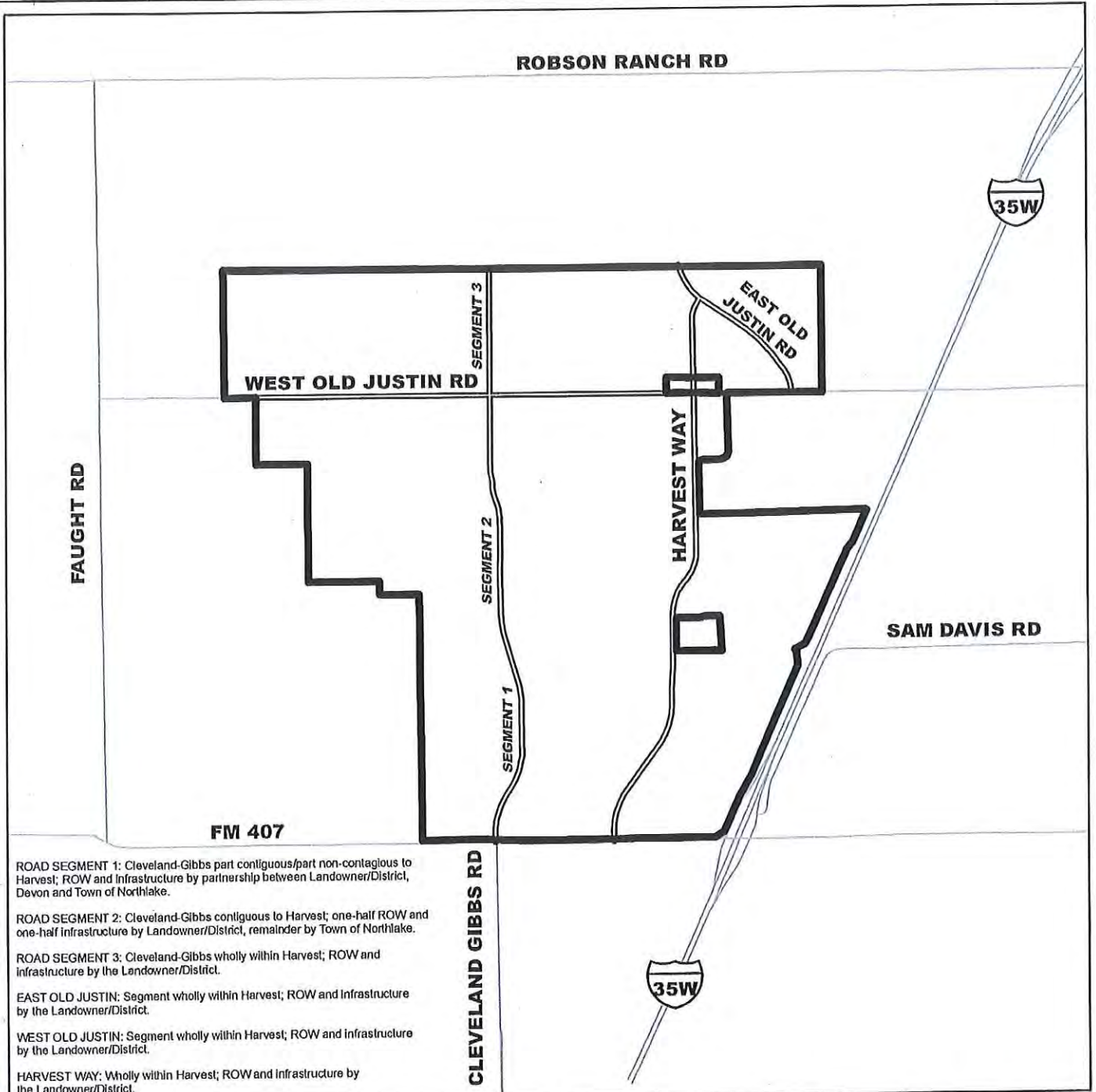
LEGEND

- Harvest Boundary (1,167.55 Ac.)
- Gas Wells
- Parcels



VICINITY MAP
Scale: 1 inch equals 5 miles

EXHIBIT "J"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

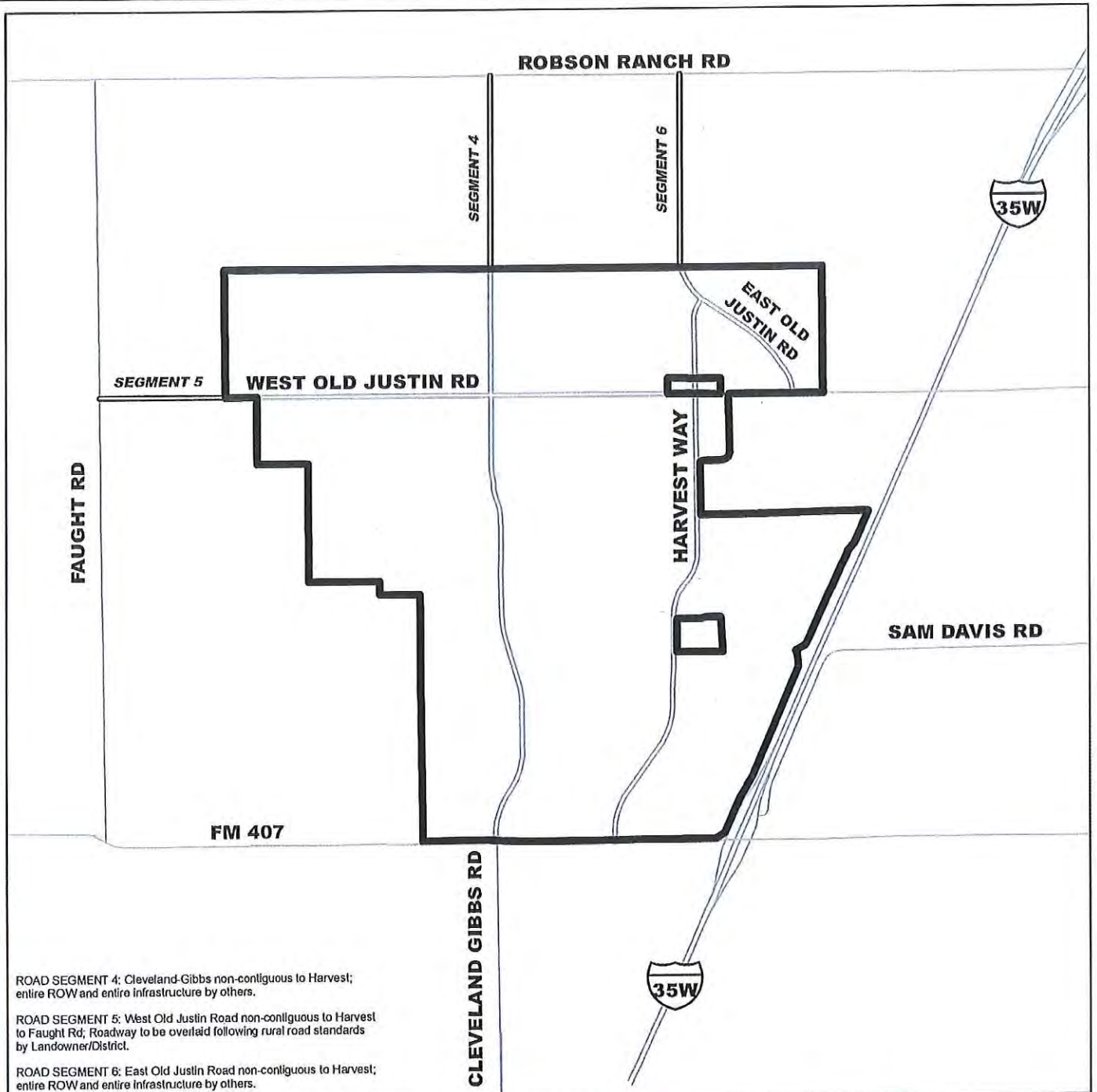
Harvest Boundary



VICINITY MAP

Scale: 1 inch equals 6 miles

EXHIBIT "K"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones I Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

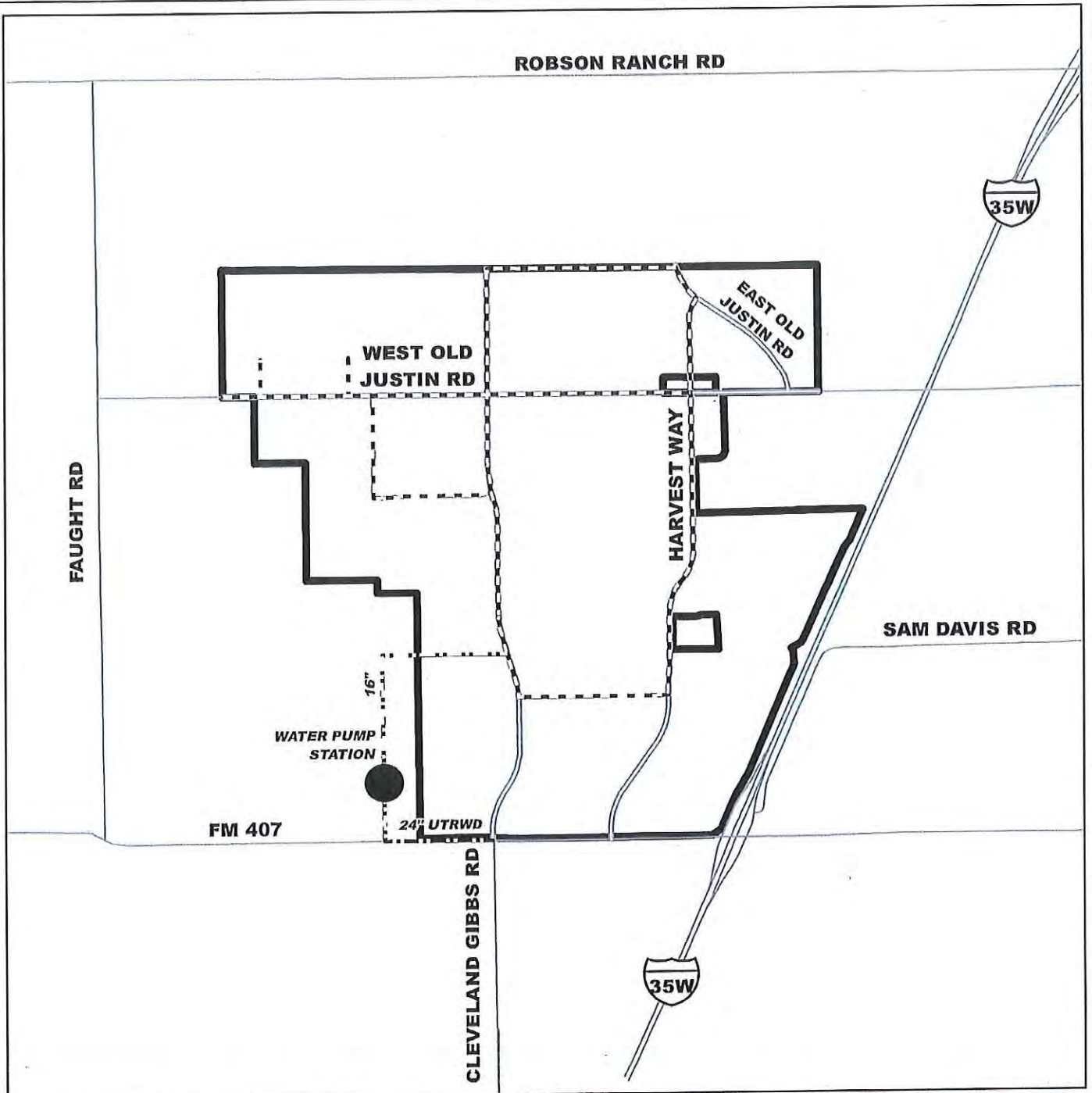
Harvest Boundary



VICINITY MAP

Scale: 1 inch equals 5 miles

EXHIBIT "L"



1 inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

--- 12

--- 16

--- 24

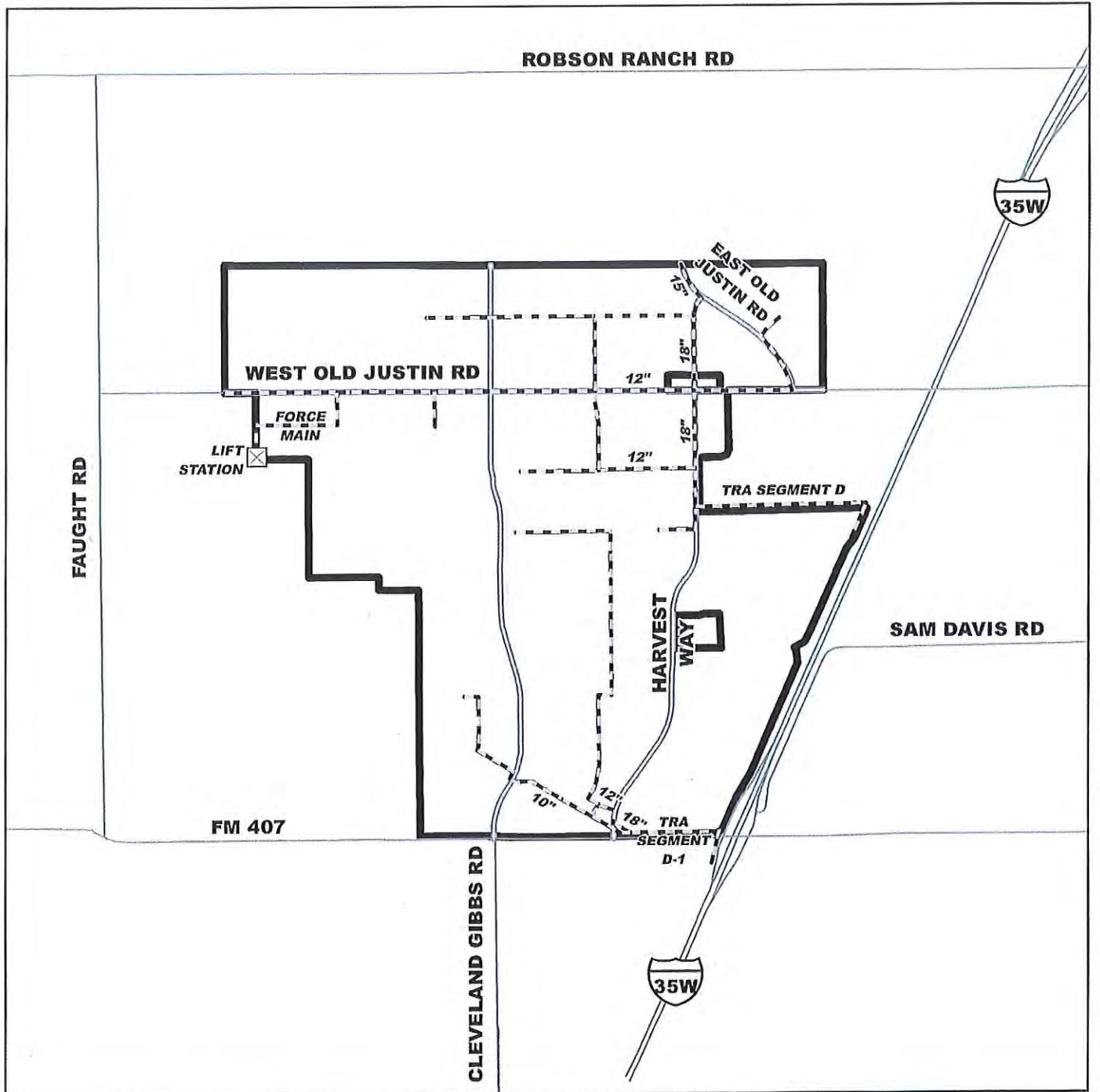
Harvest Boundary



VICINITY MAP

Scale: 1 inch equals 6 miles

EXHIBIT "M"



1 Inch equals 2,000 feet

Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc. concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



HARVEST DENTON COUNTY, TEXAS

LEGEND

- Sewer Lines
- Harvest Boundary



JONES CARTER

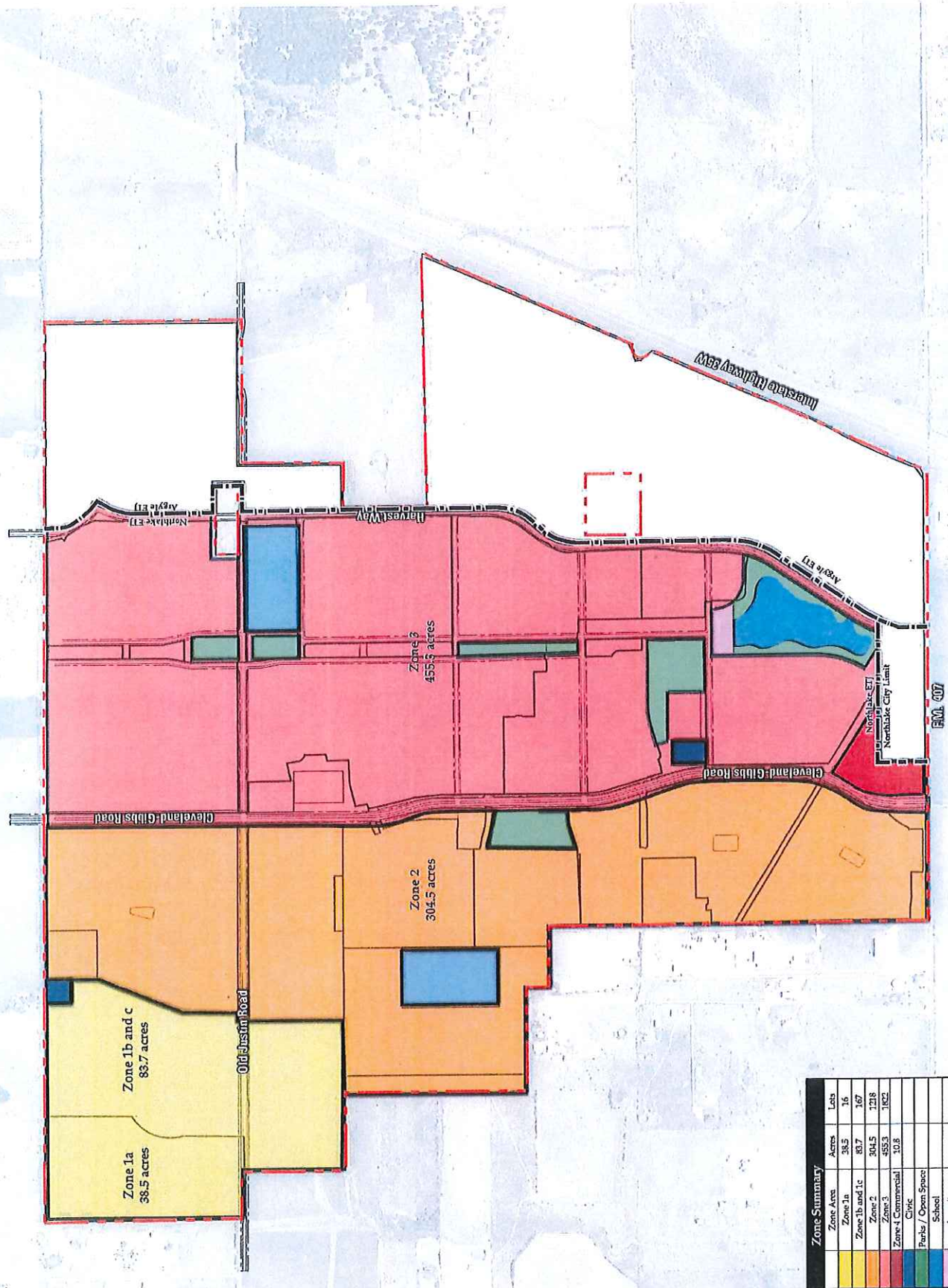
Texas Board of Professional Engineers Registration No. F-439



VICINITY MAP

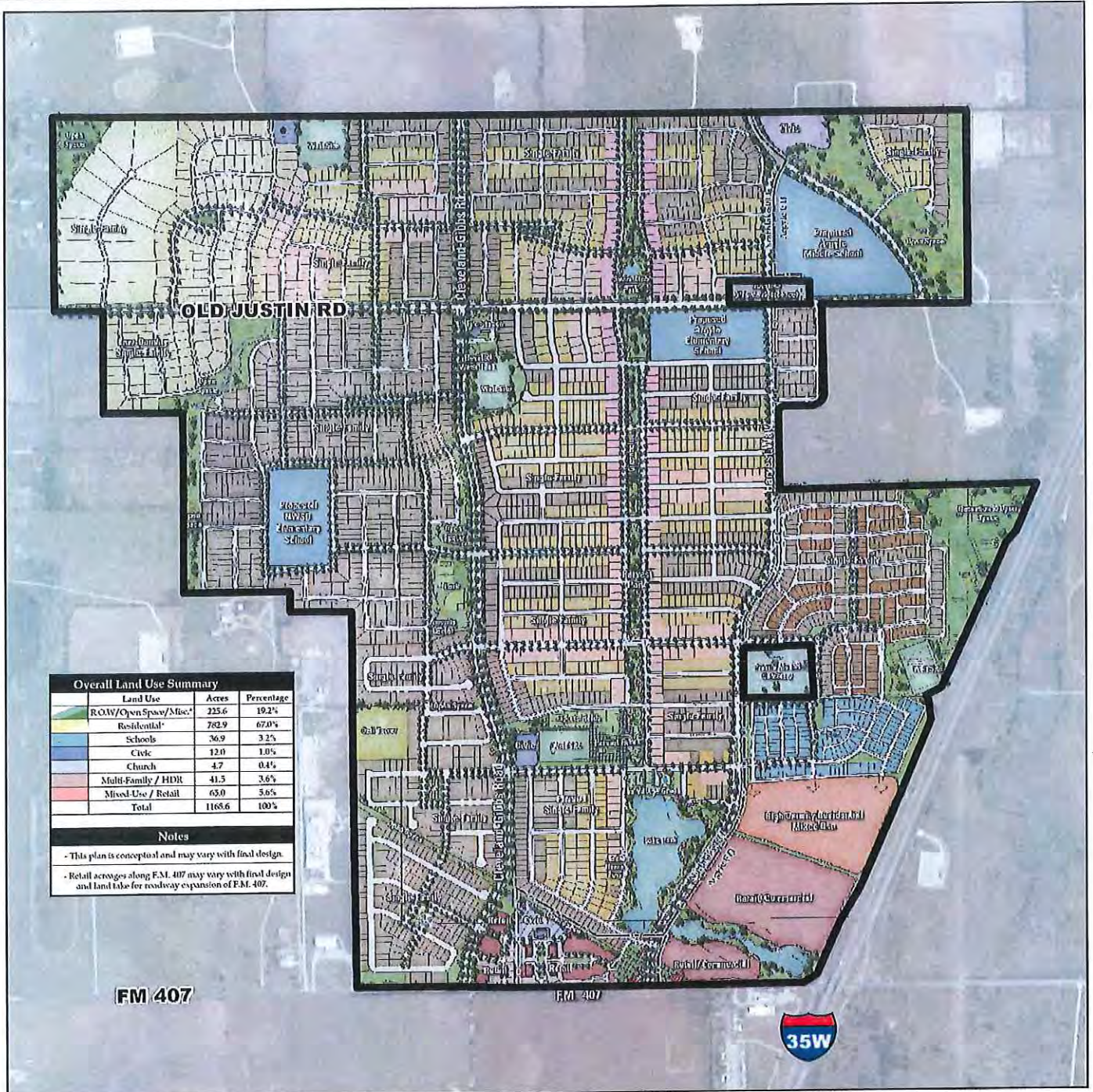
Scale: 1 inch equals 6 miles

EXHIBIT "N"



Zone Summary		
Zone Area	Acres	Lots
Zone 1a	38.5	16
Zone 1b and 1c	83.7	167
Zone 2	304.5	1218
Zone 3	455.5	1822
Zone 4 Commercial	10.8	
Zone 4 Civic		
Parks / Open Space		
School		
Amenity		
Lake		

: EXHIBIT "O"



Disclaimer: This product is offered for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property, governmental and/or political boundaries or related facilities to said boundary. No express warranties are made by Jones | Carter, Inc., concerning the accuracy, completeness, reliability, or usability of the information included within this exhibit.



JONES | CARTER

Texas Board of Professional Engineers Registration No. F-439



HARVEST DENTON COUNTY, TEXAS

LEGEND

Harvest Boundary (1,221.619 Ac.)



VICINITY MAP

Scale: 1 inch equals 5 miles

EXHIBIT "P"

STRATEGIC PARTNERSHIP AGREEMENT BETWEEN THE TOWN OF NORTHLAKE, TEXAS, AND BELMONT FRESH WATER SUPPLY DISTRICT NO. 1 OF DENTON COUNTY

THE STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS:
COUNTY OF DENTON §

This Strategic Partnership Agreement ("Agreement") is entered into by and between the Town of Northlake, Texas, a Type B general law municipal corporation ("Town"), acting herein by and through Peter Dewing, its duly authorized Town Mayor, and Belmont Fresh Water Supply District No. 1 of Denton County ("District"), acting by and through its duly authorized Board of Supervisors, and under the authority of Section 43.0751 of the Texas Local Government Code ("Local Government Code").

RECITALS

WHEREAS, the Town is a Type A general law municipal corporation created and existing under the laws of the State of Texas and situated in Denton County, Texas; and

WHEREAS, the District is a fresh water supply corporation created under and subject to the authority, conditions, and restrictions of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapters 49 and 53, Texas Water Code, as amended; and

WHEREAS, the Town and the District are individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, prior to entering into the Third Amended and Restated Development Agreement, as amended (the "Development Agreement"), and consenting to the creation of the District, the Town disannexed 932 acres, more or less, of property in contemplation of the District agreeing to the limited purpose annexation for the sole and limited purpose for the Town to impose its sales and use tax within the boundaries of a certain retail area within the District as contemplated by this Agreement; and

WHEREAS, Local Government Code, Section 43.0751 (the "Act"), authorizes the Town and the District to negotiate and enter into a strategic partnership agreement providing for the limited purpose annexation by mutual consent; and

WHEREAS, the District encompasses approximately 876 acres, more or less, located within the extraterritorial jurisdiction of the Town as depicted on Exhibit A and more fully described on Exhibit B attached to this Agreement (the "Development"); and

WHEREAS, certain areas within the Development may be developed for commercial uses; and

WHEREAS, the Parties are negotiating amendments to the Development Agreement regarding other matters benefiting the District; and

WHEREAS, pursuant to the Development Agreement and subject to the terms and conditions of this Agreement, the District has agreed to enter into this Agreement for the Town to annex commercial use areas of the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within such areas; and

WHEREAS, to facilitate the limited purpose annexation by the Town of the commercial use areas of the Development, Hillwood Enterprises ("Owner") submitted to the Town a petition requesting and consenting to the limited purpose annexation of the portion of the Development depicted on Exhibit C and described on Exhibit D attached to this Agreement (the "Limited Purpose Property"); and

WHEREAS, pursuant to the Act and the Owner's petition for limited purpose annexation, the Parties desire to enter into this Agreement to accomplish the annexation by the Town of the Limited Purpose Property for the sole and exclusive purpose of imposing and collecting sales and use taxes within the commercial use areas of the Limited Purpose Property; and

WHEREAS, the District provided notice of two public hearings in accordance with all applicable laws; and

WHEREAS, the board of supervisors of the District (the "Board") conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence regarding this Agreement were given the opportunity to do so; and

WHEREAS, the Board approved and adopted this Agreement on November 30, 2016, in open session at a meeting held in accordance with all applicable laws; and

WHEREAS, the Town provided notice of two public hearings in accordance with all applicable laws; and

WHEREAS, the Town Council of the Town (the "Town Council") conducted two public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence were given the opportunity to do so; and

WHEREAS, the Town Council approved and adopted this Agreement on _____, 2016, in open session, in accordance with all applicable laws, which approval and adoption occurred after the Board approved and adopted this Agreement; and

WHEREAS, all notices, hearings and other procedural requirements imposed by law for the adoption of this Agreement have been met; and

WHEREAS, in accordance with the requirements of Subsection (p)(1) of the Act, this Agreement does not require the District to provide revenue to the Town solely for the purpose of obtaining an agreement with the Town to forego annexation of the District; and

WHEREAS, in accordance with the requirements of Subsection (p)(2) of the Act, this Agreement provides benefits for the Town and the District that are reasonable and equitable.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement; and other good and valuable consideration, the Town and District agree as follows:

ARTICLE I RECITALS

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

ARTICLE II

ADOPTION OF AGREEMENT AND LIMITED-PURPOSE ANNEXATION OF LIMITED PURPOSE PROPERTY

2.01 Public Hearings. District and the Town acknowledge and agree that prior to the execution of this Agreement, the governing bodies of District and the Town have conducted public hearings for the purpose of considering the adoption of this Agreement and that such hearings were noticed and conducted in accordance with the terms of the Act, this Agreement, Chapter 551 of the Texas Government Code, Chapter 49, Texas Water Code, as applicable.

2.02 Effective Date. Pursuant to Subsection (c) of the Act, this Agreement took effect on _____, the date of adoption of this Agreement by the Town, the District having adopted the Agreement on November 30, 2016.

2.03 Filing in Property Records. The Town shall file this Agreement in the Real Property Records of Denton County, Texas.

2.04 Limited Purpose Annexation of the Limited Purpose Property. The Parties agree that the Town may annex the Limited Purpose Property for the sole and limited purpose of collecting sales and use taxes authorized by Chapter 321 of the Texas Tax Code (the "Tax Code") to be imposed by the Town on sales consummated within the Limited Purpose Property. The District acknowledges and agrees that the Town Council may adopt a limited purpose annexation ordinance applicable to the Limited Purpose Property at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The

Town may commence limited purpose annexation of the Limited Purpose Property upon the Effective Date.

2.05 Property Taxes and District Liability for Debts of the Town. During the Term (as defined in Section 6.02) of this Agreement: (i) neither the District nor any owners of taxable property within the District is liable for any present or future debts of the Town, and (ii) current and future ad valorem taxes levied by the Town will not be levied on taxable property within the District.

2.06 Limited District. The District is not a limited district as defined in Subsection (a)(2) of the Act.

2.07. Powers and Functions Retained by the District. This Agreement does not limit in any manner the rights, powers, functions, and authority of the District.

2.08 Limited Purpose Annexation of Additional Commercial Property. In the event the location of proposed commercial development within the District is changed or additional property within the District designated for commercial development is added ("Additional Commercial Property"), the Town Council may annex the Additional Commercial Property for the limited purpose of collecting Sales and Use Tax Revenues within the Additional Commercial Property pursuant to Subsection (k) of the Act. District acknowledges that the Town Council may adopt one or more limited purpose annexation ordinances at one or more meetings conducted in accordance with Chapter 551 of the Government Code and further acknowledges that no additional notices, hearings, or other procedures are required by law to approve such limited purpose annexations. The Town may annex any portion of the Additional Commercial Property at any time after Owner submits a final plat for such property to the Town.

2.09 Connections to the Town Limits. District consents to the limited purpose annexation of portions of the Property in the minimum width needed to connect the Limited Purpose Property or the Additional Commercial Property to the Town limits.

2.10 CONSENT TO LIMITED PURPOSE ANNEXATION. DISTRICT, ON BEHALF OF ALL PRESENT AND FUTURE OWNERS OF LAND WITHIN DISTRICT'S BOUNDARIES, HEREBY REQUESTS THAT THE TOWN ANNEX THE ANNEXATION TRACT FOR LIMITED PURPOSES AS PROVIDED FOR IN THIS AGREEMENT. DISTRICT IRREVOCABLY CONSENTS TO SUCH ANNEXATION AND TO THE EXERCISE OF THE SUCH POLICE POWERS AS MAY BE PROVIDED FOR IN THIS AGREEMENT WITHIN THE AREA ANNEXED. SUCH CONSENT SHALL BIND DISTRICT AND EACH OWNER AND FUTURE OWNER OF LAND WITHIN DISTRICT'S BOUNDARIES.

ARTICLE III

VOTING RIGHTS IN THE DISTRICT

3.01 Generally. Upon annexation of Limited Purpose Property for limited purposes by the Town, any qualified voters within Limited Purpose Property may vote in Town elections, pursuant to Local Government Code §43.130. Voting rights are subject to all state and federal laws and regulations.

3.02 Notice. The Town will comply with all the notice requirements as set forth in §43.130 of the Local Government Code, as it now exists or hereafter amended.

ARTICLE IV

TAX RIGHTS

4.01 Collection of Sales and Use Tax Revenues. The Town may impose a sales and use tax within the Limited Purpose Property pursuant to Subsection (k) of the Act. The sales and use tax may be imposed on all eligible commercial activities at the rate allowed under the Tax Code. Collection of Sales and Use Tax Revenues (the "Sales and Use Tax Revenues") shall take effect on the date described in Section §21.102 of the Tax Code.

4.02 Use of Sales and Use Tax Revenues. The City may use the Sales and Use Tax Revenues for any lawful purpose.

In return for the benefits received by the City pursuant to this Agreement and the Development Agreement, the City agrees to use a portion of the Sales and Use Tax Revenues collected for the purpose of promoting economic development and stimulating business and commercial activity within the Limited Purpose Property and, to the extent permitted by law, within the District.

4.03 Notification of Comptroller. The Town shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, after the Town Council annexes the Limited Purpose Property for limited purposes.

4.04 District Tax Right. The District shall be entitled to collect 100% of the revenue from ad valorem taxes imposed on property located within the Limited Purpose Property and may use said revenues for any purpose for which the District is lawfully authorized to use its ad valorem tax revenues or other revenues collected from property located wholly within the District.

ARTICLE V

BREACH, NOTICE, AND REMEDIES

5.01 Notification of Breach. If a Party to this Agreement believes that another Party has committed a breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the breach in detail.

5.02 Cure of Breach. The breaching Party shall commence curing such breach within fourteen (14) calendar days after receipt of Notice of the breach and shall complete the cure within fourteen (14) calendar days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure by the breaching Party within such fourteen (14) day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure the default within such fourteen (14) day period and diligently completes the work within a reasonable time without unreasonable cessation of the work.

5.03 Remedies for Breach. If the breaching Party does not substantially cure such breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, the non-breaching Party shall not be entitled to terminate this Agreement. The Parties specifically waive any right that they have or in the future may have to terminate this Agreement. Damages, if any, to which any non-breaching Party may be entitled shall be limited to actual damages and shall not include special or consequential damages. In addition, the prevailing party in any such action shall be entitled to reasonable attorney's fees and costs of litigation as determined in a final, non-appealable order in a court of competent jurisdiction.

ARTICLE VI

BINDING AGREEMENT, TERM, AND AMENDMENT

6.01 Beneficiaries. This Agreement binds and inures to the benefit of the Parties, their successors and assigns.

The District shall record this Agreement with the County Clerk in the Official Records of Denton County, Texas. This Agreement binds each owner and each future owner of land included within the District's boundaries in accordance with Subsection (c) of the Act.

6.02 Term. This Agreement commences on the Effective Date and continues until the Town annexes the Limited Purpose Property for full purposes in accordance with the Development Agreement, as amended. This Agreement shall immediately terminate upon the Town's action to annex the Limited Purpose Property for full purposes.

6.03 Amendment. The Parties by mutual written consent may amend the terms of this Agreement at any time. Any amendment to this Agreement shall be recorded within seven (7) days of the execution of the amendment with Denton County.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.01 Notices. Any notices, certifications, approvals, or other communications (a "Notice") required to be given by one Party to another under this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (ii) 10 business days after the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (iii) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; or (iv) 10 business days after the Notice is sent by FAX (with electronic confirmation by the sending FAX machine) with a confirming copy sent by United States mail within 48 hours after the FAX is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the Notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such change to the other Party as provided in this Section 7.01.

Northlake

Mayor Peter Dewing
Town of Northlake
1400 FM 407
Northlake, Texas 76247
940-648-3290

Belmont Fresh Water Supply District No. 1

President, Board of Supervisors
Belmont FWSD #1 of Denton County
c/o Crawford & Jordan, LLP
3100 McKinnon, Suite #1100
Dallas, Texas 75230
214-981-9090

7.02 No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purpose for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.03 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Denton County, Texas and hereby

submit to the jurisdiction of the courts of Denton County, Texas and hereby agree that any such court shall be a proper forum for the determination of any dispute arising hereunder.

7.04 Authority to Execute. The Town represents and warrants to the District that the execution of this Agreement has been duly authorized by the Town Council and that the person executing this Agreement on behalf of the Town has been duly authorized to do so by the Town Council. The District represents and warrants to the Town that the execution of this Agreement has been duly authorized by the Board and that the person executing this Agreement on behalf of the District has been duly authorized to do so by the Board.

7.05 Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the Parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances, and a new provision shall be deemed substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties as evidenced by the provision so severed.

7.06 Changes in State or Federal Laws. If any state or federal law changes so as to make it impossible for the Town or the District to perform its obligations under this Agreement, the parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible.

7.07 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

7.08 Assignment. This Agreement shall not be assignable without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors, and assigns as permitted by this Agreement.

7.09 Amendment. This Agreement may be amended only with the written consent of the Parties and with approval of the governing bodies of the Town and the District.

7.10 Interpretation. This Agreement has been negotiated by the Parties, each of which has been represented by counsel; consequently, the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

7.11 No Third Party Beneficiaries. This Agreement is solely for the benefit of the Town and the District, and neither the Town nor the District intends by any provision of this Agreement

to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the Town and the District.

7.12 Governmental Powers. Neither Party waives or surrenders any of its respective governmental powers, immunities or rights, except as specifically waived pursuant in this Section 7.12. Each Party waives its respective governmental immunity from suit and liability only as to any action brought by the other Party to pursue the remedies available under this Agreement and only to the extent necessary to pursue such remedies. Nothing in this Section 7.12 shall waive any claims, defenses or immunities that either Party has with respect to suits against them by persons or entities not a party to this Agreement. Nothing in this Agreement is intended to delegate or impair the performance by the Town of its governmental functions, and the Town waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the Town's performance of its governmental functions.

7.13 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A	Depiction of the Development
Exhibit B	Legal Description of the Development
Exhibit C	Depiction of the Limited Purpose Property
Exhibit D	Legal Description of the Limited Purpose Property

7.14 Counterpart Originals. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

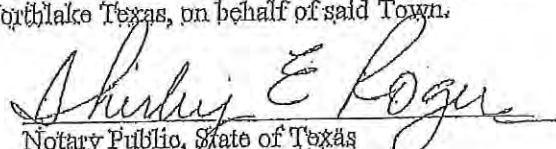
The Town of Northlake, Texas

By: 

Date: 12/12/16

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This instrument was acknowledged before me, on the 12 day of Dec, 2016, by Peter Dewing, Mayor of the Town of Northlake Texas, on behalf of said Town.

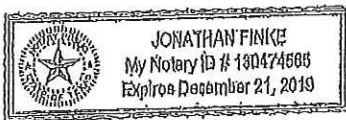

Notary Public, State of Texas

Belmont Fresh Water Supply District No. 1 of Denton County

By: [Signature]
Title: President
Date: 11/30/2016

STATE OF TEXAS §
 §
COUNTY OF Denton §

This instrument was acknowledged before me, on the 30th day of November 2016, by Matt Belmont, President of the Board of Supervisors of Belmont Fresh Water Supply District No. 1 of Denton County, on behalf of said district.



[Signature]
Notary Public, State of Texas

VICINITY MAP

[illegible]

Schule North
County North
Resident Professional Land Surveyor
No. 1770

Re: the undersigned members of the Board of Directors of National Trust, have jointly signed this document and hereby certify that this copy is complete and accurate, and intended to be authentic.

Charles D. Smith
Charles D. Smith, Vice President

A. J. [Signature]
A. J. [Signature]

[Signature]

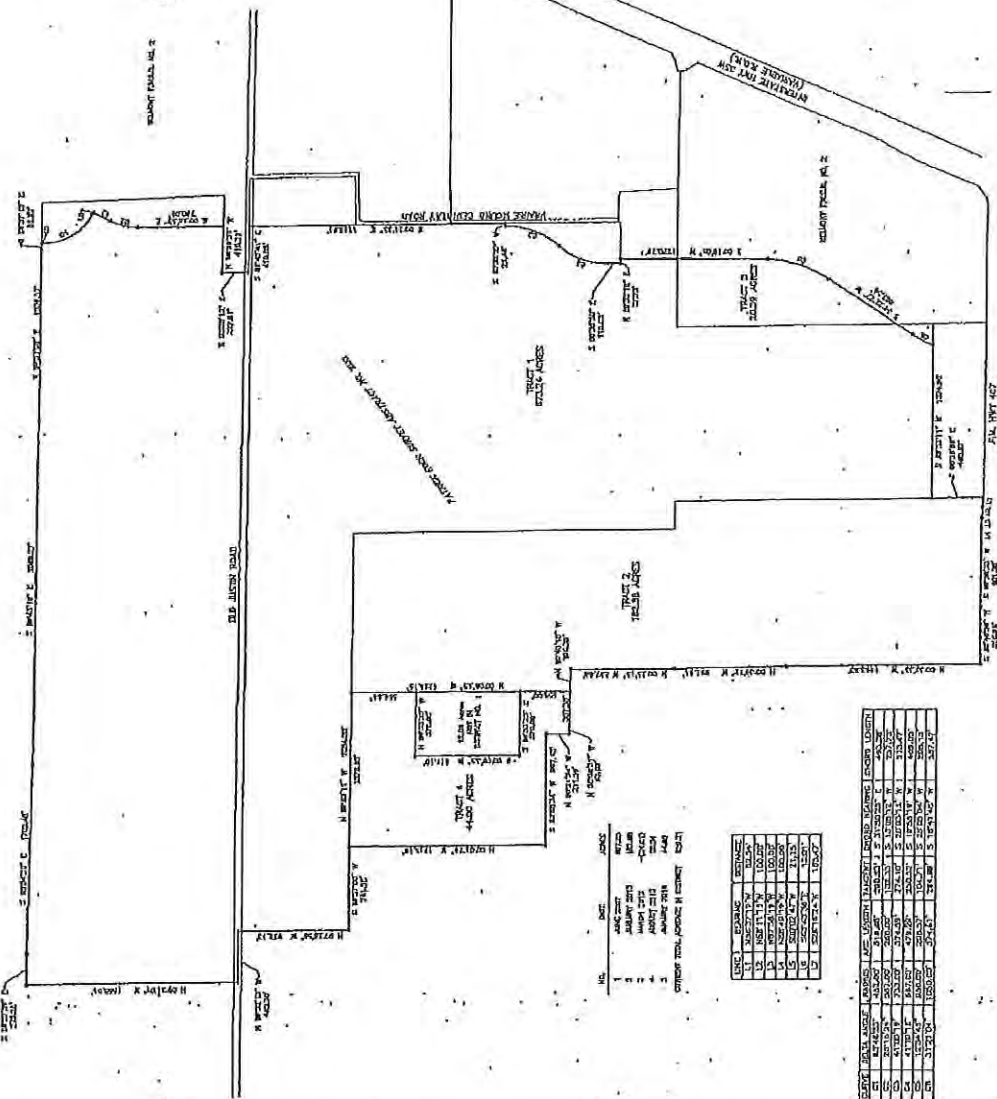
THE STATE OF TEXAS,
COUNTY OF DALLAS.

[illegible]

Kath. Dye

BOUNDARY MAP
BELMONT FRESH WATER SUPPLY DISTRICT NO. 1
CONTAINING 82231 ACRES OF LAND
LOCATED IN
PATRICK ROCK SURVEY, A-1068
BOONE COUNTY, TEXAS

RESEARCHER
STATE AGRICULTURE



FD	NAME OF FOOTBALL PLAYER	NO.
1	Bill Anderson	1
2	Bill Anderson	2
3	Bill Anderson	3
4	Bill Anderson	4
5	Bill Anderson	5
6	Bill Anderson	6
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LINE	DESCRIPTION	AMOUNT	CREDIT
1	ADVERTISING	100.00	
2	SALES		100.00
3	SALES TAX		10.00
4	SALES TAX		10.00
5	SALES TAX		10.00
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61	SALES TAX		10.00
62	SALES TAX		10.00
63	SALES TAX		10.00
64	SALES TAX		10.00
65	SALES TAX		10.00
66	SALES TAX		10.00
67	SALES TAX		10.00
68	SALES TAX		10.00
69	SALES TAX		10.00
70	SALES TAX		10.00
71	SALES TAX		10.00
72	SALES TAX		10.00
73	SALES TAX		10.00
74	SALES TAX		10.00
75	SALES TAX		10.00
76	SALES TAX		10.00
77	SALES TAX		10.00
78	SALES TAX		10.00
79	SALES TAX		10.00
80	SALES TAX		10.00
81	SALES TAX		10.00
82	SALES TAX		10.00
83	SALES TAX		10.00
84	SALES TAX		10.00
85	SALES TAX		10.00
86	SALES TAX		10.00
87	SALES TAX		10.00
88	SALES TAX		10.00
89	SALES TAX		10.00
90	SALES TAX		10.00
91	SALES TAX		10.00
92	SALES TAX		10.00
93	SALES TAX		10.00
94	SALES TAX		10.00
95	SALES TAX		10.00
96	SALES TAX		10.00
97	SALES TAX		10.00
98	SALES TAX		10.00
99	SALES TAX		10.00
100	SALES TAX		10.00

[illegible]

EXHIBIT "B"

Belmont Fresh Water Supply
District No. 1 of Denton County
855.92 Acres — Tracts "1" thru "2"

Patrick Rock Survey
Abstract No. 1063

STATE OF TEXAS §

COUNTY OF DENTON §

TRACT "1"

BEING a 697.85 acre tract of land situated in the jurisdiction of the City of Northlake, ETJ, Denton County, Texas, and being part of the Patrick Rock Survey, Abstract No. 1063, and being a portion of those certain tracts of land described to Realty Capital Belmont, LTD, by Instrument No.'s 2005-130021, 2005-130022, and 2005-130025 of the Deed Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point for the Southwest corner of the herein described tract, said point being on the West line of the Realty Capital Belmont tract as described by deed in said Instrument No. 2005-130021, and being North 00 Deg. 25 Min. 59 Sec. West, 460.67 feet of the Southwest corner of said Realty Capital Belmont tract;

THENCE along the West line of said Realty Capital Belmont tract, the following courses and distances:

North 00 Deg. 25 Min. 59 Sec. West, a distance of 2240.39 feet to a point for corner;

South 89 Deg. 52 Min. 33 Sec. West, a distance of 249.99 feet to a point for corner;

North 00 Deg. 33 Min. 01 Sec. West, a distance of 1879.88 feet to a point for corner;

North 00 Deg. 27 Min. 52 Sec. West, a distance of 941.22 feet to a point for corner;

North 89 Deg. 53 Min. 11 Sec. West, a distance of 2819.34 feet to a point for corner;

South 89 Deg. 57 Min. 05 Sec. West, a distance of 741.56 feet to a point for corner;

North 00 Deg. 28 Min. 58 Sec. West, a distance of 979.13 feet to a point for the Western most Northwest corner of the herein described tract;

North 89 Deg. 52 Min. 13 Sec. West, a distance of 452.30 feet to a point for corner;

North 00 Deg. 21 Min. 02 Sec. West, a distance of 1855.04 feet to a point for the Northwest corner of the herein described tract;

THENCE departing said West line, along the North line of said Realty Capital Belmont tract, the following courses and distances:

South 89 Deg. 57 Min. 59 Sec. East, a distance of 275.28 feet to a point for corner;

South 88 Deg. 54 Min. 20 Sec. East, a distance of 1702.48 feet to a point for corner;

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Belmont Fresh Water Supply
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South 89 Deg. 43 Min. 16 Sec. East, a distance of 3069.27 feet to a point for corner;

North 89 Deg. 57 Min. 08 Sec. East, a distance of 1539.52 feet to a point for corner;

South 89 Deg. 57 Min. 13 Sec. East, a distance of 420.67 feet to a point for corner;

THENCE South 02 Deg. 03 Min. 14 Sec. East, departing said North line, over and across said Realty Capital Belmont tract, a distance of 1611.05 feet to a point for the Northeast corner of a tract of land described to Forrest R. Stewart by deed recorded in Volume 772, Page 945 of said Deed Records.

THENCE North 88 Deg. 59 Min. 39 Sec. West, a distance of 686.17 feet to the Northwest corner of said Stewart tract;

THENCE South 00 Deg. 30 Min. 12 Sec. East, a distance of 227.81 feet to the Southwest corner of said Stewart tract;

THENCE South 89 Deg. 45 Min. 41 Sec. East, a distance of 837.62 feet to a point for corner on the West apparent prescriptive right-of-way of Prairie Mound Cemetery Road;

THENCE with said apparent prescriptive right-of-way, the following courses and distances:

South 00 Deg. 53 Min. 56 Sec. East, a distance of 931.65 feet to a point for corner;

South 88 Deg. 48 Min. 00 Sec. West, a distance of 435.00 feet to a point for corner;

South 00 Deg. 26 Min. 33 Sec. East, a distance of 2335.07 feet to a point for corner on the West right-of-way line of said Prairie Mound Cemetery Road;

THENCE with said West right-of-way, the following courses and distances:

South 89 Deg. 33 Min. 16 Sec. West, a distance of 330.81 feet to a point for corner;

South 00 Deg. 10 Min. 06 Sec. West, a distance of 490.83 feet to a point for corner;

South 89 Deg. 36 Min. 41 Sec. West, a distance of 608.91 feet to a point for corner;

THENCE South 00 Deg. 28 Min. 21 Sec. East, continuing along said West right-of-way line, a distance of 2239.59 feet to a point for the Southeast corner of the herein described tract;

THENCE South 89 Deg. 33 Min. 11 Sec. West, a distance of 1567.89 feet to the POINT OF BEGINNING, and containing 697.85 acres, more or less, of land, SAVE AND EXCEPT the following four tracts:

BEING 0.763 acres situated in the Patrick Rock Survey, Abstract Number 1063, Denton County,

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Belmont Fresh Water Supply
District No. 1 of Denton County
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Texas, being part of that tract described to Belmont 407 LLC by deed recorded in County Clerk's File Number 2011-124875, Deed Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at the southwest corner of a tract of land described to Realty Capital Argyle 114, LTD by deed recorded in County Clerk's File Number 2006-81504, Deed Records, Denton County, Texas;

THENCE South 84 deg. 21 min. 12 sec. West, departing the westerly line of said Realty Capital Argyle 114 LTD tract, a distance of 17.67 feet to a point for corner in the easterly line of the Town of Northlake, ETJ;

THENCE North 00 deg. 28 min. 09 sec. West, following the easterly line of said Town of Northlake, ETJ, a distance of 470.37 feet to the **POINT OF BEGINNING**;

THENCE South 89 deg. 33 min. 11 sec. West, following the easterly line of said Town of Northlake, ETJ, a distance of 192.93 feet to a point for corner at the beginning of a non-tangent curve to the right whose chord bears North 28 deg. 05 min. 04 sec. East, 208.15 feet;

THENCE in a Northerly and Northeasterly direction along said Town of Northlake, ETJ and along said curve to the right having a central angle of 12 deg. 34 min. 45 sec., a radius of 950.00 feet, and an arc length of 208.57 feet to a point for corner;

THENCE North 34 deg. 22 min. 27 sec. East, a distance of 163.51 feet to a point for corner in the easterly line of said Town of Northlake, ETJ;

THENCE South 00 deg. 28 min. 21 sec. East, departing the easterly line of said Town of Northlake, ETJ, a distance of 317.11 feet to the **POINT OF BEGINNING** and containing 0.763 acres of land, more or less.

BEING 5.043 acres situated in the Patrick Rock Survey, Abstract Number 1063, Denton County, Texas, being part of that tract described to Belmont 407 LLC by deed recorded in County Clerk's File Number 2011-124875, Deed Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at an inner ell corner on the easterly line of said Belmont 407 LLC tract, said point being in the easterly line of the Town of Northlake, ETJ, and being at the northwesterly corner of a tract of land described to Prairie Mound Cemetery Association by deed recorded in Volume 878, Page 866, Deed Records, Denton County, Texas;

THENCE South 89 deg. 33 min. 16 sec. West, departing the westerly line of said Prairie Mound Cemetery Association tract and the easterly line of said Belmont 407 LLC tract, following the easterly line of said Town of Northlake, ETJ, a distance of 37.73 feet to a point for corner;

THENCE following the easterly line of said Town of Northlake, ETJ, the following bearings and

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Belmont Fresh Water Supply
District No. 1 of Denton County
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distances:

North 00 deg. 36 min. 50 sec. West a distance of 110.05 feet to a point for corner at the beginning of a tangent curve to the right whose chord bears North 19 deg. 58 min. 19 sec. East, 469.05 feet;

In a Northerly and Northeasterly direction along said curve to the right having a central angle of 41 deg. 10 min. 18 sec., a radius of 667.00 feet, and an arc length of 479.29 feet to a point for corner at the beginning of a tangent curve to the left whose chord bears North 20 deg. 03 min. 18 sec. East, a distance of 513.47 feet;

In a Northeasterly and Northerly direction along said curve to the left having a central angle of 41 deg. 00 min. 19 sec., a radius of 733.00 feet, and an arc length of 524.59 feet to a point for corner;

North 89 deg. 33 min. 27 sec. East a distance of 25.46 feet to a point for corner in the easterly line of said Belmont 407 LLC tract;

THENCE South 00 deg. 26 min. 33 sec. East, departing the easterly line of said Town of Northlake, ETJ, following the easterly line of said Belmont 407 LLC tract, a distance of 1030.58 feet to a point for corner;

THENCE South 89 deg. 33 min. 16 sec. West a distance of 330.81 feet to the **POINT OF BEGINNING** and containing 5.043 acres of land, more or less.

BEING 9.277 acres situated in the Patrick Rock Survey, Abstract Number 1063, Denton County, Texas, being part of that tract described to Belmont 407 LLC by deed recorded in County Clerk's File Number 2011-124875, Deed Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at an inner ell corner on the easterly line of said Belmont 407 LLC, said point being in the easterly line of the Town of Northlake, ETJ, and being at the northwesterly corner of a tract of land described to Prairie Mound Cemetery Association by deed recorded in Volume 878, Page 866, Deed Records, Denton County, Texas;

THENCE North 89 deg. 33 min. 16 sec. East, departing the easterly line of said Town of Northlake, ETJ, following the southerly line of said Belmont 407 LLC tract, a distance of 330.81 feet to a point for corner;

THENCE North 00 deg. 26 min. 33 sec. West, a distance of 2335.07 feet to the **POINT OF BEGINNING**, said point being in the easterly line of said Town of Northlake, ETJ;

THENCE North 00 deg. 26 min. 33 sec. West, following the easterly line of said Town of Northlake, ETJ, a distance of 942.45 feet to a point for corner, said point being in the southerly line of a tract of land described to Mary Schluter by deed recorded in Volume 2901, Page 260,

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Deed Records, Denton County, Texas;

THENCE South 89 deg. 45 min. 41 sec. East, following the easterly line of said Town of Northlake, ETJ, and the southerly line of said Mary Schluter tract, a distance of 427.57 feet to a point for corner;

THENCE South 00 deg. 53 min. 56 sec. East a distance of 931.65 feet to a point for corner;

THENCE South 88 deg. 48 min. 00 sec. West a distance of 435.00 feet to the **POINT OF BEGINNING** and containing **9.277 acres** of land, more or less.

BEING 9.528 acres situated in the Patrick Rock Survey, Abstract Number 1063, Denton County, Texas, being part of that tract described to Belmont 407 LLC by deed recorded in County Clerk's File Number 2011-124875, Deed Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at an inner ell corner on the easterly line of said Belmont 407 LLC, said point being in the easterly line of the Town of Northlake, ETJ, and being at the northwesterly corner of a tract of land described to Prairie Mound Cemetery Association by deed recorded in Volume 878, Page 866, Deed Records, Denton County, Texas;

THENCE North 89 deg. 33 min. 16 sec. East, departing the easterly line of said Town of Northlake, ETJ, following the southerly line of said Belmont 407 LLC tract, a distance of 330.81 feet to a point for corner;

THENCE North 00 deg. 26 min. 33 sec. West, a distance of 3499.84 feet to the **POINT OF BEGINNING**, said point being in the easterly line of said Town of Northlake, ETJ, said point also being in the northerly line of a tract of land described to Mary Schluter by deed recorded in Volume 2901, Page 260, Deed Records, Denton County, Texas;

THENCE departing the Northerly line of said Mary Schluter tract, following the easterly line of said Town of Northlake, ETJ, the following bearings and distances:

North 00 deg. 26 min. 33 sec. West, a distance of 760.09 feet to a point for corner at the beginning of a tangent curve to the right whose chord bears North 13 deg. 08 min. 12 sec. East, 257.73 feet;

In a Northerly and Northeasterly direction along said curve to the right having a central angle of 26 deg. 16 min. 24 sec., a radius of 567.00 feet, and an arc length of 260.00 feet to a point for corner;

North 26 deg. 16 min. 24 sec. East a distance of 165.47 feet to a point for corner;

North 63 deg. 43 min. 36 sec. West a distance of 13.01 feet to a point for corner at the beginning of a tangent curve to the right whose chord bears North 31 deg. 50 min. 25

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Belmont Fresh Water Supply
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sec. West, 493.38 feet;

In a Northwesterly and Northerly direction along said curve to the right having a central angle of 63 deg. 46 min. 23 sec., a radius of 467.00 feet, and an arc length of 519.80 feet to a point for corner;

North 00 deg. 02 min. 47 sec. East a distance of 21.15 feet to a point for corner, said point being in the northerly line of said Belmont 407 LLC tract;

THENCE South 89 deg. 57 min. 13 sec. East, following the northerly line of said Belmont 407 LLC tract, a distance of 363.98 feet to a point for corner;

THENCE South 02 deg. 03 min. 14 sec. East, departing the northerly line of said Belmont 407 LLC tract, a distance of 1611.05 feet to a point for corner, said point being in the northerly line of said Mary Schluter tract;

THENCE North 88 deg. 59 min. 39 sec. West, following the northerly line of said Mary Schluter tract, a distance of 275.78 feet to the **POINT OF BEGINNING** and containing **9.528** acres of land, more or less.

TOTAL LAND AREA within Tract "1" equals 673.24 acres in Denton County, Texas.

TRACT "2"

BEING a 182.68 acre parcel or tract of land situated in the Patrick Rock Survey, Abstract Number 1063, Denton County, Texas, being all of those tracts of land described to Belmont 407, LLC, a Delaware limited liability company by deeds recorded in County Clerk's File Numbers 2012-130827, 2012-145967 (re-recorded in 2013-2813) and 2012-145968 (re-recorded in 2013-2814), Official Public Records, Denton County, Texas (O.P.R.D.C.T.) and being more particularly described by metes and bounds as follows:

COMMENCING at the Southwesterly corner of a parcel or tract of land described to Belmont Fresh Water Supply District No. 1 of Denton County by District Information Form recorded in County Clerk's File Number 2007-119394, Official Public Records, Denton County, Texas;

THENCE South 00 Deg. 25 Min. 59 Sec. East, departing the Southerly line of said Belmont Fresh Water Supply District No. 1 of Denton County tract, a distance of 460.67 feet to the **POINT OF BEGINNING**, said point being in the Northerly line of F.M. Highway 407 (a variable width right-of-way);

THENCE following the Southerly line of said Belmont 407, LLC tract recorded in County Clerk's File Number 2012-145967 (re-recorded in 2013-2813), O.P.R.D.C.T. and the Northerly right-of-way line of said F.M. Highway 407 the following bearings and distances:

North 88 Deg. 37 Min. 19 Sec. West a distance of 82.54 feet to a point for corner;

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Belmont Fresh Water Supply
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North 88 Deg. 11 Min. 19 Sec. West a distance of 100.00 feet to a point for corner;

North 87 Deg. 58 Min. 19 Sec. West a distance of 100.00 feet to a point for corner;

North 88 Deg. 49 Min. 19 Sec. West a distance of 100.00 feet to a point for corner;

South 89 Deg. 59 Min. 23 Sec. West a distance of 601.38 feet to a point for corner;

South 89 Deg. 46 Min. 56 Sec. West a distance of 516.96 feet to a point for corner;

THENCE departing the Northerly line of said F.M. Highway 407, following the Westerly lines of said Belmont 407, LLC tracts described in County Clerk's File Numbers 2012-130827, 2012-145967 (re-recorded in 2013-2813), O.P.R.D.C.T. the following bearings and distances:

North 00 Deg. 33 Min. 33 Sec. West a distance of 1695.85 feet to a point for corner;

North 00 Deg. 39 Min. 12 Sec. West a distance of 994.54 feet to a point for corner;

North 00 Deg. 25 Min. 15 Sec. West a distance of 897.66 feet to a point for corner;

North 89 Deg. 43 Min. 18 Sec. West a distance of 199.35 feet to a point for corner;

North 00 Deg. 05 Min. 55 Sec. East a distance of 1926.75 feet to a point for corner in the Southerly line of said parcel or tract of land described to Belmont Fresh Water Supply District No. 1 of Denton County;

THENCE following the Southerly and Easterly lines of said tract described to Belmont Fresh Water Supply District No. 1 of Denton County the following bearings and distances:

THENCE South 89 Deg. 53 Min. 11 Sec. East a distance of 1435.14 feet to a point for corner;

THENCE South 00 Deg. 27 Min. 52 Sec. East a distance of 941.22 feet to a point for corner;

THENCE South 00 Deg. 33 Min. 01 Sec. East a distance of 1879.88 feet to a point for corner;

THENCE North 89 Deg. 52 Min. 33 Sec. East a distance of 249.99 feet to a point for corner;

THENCE South 00 Deg. 25 Min. 59 Sec. East, passing the POINT OF COMMENCING at a distance of 2240.39, in all a total distance of 2701.06 feet to the POINT OF BEGINNING and containing 182.68 acres of land within Tract "2", more or less.

TOTAL LAND AREA within Tracts "1" and "2" equals 855.92 acres in Denton County, Texas.

EXHIBIT "B"

Belmont Fresh Water Supply
District No. 1 of Denton County
855.92 Acres – Tracts "1" thru "2"

Patrick Rock Survey
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"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the political subdivision for which it was prepared".

"BELMONT EX-CLUDED TRACT"
20.39 Acres

BEING a 20.39 acre tract of land situated in the Patrick Rock League and Labor Survey, Abstract Number 1063, Denton County, Texas, being all of those tracts of land described to Belmont 407, L.L.C, a Delaware limited liability company by deeds recorded in County Clerk's File Numbers 2012-130827, 2012-145967 (re-recorded in 2013-2813) and 2012-145968 (re-recorded in 2013-2814), Official Public Records, Denton County, Texas (O.P.R.D.C.T.) and being more particularly described by metes and bounds as follows:

COMMENCING at the southwesterly corner of a tract of land described to Belmont Fresh Water Supply District No. 1 of Denton County by District Information Form recorded in Instrument No. 2007-119394, D.R.D.C.T.;

THENCE North 89 Deg. 33 Min. 11 Sec. East, along the southerly line of said Belmont Fresh Water Supply District No. 1 of Denton County tract, a distance of 1567.89 feet to a point for corner on the west right-of-way line of Prairie Mound Cemetery Road;

THENCE North 00 Deg. 28 Min. 21 Sec. West, along the west right-of-way line of said Prairie Mound Cemetery Road, a distance of 317.11 feet to the **POINT OF BEGINNING**,

THENCE North 00 Deg. 28 Min. 21 Sec. West, along the west right-of-way line of said Prairie Mound Cemetery Road a distance of 1922.48 feet to a point for corner;

THENCE North 89 Deg. 36 Min. 41 Sec. East, a distance of 608.91 feet to a point for corner;

THENCE South 00 Deg. 10 Min. 06 Sec. West, a distance of 791.40 feet to a point for the beginning of a tangent curve to the right;

THENCE along said tangent curve to the right having a central angle of 31 Deg. 21 Min. 04 Sec. a radius of 1050.00 feet, a chord bearing and distance of South 18 Deg. 41 Min. 48 Sec. West- 567.47 feet, and an arc distance of 574.61 feet to a point for corner;

THENCE South 34 Deg. 22 Min. 27 Sec. West, a distance of 724.08 feet to the **POINT OF BEGINNING** and containing 20.39 acres of land, more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the political subdivision for which it was prepared".



**FIELD NOTES
THOMPSON TRACT**

BEING a tract of land situated in the Patrick Rock Survey, Abstract No. 1063, Denton County Texas, and being a part of a called 177.50 acre tract of land described in deed to Paula Kay Thompson, Roger Leslie Thompson and Don Thompson as recorded in Instrument No. 2009-147653 of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.), also being part of a called 3.00 acre tract of land described in deed to Roger Leslie Thompson as recorded in Instrument No. 2005-161679, P.P.R.D.C.T., and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found for the most westerly southwest corner of Tract 2 as described in deed to Belmont 407, LLC, recorded in Instrument No. 2012-130827, R.P.R.D.C.T., also being in the north line of a 10.992 acre tract of land described in deed to Richard Farris, as recorded in Instrument No. 2009-143980, D.R.D.C.T.;

THENCE North 89 Degrees 46 Minutes 14 Seconds West, along the north line of said 10.992 acre tract, a distance of 307.38 feet to 1/2" Iron rod found for corner;

THENCE North 88 Degrees 08 Minutes 31 Seconds West, along the north line of said 10.992 acre tract, a distance of 67.93 feet to a 5/8" capped iron rod found for corner at the northwest corner of said 10.992 acre tract;

THENCE over said 177.50 acre tract, the following courses:

North 00 Degrees 24 Minutes 34 Seconds West, a distance of 211.59 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set for corner;

South 89 Degrees 58 Minutes 34 Seconds West, a distance of 997.43 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set for corner in the east line of a called 98 acre tract as described in deed to Samuel Lewis Brown Revocable Living Trust, recorded in Instrument No. 2014-89947, D.R.D.C.T.;

THENCE North 00 Degrees 01 Minutes 26 Seconds West, along the west line of said 177.50 acre tract, a distance of 1715.18 feet to a fence post for corner;

THENCE South 89 Degrees 52 Minutes 56 Seconds East, along the north line of said 177.50 acre tract, a distance of 1378.63 feet to a 5/8 inch capped iron rod found for corner at the northwest corner of said Tract 2;

THENCE South 00 Degrees 06 Minutes 35 Seconds West, along the west line of said Tract 2, a distance of 554.84 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set;

THENCE over said 177.50 acre tract, the following courses:

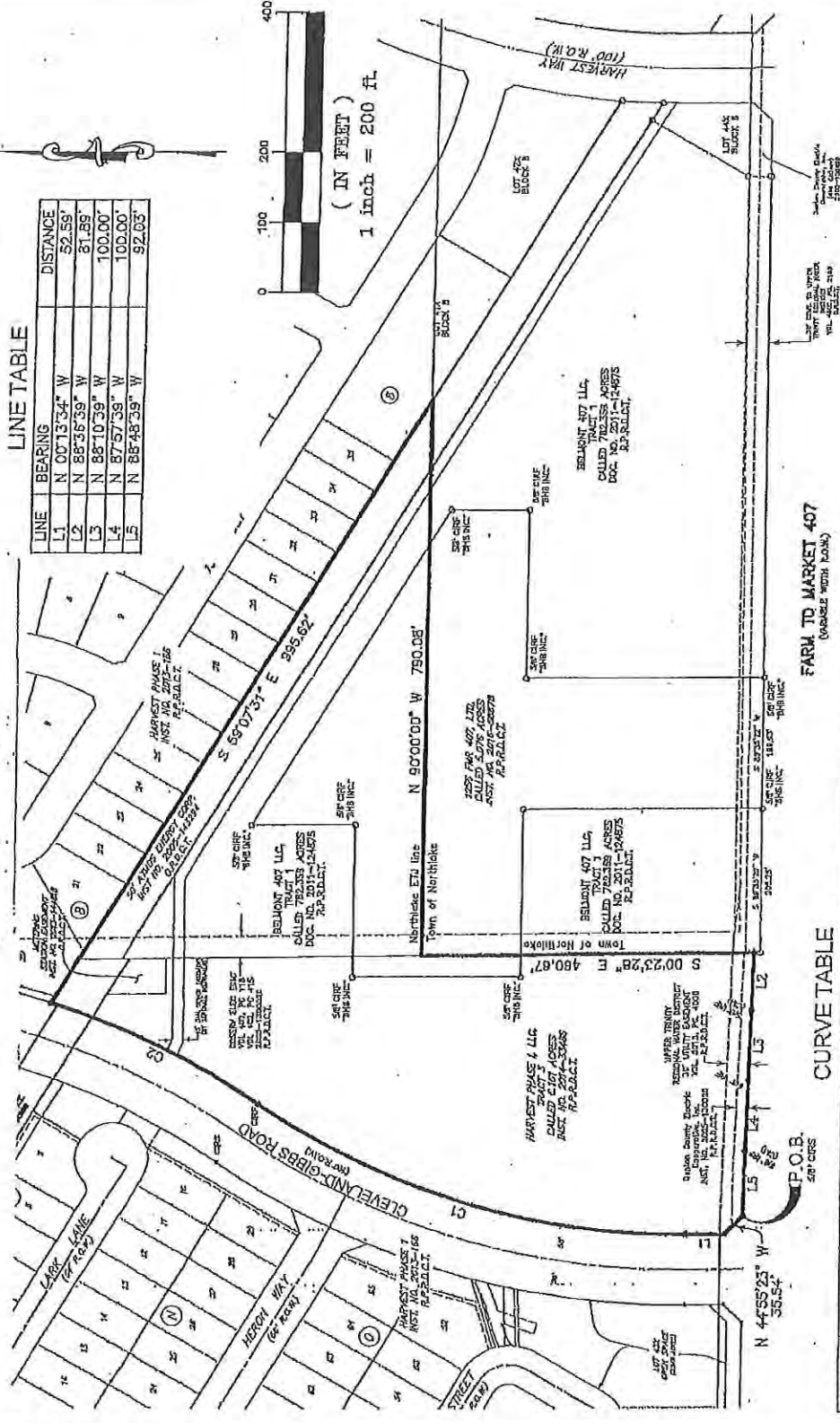
North 89 Degrees 53 Minutes 25 Seconds West, a distance of 570.00 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set;

South 00 Degrees 06 Minutes 35 Seconds West, a distance of 917.10 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set for corner;

South 89 Degrees 53 Minutes 25 Seconds East, a distance of 570.00 feet to a 5/8 iron rod with yellow cap stamped "Cotton Surveying" set for corner in the west line of the aforesaid Tract 2;

THENCE South 00 Degrees 06 Minutes 35 Seconds West, along the west line of said Tract 2, a distance of 455.00 feet to the **POINT OF BEGINNING**, containing 1,916,641 square feet or 44.000 acres of land more or less.

Exhibit "C"



LINE TABLE

LINE	BEARING	DISTANCE
L1	N 00°13'34" W	52.59'
L2	N 88°36'39" W	81.89'
L3	N 88°10'39" W	100.00'
L4	N 87°57'39" W	100.00'
L5	N 88°48'39" W	92.03'

(IN FEET)
1 inch = 200 ft.

FARM TO MARKET 407
(USABLE WIDTH 100M)

CURVE TABLE

CURVE	RADIUS	ARC LENGTH	CHORD LENGTH	CHORD BEARING	DELTA ANGLE	TANGENT
C1	1030.00'	632.70'	592.80'	N 17°22'16" E	35°11'43"	326.69'
C2	1130.00'	324.50'	323.38'	N 25°44'33" E	15°27'12"	153.37'

LEGEND

DEED RECORDS DENTON COUNTY, TEXAS
REAL PROPERTY RECORDS DENTON COUNTY, TEXAS
POINT OF BEGINNING
POINT OF COMMENCING CONTROL MONUMENT
IRON ROD FOUND

D.R.D.C.T.
R.P.R.D.C.T.
P.O.B.
C.M.
I.R.F.

ENGINEER / SURVEYOR:
JONES CARTER
Texas Board of Professional Engineers Registration No. F-429
6503 Windermere Drive, Suite 600 • Plano, Texas 75024
572.483.3330
Texas Board of Professional Land Surveying Registration No. 100451-02
K5100180.00180-00 Harvest Phase 1 (CD) File Harvest Commercial District-1 Tract.dwg

EXHIBIT
BELMONT FRESH WATER SUPPLY DISTRICT NO. 1
HARVEST TRACT
BEING 10.463 ACRES
OUT OF THE
PATRICK ROCK SURVEY, ABSTRACT NO. 1063
TOWN OF NORTHLAKE,
DENTON COUNTY, TEXAS

EXHIBIT "D"

BELMONT FRESH WATER SUPPLY DISTRICT NO. 1 HARVEST TRACT

BEING a 10.463 acre tract of land situated in the Patrick Rock Survey, Abstract No. 1063, Denton County Texas, and being a part of a called 782.359 acre tract of land described in deed to Belmont 407, LLC, as recorded in Instrument No. 2011-124875, of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.), and part of a called 6.161 acre tract of land described in deed to Harvest Phase I, LLC, as recorded in Instrument No. 2014-33486, R.P.R.D.C.T., also being part of a called 5.076 acre tract of land as described in deed to 1256 FWR 407, LTD. as recorded in Instrument No. 2016-58878, R.P.R.D.C.T., and being more particularly described as follows:

BEGINNING at a 5/8" Iron rod with cap stamped "Jones Carter" set at the southwest corner of said 6.161 acre tract and being in the north line of Farm to Market Road 407 (variable width right-of-way) also the east line of Cleveland-Gibbs Road (100' R.O.W.) according to the Final Plat of Harvest Phase 1, an addition to the Town of Northlake, recorded in Instrument No. 2013-166, R.P.R.D.C.T.;

THENCE along the east line of said Cleveland-Gibbs Road, the following courses:

North 44 Degrees 55 Minutes 23 Seconds West, along a corner clip, a distance of 35.54 feet to a 5/8" Iron rod with cap stamped "Jones Carter" set for corner;

North 00 Degrees 13 Minutes 34 Seconds West, along said common line, a distance of 52.59 feet to a 5/8" Iron rod with cap stamped "Jones Carter" set at the beginning of a tangent curve to the right;

Northeasterly, along said tangent curve to the right having a central angle of 35 Degrees 11 Minutes 43 Seconds, a radius of 1030.00 feet, an arc distance of 632.70 feet and a chord bearing and distance of North 17 Degrees 22 Minutes 18 Seconds East, 622.80 feet to a 5/8" Iron rod with cap stamped "Jones Carter" set at the beginning of a reverse curve to the left;

Northeasterly, along said reverse curve to the left having a central angle of 16 Degrees 27 Minutes 12 Seconds, a radius of 1130.00 feet, an arc distance of 324.50 feet and a chord bearing and distance of North 26 Degrees 44 Minutes 33 Seconds East, 323.38 feet to a 5/8" iron rod with cap stamped "Jones Carter" set at the southwest corner of Lot 2X, Block 8, of said Harvest Phase 1, and the north line of a 50 feet wide Lone Star Gas Company Easement as recorded in Instrument No. 2005-143294, R.P.R.D.C.T.;

THENCE South 59 Degrees 07 Minutes 31 Seconds East, departing the west line of Cleveland-Gibbs Road along the northerly line of Lone Star Gas easement and the south line of said Block 8, a distance of 995.62 feet to a point for corner;

THENCE, North 90 Degrees 00 Minutes 00 Seconds West, over and across a said 5.076 acre tract and said 782.359 acre tract, a distance of 790.08 feet to a point for corner in the east line of said 6,161 acre tract;

THENCE South 00 Degrees 23 Minutes 28 Seconds East, a distance of 460.67 feet to a 5/8" iron rod found for corner in the north line of said Farm to Market Road 407;

THENCE along the north line of said Farm to Market Road 407 and the south line of said 6.161 acre Harvest Phase I, LLC tract, the following courses;

North 88 Degrees 36 Minutes 39 Seconds West, a distance of 81.89 feet to a 5/8" iron rod with cap found for corner;

North 88 Degrees 10 Minutes 39 Seconds West, a distance of 100.00 feet to a 5/8" iron rod with cap found for corner;

North 87 Degrees 57 Minutes 39 Seconds West, a distance of 100.00 feet to a 5/8" iron rod with cap found for corner;

North 88 Degrees 48 Minutes 39 Seconds West, a distance of 92.03 feet to the POINT OF BEGINNING and containing 455,763 square feet or 10.463 acres of land more or less.

Bearing are based on the Texas State Plane Coordinate System, NAD 83, North Central Zone 4202, per monuments found for the Final Plat of Harvest Phase I, as recorded in Instrument No. 2013-166, R.P.R.D.C.T.

Eduardo Martinez 11/3/2016
Eduardo Martinez
Registered Professional Land Surveyor No. 5274
JONES | CARTER
Telephone 972-488-3880 Ext. 7177
Texas Board of Professional Land Surveying
Registration No. 100461-03



**TOWN OF NORTHLAKE, TEXAS
FISCAL YEAR BUDGET 2017-2018**

The Town of Northlake, Texas, will hold a public hearing to hear comments for or against a proposed budget for the fiscal year 2017-2018 on August 24, 2017, at 5:30 pm at Town Hall-Chamber Room, 1400 FM 407, Northlake, Texas

This budget will raise more total property taxes than last year's budget by \$270,708 or 23.3%, and of that amount \$245,573 is a revenue increase from new property added to tax roll this year.

A copy of the 'draft' proposed budget will be filed with the Town Secretary on 7/26/17 by the Town Administrator

Memo

To: Honorable Mayor and Town Council
From: Drew Corn, Town Administrator
cc: Shirley Rogers, Town Secretary
Karen Bolyard, Finance Director
Date: August 24, 2017
Re: Second Public Hearing on Proposed Tax Rate for Fiscal Year 2017-2018

At the July 27th Northlake Town Council meeting, Council proposed a tax rate of 29.5¢. Per State statute, if a municipality imposes a tax rate that exceeds the effective tax rate, the municipality is required to have a record vote to place a proposal to adopt the tax rate on the agenda of a future meeting as an action item. The effective tax rate for 2017 is 27.96¢, which is lower than the proposed tax rate of 29.5¢ therefore per State statute the Town Council is required to hold two tax rate public hearings. As a reminder, the effective tax rate is the rate that would be applied to the previous year's property tax values that would provide the same amount of revenue as the current tax year.

The first tax rate public hearing was held on August 10, 2017 and the second tax rate public hearing will be held on August 24, 2017. State law requires that a tax rate be adopted no sooner than 3 days and no later than 14 days after the second public hearing. The tax rate adoption is scheduled for consideration at the September 7, 2017 Council meeting.

Per State law, a "Notice of Public Hearing on Tax Increase" has published in the Denton Record Chronicle as a quarter page ad seven days prior to the first tax rate public hearing or August 3, 2017. The notice includes a comparison of the proposed tax rate with current year's tax rate. A copy of the notice accompanies this coversheet.

Please contact me at 940.242.5701 if you have any questions or comments.

NOTICE OF 2017 TAX YEAR PROPOSED PROPERTY TAX RATE FOR TOWN OF NORTHLAKE

A tax rate of \$0.295000 per \$100 valuation has been proposed by the governing body of TOWN OF NORTHLAKE. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of TOWN OF NORTHLAKE proposes to use revenue attributable to the tax rate increase for the purpose of adding new police, public works, and code compliance personnel.

PROPOSED TAX RATE	\$0.295000 per \$100
PRECEDING YEAR'S TAX RATE	\$0.295000 per \$100
EFFECTIVE TAX RATE	\$0.279580 per \$100
ROLLBACK TAX RATE	\$0.305970 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for TOWN OF NORTHLAKE from the same properties in both the 2016 tax year and the 2017 tax year.

The rollback tax rate is the highest tax rate that TOWN OF NORTHLAKE may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Michelle French
Denton County Tax Assessor/Collector Tax Assessor-Collector
1505 E McKinney Street Denton, TX 76209
940-349-3500
property.tax@dentoncounty.com
tax.dentoncounty.com

You are urged to attend and express your views at the following public hearings on proposed tax rate:
First Hearing: 08/10/2017 5:30 PM at Northlake Town Hall, 1400 FM 407 Northlake, TX 76247
Second Hearing: 08/24/2017 5:30 PM at Northlake Town Hall, 1400 FM 407 Northlake, TX 76247

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

cc: Shirley Rogers, Town Secretary
Karen Bolyard, Finance Director

Date: August 24, 2017

Re: Fiscal Year 2017-2018 Proposed and 2016-2017 Revised Budget Hearings

The budget planning session to discuss priorities for the fiscal year 2017-2018 budget was held May 11, 2017. At the budget planning session, Town Council set budget goals for the Town. The proposed budgets addresses these goals.

The 2017-2018 Proposed General Fund Budget is based on continuing the 29.5¢ tax rate. Property taxes increased 23% overall with a 63% increase in residential property values the primary driver. Mineral values stopped their historic fall with a 36% increase over last year. 67% of the residential property values increase was due to new construction. Sales tax revenues are expected to decrease from last year due to the end of construction of Farmer Bros and the related sales tax. The current proposed budget is balanced with increased resources dedicated to public safety, public works and development services positions needed to handle increased customer base and activity. A 3-4% across-the-board increase has been proposed which is comparable to the federal COLA amount.

The proposed budget document was filed with the Town Secretary on July 28th and made available online on the same date at the Town website www.town.northlake.tx.us.

The 2017-2018 Proposed and 2016-2017 Revised Annual Budgets for all funds are:

<u>Fund Title</u>	<u>FY 2016 Revised</u>	<u>FY 2017 Proposed</u>
General Fund	\$3,825,351	\$4,039,714
Capital Projects Fund	\$2,800,000	\$5,200,000
Debt Service Fund	\$662,060	\$556,937
Other Special Revenue Funds	\$76,015	\$40,735
Hotel Occupancy Tax Fund	\$90,704	\$91,930
Economic Development Corporation	\$410,924	\$228,525
Community Development Corporation	\$410,925	\$228,525
Utility Fund	\$2,786,743	\$3,334,578
Utility Impact Fees Fund	\$162,422	\$1,505,010
Utility Capital Projects Fund	\$25,882	\$30,881

Fiscal Year 2017-2018 Proposed and 2016-2017 Revised Budget Hearings

August 24, 2017

Page 2 of 2

<u>Fund Title</u>	<u>FY 2016 Revised</u>	<u>FY 2017 Proposed</u>
Equipment Services Fund	\$532,207	\$230,000
Building Services Fund	\$145,460	\$545,460
Information Technology Services Fund	\$0	\$92,450
PID #1 (Harvest)	\$309,900	\$501,050
PID #2 (The Highlands)	\$297,437	\$302,499
TIRZ #1 (Canyon Falls)	\$36,896	\$73,451

A detailed presentation was made to Council at the July 27th Council meeting. The budget hearing is to be held on August 24, 2017 with budget adoption to be considered on September 7, 2017.

Please contact me at 940.242.5701 if you have any questions or comments.



Building on Success

Investing in the Future

Town of Northlake

2017-2018 Annual Budget



Town of Northlake

Proposed Budget For Fiscal Year Starting October 1, 2017

This budget will raise more total property taxes than last year's budget by \$270,708 or 23.3%, and of that amount \$245,573 is a revenue increase from new property added to tax roll this year.

Town Council

Peter Dewing, Mayor

Mike McBride, Mayor Pro Tem

Michael Ganz

Roger Sessions

Danny Simpson

Jean Young

Drew Corn, Town Administrator

Karen Bolyard, Finance Director

www.town.northlake.tx.us

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August 24, 2017

Honorable Mayor and Members of the Town Council
Town of Northlake, Texas

The Town of Northlake budget for the fiscal year 2017/2018 prepares the Town for the ever-growing complexity of municipal operations. As new residents move into planned residential neighborhoods and as new businesses relocate and build in Northlake, expectations of high quality Town services will accompany them. New roads, water and sewer lines and buildings that come with this development must be inspected to ensure conformity with the Town's high standards. The new residents and businesses will both create the need for additional Town services and provide the resources to fund these new needs. Expansion of necessary water and sewer infrastructure and reconstruction and improvement to existing infrastructure will be required to keep up with growth and meet expectations of residents.

Northlake is a microcosm of the North Texas region and of the State of Texas. The Texas "miracle" is shorthand for the economic success Texas has had in attracting major companies to relocate here. Northlake is no exception with the successful recruitment of Farmer Brothers, Wesco Aircraft, Hempel, Allen Distribution and Lab Supply. The Texas Comptroller's office estimates that another Texan is added to our population roughly every minute. The North Texas Commission projects that our region grows by one person every five minutes. These new residents are following the new companies and the jobs they bring. This influx of newcomers has created an increased demand for quality housing. In basic economic terms, increased demand in a housing market with limited supply will increase housing prices.

In multiple surveys of residents and in many conversations with residents, the desire for restaurants and shopping in the area is great. With the addition of employers and their workforce, and of new housing in Northlake and the surrounding area, some quick-serve restaurants have located in Northlake. Rosa's Café was the first followed by Sonic. IHOP and Popeye's, currently in the planning stages, are soon to follow. Although a grocery store is still a few years off, convenience stores have popped up, most recently Quik Trip. Two 7-Eleven stores are locating in Northlake one at State Highway 114 at Dale Earnhardt Way in the south part of Town and the other at Farm-to-Market 407 in the north.

In addition to the increase in market values of housing, new homes and buildings have increased property values in Northlake. Residential property values have increased 64%. Almost two-thirds of this increase is from new construction. The remainder of the increases are due to increases in market value. Sales tax revenues have decreased from last year. However, part of the increases in FY 2017 were one-time sales tax on construction related material for the

Northport 35 and Farmer Brothers projects. A stabilization in sales tax revenues is expected but at much higher levels than in the past. Pressure continues for increases in water and sewer rates to support the Town's utility system operations which are experiencing substantial, annual cost increases from wholesale providers.

From 2009 to 2014, the general fund expenses remained relatively flat. Staff was able to accomplish this by controlling costs, deferring maintenance and replacement of equipment, and reducing contract services even with certain costs increasing such as healthcare, debt service, and wholesale water. Starting with the FY 2015 revised budget and continuing in the proposed FY 2018, the Town has increased staffing primarily in police and public works. This trend is proposed to continue with the addition of four positions; administrative assistants in Police and Public Works and inspectors in Public Works and Development Services. The administrative assistants will assist with reporting to State and federal regulatory agencies. In Police, the assistant will also fulfill open records requests, primarily accident reports, and in Public Works, the assistant will manage the work order system insuring tasks, personnel and materials are properly assigned. The public works infrastructure inspector and development services code compliance coordinator are specialized positions that will ensure developer-built infrastructure meets Town standards and existing and proposed activities and uses meet Town codes.

In the FY 2017 proposed budget, Northlake returned to investing in road infrastructure. The last major investment was in 2005 when the Town issued \$1,900,000 in debt to improve Florance Road, Holder Road, Evelyn Road, Bingham Road and Schober Road. The additional tax base gained from the development of North Ridge Estates allowed the Town capacity to issue the 2005 debt. The recent 2016 Series debt totals \$6,700,000 in certificates of obligation to finance the paving of portions of Cleveland-Gibbs Road, Sam Lee Lane, and repaving of Florance Road. Similar to the previous debt issuance, the 2016 debt is being financed by the additional taxable value added from new development, in this case primarily Canyon Falls.

The Town of Northlake has been able to leverage growth to the benefit of the residents and the Town infrastructure. As mentioned previously North Ridge Estates provided funding to pave Schober and Bingham. The Highlands of Northlake brought a water line to North Ridges Estates. Prairie View Farms brought a water line from FM 407 up Faught Road and Stardust Ranch brought a water line from FM 407 up Florance Road. Although Harvest is not in the Town limits, this development provided for the connection with Upper Trinity Regional Water District and the Town Hall pump station and ground storage tanks. The Canyon Falls development will bring a second connection to UTRWD, a trail system and capacity to upgrade Florance, Cleveland-Gibbs and Sam Lee. If history is any predictor of the future, these investments will lead to further increases to the Town's taxable value.

Mayor Dewing's recurring message to staff when developing the budget is to maintain the Town's very low tax rate while maintaining the same service levels. In fact, the tax rate has remained at 29.5¢ per \$100 valuation since 1997 when it was last increased from 25¢ to the current rate. Even though the proposed tax rate will not change, the rate will be over the

effective tax rate of 27.96 cents; legislatively defined as the tax rate needed to provide the same property tax revenues using the upcoming year's tax base. Staff continues to focus on basic services and look for ways operate more efficiently and cost effectively. However due to the expected continued growth in development, the proposed additional staff are needed to maintain the current service levels.

As the Town's financial plan for FY 2017-2018, the budget illustrates appropriations and projected revenues. This budget is also intended to document for residents how the Town operates and the methods used to finance those operations. The Town of Northlake has achieved many of its goals set by the Council over the last year, while providing exceptional service to our citizens.

This budget is based on the Council Budget Principles for FY 2017/2018 as ratified by the Town Council during the Budget Work Session on May 11, 2017.

- Maintain fiscal responsibility while investing in Town resources and assets
- Ensure sustainable development through strategic planning
- Attract and retain various business types for diverse future tax base
- Improve, construct and maintain road, water, sewer and drainage infrastructure
- Recruit, retain and train highly qualified personnel
- Enhance external and internal services and capabilities with appropriate staff and facilities
- Utilize equipment and technology to increase productivity and efficiency

A detailed discussion of council budget goals can be found later in the budget document.

Property values are estimated to increase from a market value of \$485,648,798 in 2016, to \$623,274,169 in 2017. After exemptions, losses and caps, the taxable value is projected to increase from \$382,188,447 in 2016 to \$470,440,045 in 2017. Applying the proposed tax rate of 29.5¢ per \$100 valuation, property taxes revenues are \$1,399,204 an approximately 20 percent increase from property tax revenue last fiscal year. Of this amount \$556,935 will be dedicated to debt service and the remaining \$842,269 will pay for maintenance and operations. The increase in property tax revenue is due to a combination of new property growth and increased values. Increases in development related fees are anticipated. Franchise fees are expected to grow as new customers are added.

All department heads submitted budget requests that maintain current service levels. With some modest plan changes, healthcare costs are expected to decrease 6.8% over last year which is below initial projections. Supplies expense category will increase slightly due to increased staff levels. Maintenance costs will increase due to the usage life of equipment and increased focus on road maintenance and repair. Costs for services will increase as outsourced engineering and building inspections will increase proportionally with new development and construction which is reviewed and inspected to meet the Town's high standards.

The general themes of this year's proposed service enhancements are to protect Northlake's future and existing infrastructure and built environment through staff specialization that will further efficiency and productivity, and to navigate the increasingly complex regulatory environment with administrative assistance. From the Town's financial resources: the proposed budget will allow the Town to fund service enhancements, continue to fund maintenance, operations and debt service, and maintain General Fund reserves of approximately \$1,500,000. The proposed fund reserve level surpasses the Town policy of three months of operational expenses by two months.

The proposed service enhancements are as follows:

- Maintain current tax rate of 29.5 cents per \$100 value while supporting debt service and current service levels
- Repave Florance Road from FM 407 to Strader Road, pave Cleveland-Gibbs from FM 407 to FM 1171 and pave Sam Lee Lane from Ashmore to 1,850 feet east
- Microseal Schober and Bingham roads to extend their useful life
- Implement a tiered salary increase ranging from 3% - 4%
- Reduce service retirement from 25 years to 20 years
- Provide an education incentive for post-secondary degrees
- Add two administrative assistant positions in Police and Public Works to assist in State and federal regulations and process open record requests and manage work order system, respectively
- Create two positions in Public Works and Development Services for infrastructure inspection and code compliance
- Finish out Town Hall lease space with move in summer of 2018
- Continue contract with flow monitoring services for maintenance of Town sewer system
- Purchase police and public works replacement vehicles and new vehicle for new code enforcement position
- Fund approximately \$30,000 in enhancements for officer safety, traffic enforcement and criminal investigations
- Begin design of Phase 3 of the northern pressure plain and Phase 1 of the southern pressure plain including ground storage, pumps and elevated tanks

Maintaining one of the lowest tax rates in Denton County, which has one of the lowest county tax rates in Texas, is one of the biggest business recruitment tools in Northlake's tool belt. All increases in the proposed budget are a result of increases in development activity, increases in the number of residents, or investments in upgrading existing infrastructure. The proposed budget is in response to existing needs not in future potential desires. As mentioned previously, the Town of Northlake has a long history of using increased tax base to invest back into the Town. This budget is no different and continued investment avoids potential infrastructure failure in the future.

Retaining and recruiting qualified and capable employees is difficult in the competitive North Texas region especially for a small community. Although a range, the proposed pay raise will

average about 3% which is the federal cost-of-living adjustment. The pay raise methodology is: 5% increase for employees below salary minimum, employees below salary range midpoint will receive a 4% increase, employees above midpoint but below maximum of their salary range will receive 3%, and employees above maximum receive a lump-sum payment of 2% of their annual salary.

Currently, the Town police department provides around the clock patrol services to over 17 square miles of Town limits and by contract for the Harvest community and the City of Draper, in addition to traffic enforcement of Town, County and State roads including almost five miles of Interstate 35W. With a force of 13 licensed peace officers, administrative duties have increased particularly in meeting the reporting requirements of State and federal regulatory agencies. An administrative assistant position will assist the Police Chief in reporting and will also assist in fulfilling over 300 open records request per year which are currently handled by one of three sergeants on staff.

Last year's budget added a detective position. To increase the productivity and efficiency of the detective requests for a rugged laptop, evidence camera and evidence tracking software are being proposed. For traffic enforcement, Police requests two replacement LIDAR (light detection and ranging) devices for vehicle speed detection and three spike strips to stop vehicles. Finally for officer safety additional weapons and protective gear are requested.

The Town of Northlake has two active major developments in Harvest and Canyon Falls and four active rural estate developments in The Highlands, Prairie View, Stardust Ranch and Creek Meadows. In addition, two future developments of Heritage Field and Pecan Square will start in the next few years. As development accelerates, the need for thorough and consistent infrastructure inspections increases. A dedicated infrastructure inspection position will serve a single voice for Public Works and single point of contact for developers. Timely inspections are crucial for proper oversight of developer construction to ensure Town standards and requirements are met prior to a water line being buried or concrete road section being poured.

Over the last ten years, Public Works has grown from two positions to ten in order to operate and maintain the Town's growing water, sewer and road system. As with Police, Public Works must also meet and track numerous State and federal regulations. In addition, with all the various tasks and assignments, Public Works has implemented a work order system that tracks projects, maintenance, assigned personnel and inventory. To assist with regulatory compliance and manage the work order system, Public Works requests an administrative assistant position.

Although much of Northlake development occurred in the last five years, many areas were built ten years to twenty years ago. As buildings and properties age, a tendency for decreased owner attention to maintenance occurs. Currently, the Town contracts with a code enforcement contractor but proposes hiring a full-time position to enforce Town codes. This position will also review plans for adherence to basic zoning requirements for new buildings as well as to landscape, fence, and sign standards.

In the late Eighties when the neighborhoods of Brian's Place and Northlake Country Estates were developed, the Town had much lower standards. The developers of these two neighborhoods were allowed to install gravel for Bingham and Schober roads. Over the years with the help of all Northlake taxpayers, the Town taxpayers have been able to pave these two roads. In 1997, the Town adopted much stricter development requirements so that developments along State Highway 114 and North Ridge Estates were required to install concrete roads. However, to extend the life of Bingham and Schober roads, a request to microseal these roads is included in the proposed budget.

For a small town, Northlake has a vastly expanding water system with over one water meter installed per day. There are over 1,000 water connections in Northlake and to provide safe, reliable water to each customer Northlake must expand its pumping and storage capacity. The southern area of Northlake benefits from being on the low end of the City of Fort Worth's water system and currently receives water at adequate pressure. However, with the development of north Fort Worth this latent pressure will not last forever. It is incumbent on the Town to begin design of storage and pressurization facilities. The northern area of Northlake entered the water distribution business with the addition of pumps and ground storage located at Town Hall as funded by the Belmont Fresh Water Supply District. Belmont FWSD which is now called Harvest designed and constructed Phases 1 and 2 of the northern system. Because of the development of The Highlands, Prairie View, Stardust Ranch and Creek Meadow and the future development of Heritage Field and Pecan Square, the Town has decided to take the lead in the design and construction of Phase 3 for the benefit of all customers. Belmont FWSD will still proportionally participate in the cost of Phase 3 but with the Town in the lead. The initial budget estimates for these two design efforts are \$600,000 each and will be funded from water impact fees.

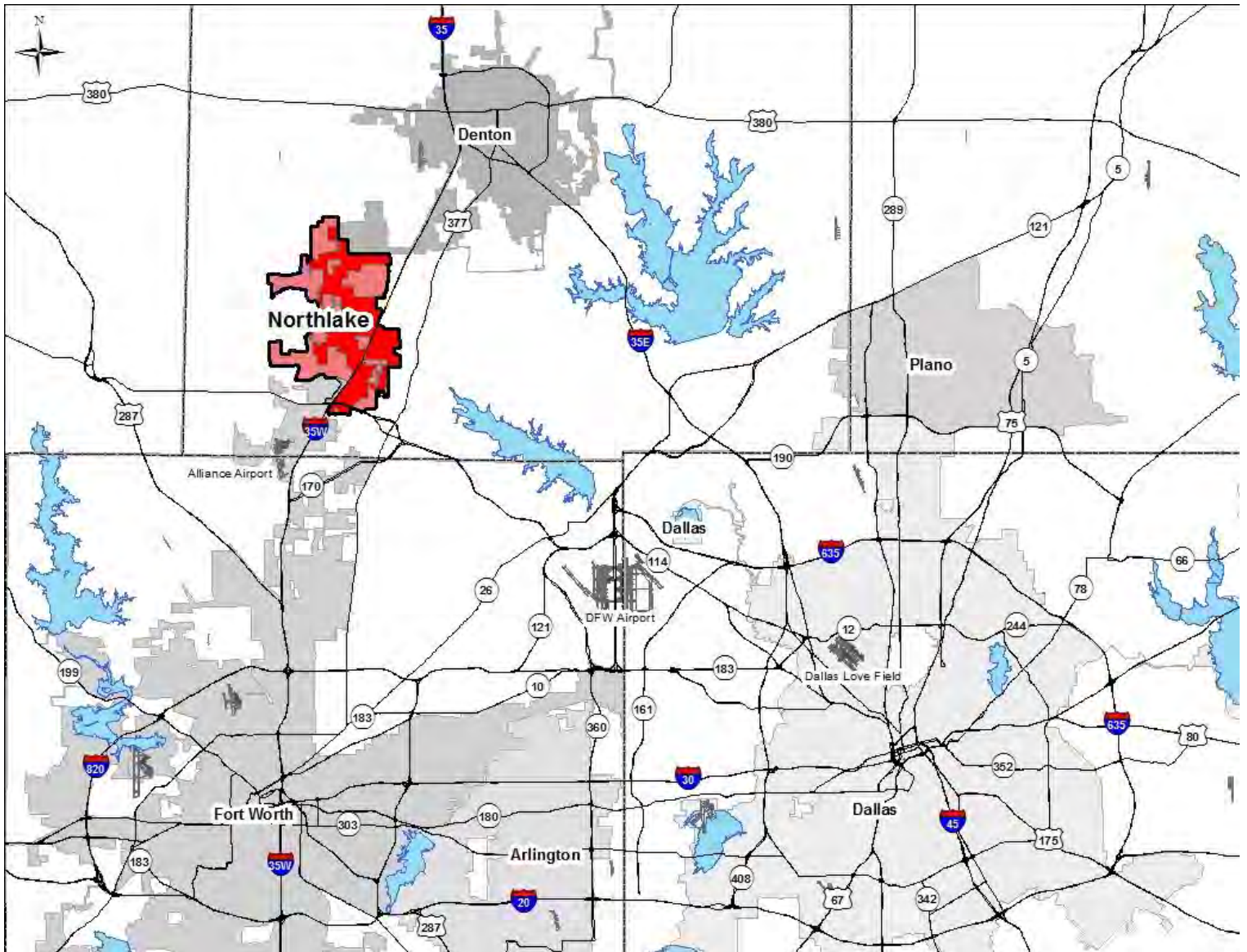
In summary, the Fiscal Year 2017/2018 budget reflects the budget principles. It serves as an operating guide for management staff and presents the Town's financial plan, illustrating anticipated appropriations and projected revenues by which programs are funded. With the growth in property tax revenue due to new construction, the stabilization of sales tax revenue and the anticipated growth in development related fees, the Town balances the increased demand for services and growth to the Town's infrastructure with a proportional increase of resources. The proposed budget will expand existing services specifically for public safety and public improvements, protecting both life and property but also infrastructure and most importantly the rural core of Northlake which is something well worth preserving.

Sincerely,

A handwritten signature in black ink, appearing to read "Drew Corn", written in a cursive style.

Drew Corn
Town Administrator

Regional Map



Community Background

The Town of Northlake was incorporated on December 28, 1960, in an effort to avoid annexation by the City of Irving. Dan and Margaret Ashmore were the first Mayor and Secretary of the Town, and they took it upon themselves to enlist the support of 37 families and produce the required paperwork for incorporation. It required at least 200 people and 2 square miles in order to petition for this incorporation, which would preserve the rural heritage the residents enjoy to this day.

Growth has arrived from Denton and Fort Worth and also Flower Mound and Roanoke. The vision of the “founding families” to maintain a rural setting is captured in the Northlake Comprehensive Land Use Plan. The Plan attempts to find a balance between the ceaseless pressures for growth with the desire to protect a rural core in the center of the Town limits. Through controlled growth, the Town can improve services and infrastructure without overly burdening existing residents. The original generation of town’s “founding families” have passed on and their descendants are struggling with how best to preserve their ancestors’ legacies.

In 1988, the Town and its citizens were impacted economically with the construction of Alliance Industrial Airport, which is located to the south of Town. In 1995, construction began on the Texas Motor Speedway, which is a NASCAR racing facility that seats 200,000 persons at a single event. In 2016, the construction will be completed for the new national headquarters, roasting facility and distribution warehouse of Farmer Brothers Company one of the largest wholesale producers of coffee, tea and spices.

The Town of Northlake is located in Denton County, in a prime location, 20 miles NE of Ft. Worth, 40 miles NW of Dallas, 6 miles SW of Denton, 20 miles NW of the Dallas-Fort Worth Airport and two miles from Alliance Airport. Northlake is adjacent to I-35W and the Texas Motor Speedway. The master planned communities of Harvest and Canyon Falls are located in Town extraterritorial jurisdiction at I-35W and FM 407 and in Town limits at I-35W and FM 1171, respectively.

Northlake is a General Law Type A town that operates under a Mayor-Council form of government with a Mayor and five Council Members. The Mayor and Council members are elected at large, and are responsible for all policy matters. The Town Council has the authority to levy taxes, secure revenue, authorize expenditures of funds and incur debt. A Town Administrator position has been created by ordinance. The Town Administrator is directly responsible to the Town Council and is responsible for the daily operations of the Town and implementing Town Council policy. The Town provides 24-hour police service and employs 13 full time Police Officers.

Council Budget Principles FY 2016/2017 Revised Budget

Maintain Fiscal Responsibility While Investing in Town Resources and Assets

The adopted budget maintained the property tax rate of 29.5¢. The Town was able to keep the tax rate the same as the prior years due to increases in residential and commercial property values, growth in sales tax and development fee revenues due to development activity. The increased resources were transferred to the building fund in anticipation of lease space finish out costs and support debt service for Series 2016 Certificates of Obligation.

Ensure Sustainable Development through Strategic Planning

FY 2017 witnessed the culmination of efforts to update both the Master Thoroughfare Plan (MTP) and the Comprehensive Land Use Plan. The MTP and subsequent roadway capital improvement plan determined the amount of road impact fees the Town will charge for developments' impact on the road system. The Comp Plan (Northlake Pathway 2040) serves as a guide to property owners and developers on the Town's vision and expectations of future development. The Comp Plan update continues to reflect the residents desire to preserve the rural heritage of the Town in terms of architectural features and land planning.

Attract and Retain Various Business Types for Diverse Future Tax Base

The relocation of the national corporate headquarters of Farmer Brothers from California was a significant catalyst for additional business to move to and expand in Northlake. Logistics warehouses for Wesco, Allen Distribution, Hempel and Lab Supply, restaurants of Rosa's Café and Sonic Drive-in, Popeye's and IHOP, hotels of Home 2 Suites, StayBridge Suites and Holiday Inn Express, and residential single family and multifamily development show the diversity of Northlake's tax base. Hillwood's purchase of 260 acres off I-35W additional warehouse and commercial development in FY 2017 will continue this trend.

Improve, Construct and Maintain Road, Water, Sewer and Drainage Infrastructure

The Town maintained gravel and asphalt roads in FY 2017 but hope to repave Florance Road from FM 407 to Strader by the end of the fiscal year. The paving of Cleveland-Gibbs Road (from FM 407 to FM 1171) and Sam Lee Lane had been delayed due to right-of-way acquisition and problematic sewer and drainage issues. With the complete repaving of Florance Road from FM 407 and Strader Road, additional funds can be dedicated to maintain the remaining gravel and asphalt roads.

The construction of the 20-inch water line along FM 407 has allowed for a 12-inch line to be built up Faught Road and a 16-inch line will be built parallel to Florance Road. The Florance Road line was built by the developer of Stardust Ranch Estates with participation from Upper Trinity Regional Water District. The permanent pump station serving Canyon Falls was still under design and review in FY 2017 with hopes to begin construction in FY 2018 and will be funded by the Canyon Falls Water Control and Improvement District.

Recruit, Retain and Train Highly Qualified Personnel

The 2015 salary survey found Northlake salaries to be 10% below market. The FY 2016 budget salary increases brought overall salary ranges within 95% of the market. Compensation was increased in a tiered approach: employees below minimum salary received a 5% increase or were brought to minimum; those between minimum to midpoint received a 4% increase; those between midpoint and maximum of their salary range received a 3% increase; and employees over maximum received a 2% lump-sum payment. The increase kept employee compensation competitive with other area municipalities but still below the market average.

Enhance External and Internal Capabilities with Appropriate Staffing and Facilities

With the addition of a detective, investigations are now carried out by this dedicated position. Before the addition of the detective, investigation of alleged crimes was handled by the officer on scene and was investigated by the officer while on shift and not engaged in patrol activities. Now crucial evidence and interviews are timely and officers can focus on patrol activities. An additional sergeant was added in FY 2017 to provide oversight and backup for front-line officers on an almost 24-hour basis.

With the addition of a crew leader in FY 2017, crews can work on multiple projects simultaneously, and tackle more complex activities. Additional infrastructure add to the complexity and activity of the public works and increase the amount of State and federal regulations due to the growth of the system. Also added in FY 2017 was the Utility Technician position who performs the numerous daily, weekly and monthly tests and reports required by regulatory agencies and will perform routine preventive maintenance of these systems.

The Town Council finalized a lease agreement for office space on the north side of FM 407 at the entrance of the Harvest neighborhood. The lease is an interim solution to the need for professional offices for expanding Town staff. The location will be less than a mile from the current Town Hall location and convenient to water customers in Harvest and Canyon Falls.

Utilize Equipment and Technology to Increase Productivity and Efficiency

The safety of both the residents and officers is a priority for the Town. To ensure the proper conduct of the Town's officers and to defend their actions if necessary, the Town purchased body cameras for officer use. The body cameras integrate with the patrol cars' dashcams and all videos are uploaded. Two patrol cars were replaced due to excessive use and mileage with new vehicles: a Chevy Tahoe patrol vehicle and a Ford Interceptor for traffic enforcement.

Public Works was assigned a new Ford Crew Cab for the new crew leader position and a Ford F-150 for the Utility Technician to make the rounds. In addition, a sewer jetter was purchased to maintain the Town's growing yet aging sanitary sewer system. The Town has been fortunate that the City of Roanoke lent their equipment to Northlake and that their equipment was available. Public Works also purchased testing and analyzing equipment to monitor the Town's water and sewer systems for reporting and ensuring optimal operational performance.

Council Budget Principles FY 2017/2018 Proposed Budget

Maintain Fiscal Responsibility While Investing in Town Resources and Assets

The proposed budget will maintain the current property tax rate of 29.5¢. New residential construction has increased the property tax base. These increased resources are proposed to be reinvested in the Town as capital improvements. The new property tax revenue will fund the debt service on \$6,700,000 in capital improvements such as the repaving of Florance Road, the paving of Cleveland-Gibbs Road from FM 407 to FM 1171, and the paving of Sam Lee Lane.

Ensure Sustainable Development through Strategic Planning

With the completion of the Master Thoroughfare Plan (MTP) and the Comprehensive Land Use Plan Update in FY 2017, Northlake began the Water and Sewer Impact Fee Study. The study begins with land use assumptions as determined by the Capital Improvement Advisory Committee made up of Northlake residents. The land use assumptions determine the proposed capital improvement plan which calculates the impact fees. The 2016 Comp Plan Update built on and improved the comp plans of 2002 and 2009 especially in preserving the rural core of the Town. Past water and sewer system master plans had too much infrastructure in the rural areas of Town. Town Council provided clear direction for the upcoming impact fee study that the rural core should have minimal water and sewer infrastructure because the rural lifestyle is associated with septic systems, well water and open drainage ditches.

Attract and Retain Various Business Types for Diverse Future Tax Base

With only 60,000 square feet of leasable space remaining of the almost 1,000,000 square feet Northport 35 business park, Northlake anticipates the beginning of construction of the over 2,500,000 million square feet in warehouse space in the Alliance Northport development at the corner of Dale Earnhardt Way and Interstate 35W. At State Highway 114 east of I35W plans for 10,000 and 17,000 square feet of retail space are being reviewed on the north and south side of SH 114, respectively. There are a number of available tracts ready for development in this area. Town economic development efforts in FY 2018 will focus on assisting commercial developers in finding tenants for their available buildings and properties.

Improve, Construct and Maintain Road, Water, Sewer and Drainage Infrastructure

The Town will continue to maintain gravel and asphalt roads in FY 2018 but with the capital improvement program some gravel roads will be paved as asphalt and concrete. Florance Road reconstruction project will begin in September 2017 and completed in six to nine months depending on weather and other factors. Projected start date for Cleveland-Gibbs and Sam Lee paving is anticipated to begin in FY 2018. Also, proposed for FY 2018 is the micro-seal of Schober and Bingham Roads. These roads were originally gravel and over the years the Town has been able to improve the surface first by chip-sealing then with an asphalt overlay. To prolong the life of the road, the Town will seal the asphalt surface to protect from water infiltration.

Design of Phase III of the Town Hall water plant will begin in FY 2018 with funds coming from impact fees and participation of the Belmont Fresh Water Supply District. The increase capacity will allow the Town to serve additional phases of Harvest as well as other areas within the northern part of Northlake. Design of water storage and pumping capacity in the I35W/SH 114 area will also begin in FY 2018 with the potential addition of an elevate storage tank, ground storage tanks and pump station. A majority of Northlake businesses and residents reside in this area and these crucial improvements are needed for fire safety and economic vitality.

Recruit, Retain and Train Highly Qualified Personnel

Without a salary survey to understand where Northlake salaries rank in the market, the Town will provide a cost-of-living allocation in line with the federal increase. Compensation will be increased in a tiered approach: employees at minimum to midpoint will receive a 4% increase; and employees between midpoint and maximum of their salary range will receive a 3% increase. The increase will keep employee compensation competitive with other area municipalities but still moderately below the market average. In FY 2018, the Town will conduct a salary survey to determine where our salary ranges compare with other area municipalities. To recruit and retain, employees with post-secondary degrees, the Town proposes offering an annual incentive ranging from \$750 for an Associates to \$1,250 for a Masters degree.

Enhance External and Internal Capabilities with Appropriate Staffing and Facilities

In the FY 2017 budget, the Northlake Police Department added a detective so investigations can be carried out by a dedicated position and an additional sergeant to provide oversight and backup for front-line officers on an almost 24-hour basis. For FY 2018, Police proposes adding an administrative assistant to assist the chief and sergeants with a number of administrative tasks including processing over 300 open record requests annually and submitting the annual use-of-force and racial profiling reports required by State and federal regulatory agencies. The assistant position will be a non-peace officer but will assist the 13 licensed peace officers in the Northlake police force.

Developer-built public infrastructure has accelerated and the need for proper inspection has increased proportionally. A proposed infrastructure inspector position will allow for one point of contact and one voice for Public Works in inspecting the work of contractors building public infrastructure. In addition, a proposed Administrative Assistant position will assist the director and crew leaders in managing the work order system. Over 60 work orders per week are processed to track work-hours, assets, accounts and supplies. The assistant will also keep an inventory of supplies and replenish as necessary. The assistant will also assist the department with the numerous reports and compliance tests for State and federal regulatory agencies.

Development Services processes building permits ranging from fence to commercial building, plats, zoning change requests as well as oversee economic development activity. Reviews of permits, plats and zoning funnel through one person, the director. A proposed Code Compliance Coordinator position will assist the director in the reviewing submissions for basic zoning requirements and will also inspect for compliance to zoning in the field.

The Town finalized a lease agreement for office space on the north side of FM 407 at the entrance of Harvest. Town staff has completed floor layout and selected finish out materials. FY 2018 will see the purchase of furniture, fixtures and equipment including an audio and visual system for council chambers and court room. Move in date for the lease space is projected to be late summer of 2018.

Utilize Equipment and Technology to Increase Productivity and Efficiency

Two patrol cars will be replaced due to excessive use and mileage with new vehicles: a Chevy Tahoe patrol vehicle and a Ford Interceptor for traffic enforcement. Similar models were purchased in FY 2017 and the department has been pleased so far with their performance. A number of smaller equipment purchases are requested to assist the detective in criminal investigations and to enhance traffic enforcement and officer safety including an evidence camera, evidence tracking software, replacement LIDAR, spike strips and additional Toughbook laptops.

In the past, Public Works has used decommissioned police vehicles for transportation. These older high-mileage vehicles, while a great stop-gap measure, are well beyond their useful life and are becoming unreliable and costly to maintained. Two replacement vehicles, Ford F-150, are proposed for Public Works in FY 2018 to replace the former police Chevy Tahoes. A new addition to the Town fleet will be a Ford F-150 or smaller model for the Code Compliance Coordinator as this position inspects code and zoning violations throughout the Town.

Public Works will also continue the testing and analyzing service started in FY 2017 in FY 2018 to monitor the Town's water and sewer systems for reporting and ensuring optimal operational performance.

Fund Summaries

Before moving into the details of the proposed budget for FY 2016/2017, it is important to give a brief overview of the types of funds used in planning and accounting for our annual program of work so that both our Council members and our citizens are fully informed. This should help facilitate a better understanding of our budget as it is reviewed.

Governmental Funds

These funds are used to account for resources that are received and expended with no expectation of a specific user fee or departmental charge. These funds include:

- General Fund
- Capital Projects Funds
- Debt Service Funds
- Special Revenue Funds

The General Fund is used to account for all revenues and expenditures not accounted for in other funds and is the principal fund of the Town. The General Fund, which is used to account for resources associated with core government services, is primarily supported by the ad valorem tax, general sales tax, franchise taxes, license and permit fees, and municipal court fines. All the programs included in the budget are justified, efficient, and serve the basic needs of the community. The Town has recently implemented capital project and debt service funds separate from the General Fund to capture costs associated with these specific activities.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, such as the Type A Economic Development Fund, Type B Economic Development Fund, Hotel Occupancy Tax Fund, Court Security, Court Technology, Child Safety and Education and proposed Traffic Safety.

Proprietary Funds

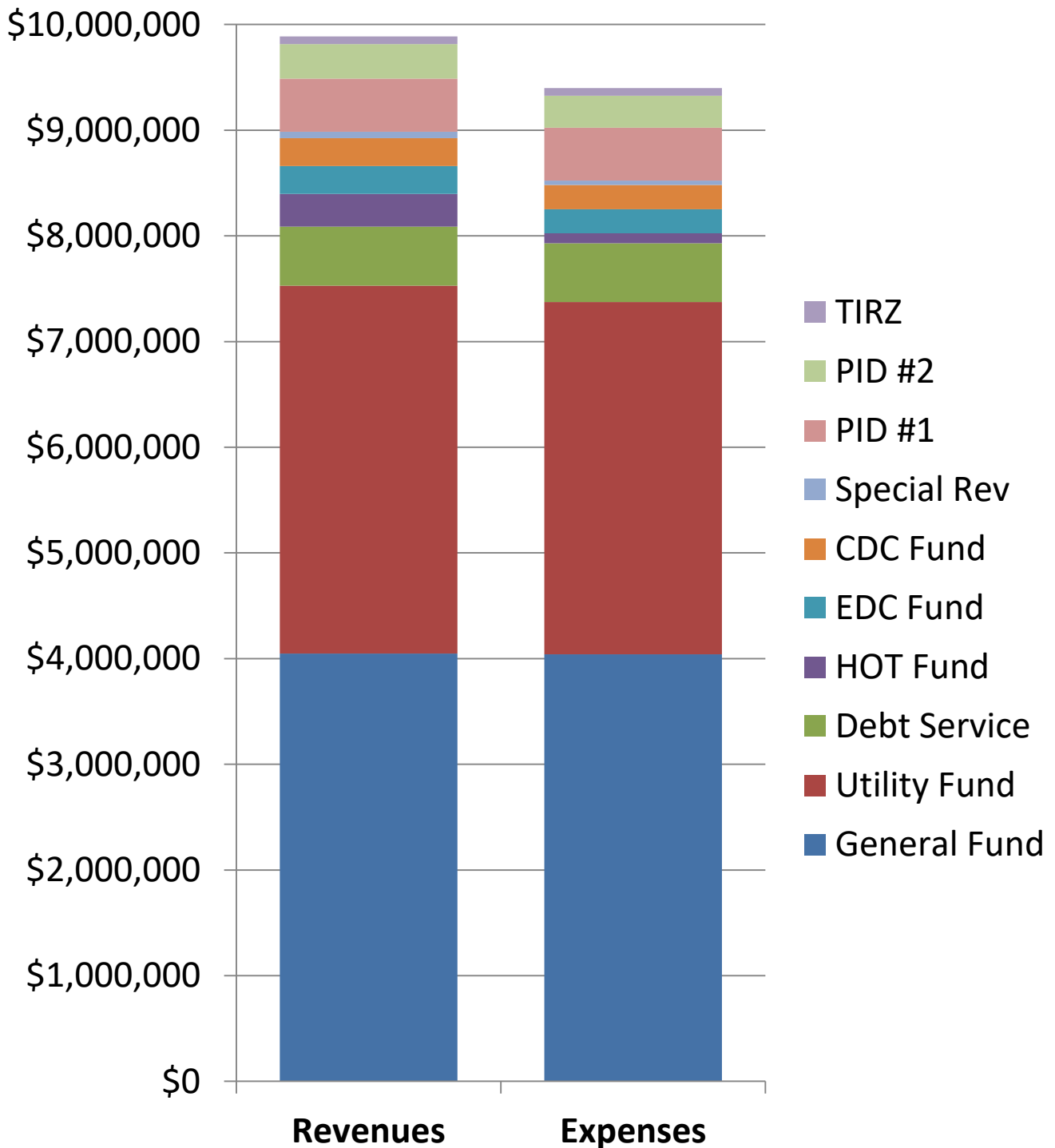
The Proprietary Funds are for ongoing organizations and activities that are similar to those often found in the private sector. These funds include:

- Enterprise Funds
- Internal Service Funds

Enterprise Funds account for services that are funded directly user fees. They are financed similarly to a private business, in that cost of providing goods and services are self-supporting. The Utility Fund is used to account for the provision of water and wastewater services to the citizens of Northlake. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, debt service, billing and collection. Internal Service Funds capture and distribute internal service costs such as fleet and building maintenance. The Equipment Fund supports vehicle and equipment purchases and leases, and parts and maintenance. The Building Fund will provide for operations and maintenance of shared Town facilities and allow for repairs to existing buildings. Information Technology Fund accounts for services and computer replacement.

Town of Northlake

All Funds Summary



TOWN OF NORTHLAKE

			Certified 2017 Tax Year
Property Tax Summary			
<u>Net Taxable Value:</u>	M&O	I&S	TOTAL
Total Certified Value as of July 18, 2017			\$ 623,274,169
Less Exemptions:			
Disabled Veteran			\$ (146,500)
Over 65			\$ (673,300)
Homestead Cap			\$ (3,727,142)
Less Value Losses:			
Agricultural Productivity			\$ (91,085,957)
Non-profit Organization			\$ (4,751,239)
Personal Property Nominal Inventory			\$ -
Freeport Inventory			\$ (26,708,287)
Tax Abatements			\$ (25,741,699)
Total Reduction to Values			<u>\$ (152,834,124)</u>
 Estimated ARB Minimum Values			 \$ 28,765,116
 Net Taxable Value			 <u><u>\$ 499,205,161</u></u>
 <u>Estimated TIRZ Captured Appraised Value:</u>			
Estimated Net Taxable Value			\$ 86,353,981
Less: TIRZ #1 Base Value			\$ (5,549,784)
 Net Taxable Value For TIRZ 1			 <u><u>\$ 80,804,197</u></u>
 <u>Estimated Property Tax Collections:</u>			
Estimated Net Taxable Value			\$ 499,205,161
Less: TIRZ #1 Captured Value (30.8%)			\$ (24,898,649)
 Net Taxable Values			 <u><u>\$ 474,306,512</u></u>
 <u>Total Estimated Tax Revenue:</u>	\$ 842,269	\$ 556,935	\$ 1,399,204
 <u>Proposed Tax Rate per \$100 Valuation</u>	\$ 0.1776	\$ 0.1174	\$ 0.295
 Percent of Tax Rate	60.2%	39.8%	100.0%



Town of Northlake
GENERAL FUND

Fund:	100	FY 2015	FY 2016	FY 2017	FY 2017	FY 2017	FY 2018
		Actual	Actual	Original Budget	Actual As of 6/30	Revised Budget	Proposed Budget
BEGINNING FUND BALANCE:		940,481	1,478,315	1,510,410	1,510,410	1,510,410	1,597,842
REVENUES:							
Court Fines		671,848	601,110	625,000	460,469	600,000	600,000
Sales/Beverage Tax		457,100	679,648	400,000	496,904	600,000	480,000
Ad Valorem Taxes		531,191	693,972	725,000	725,183	725,000	842,210
Permits and Registrations		23,529	31,452	15,950	24,222	45,105	21,450
Franchise Fees		244,696	257,563	285,000	130,983	285,000	311,000
Building Permits		468,096	686,682	821,250	602,304	838,000	969,500
Development		489,223	343,565	327,500	486,322	501,428	437,500
Transfers		175,000	175,000	200,000	150,000	200,000	230,881
Other Revenue:		97,167	110,340	108,260	98,898	118,250	156,260
Prior Year Encumbrances							
TOTAL REVENUE:		3,157,850	3,579,331	3,507,960	3,175,285	3,912,783	4,048,801
EXPENDITURES:							
Payroll & Benefits		1,449,115	1,635,467	2,047,239	1,417,398	2,047,239	2,161,459
Supplies		129,233	105,596	140,508	78,669	146,788	151,808
Maintenance		147,914	187,603	197,678	137,007	199,928	231,828
Utilities		39,001	14,661	10,320	13,413	15,890	19,095
Services		560,765	843,499	880,880	494,374	784,765	908,991
Capital Outlay		54,488	2,484	-	-	-	-
Transfers		239,500	757,927	230,741	201,264	230,741	234,000
Lease Purchase Debt Service		-	-	-	-	-	-
TOTAL EXPENDITURES:		2,620,015	3,547,237	3,507,366	2,342,125	3,425,351	3,707,181
REV OVER/(UNDER) EXP		537,835	32,094	594	833,160	487,432	341,620
Changes to Fund Balance		-	-	-	-	-	-
ENDING FUND BALANCE		1,478,315	1,510,410	1,511,004	2,343,570	1,997,842	1,939,462

Budget Requests

Transfer to Building Services - Lease space finish out	250,000	
Transfer to Technology Services Fund - Lease space finish out	100,000	
Transfer to Debt Service	50,000	
Code Compliance Coordinator		57,700
Schober & Bingham Microseal Roadway		50,000
Public Works Inspector		28,695
Public Works Administrative Coordinator		34,278
PD Admin Assistant		55,455
Patrol enhancements		16,740
Investigation enhancements		13,790
4 % Salary Adjustment		65,850
TMRS 20 Year Retirement		1,150
Higher Education Incentive		8,875

Total Budget Requests	400,000	332,533
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REVISED REV OVER/(UNDER) EXP	87,432	9,088
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REVISED ENDING FUND BAL - UNASSIGNED	1,597,842	1,606,930
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Town of Northlake
CAPITAL PROJECTS

Fund: 301	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	(39,094)	(13,986)	(13,929)	(13,929)	(13,929)	5,186,071
REVENUES:						
Taxes / Fees & Fines	-	-	-	-	-	-
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	25,000	25,000	-	-	-	-
Bond Proceeds	-	(25,000)	6,700,000	6,738,006	6,700,000	-
Other Revenue:	108	57	-	1,219,196	1,300,000	-
TOTAL REVENUE:	25,108	57	6,700,000	7,957,202	8,000,000	-
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	-	-	188,233	500,000	-
Capital Outlay	-	-	6,700,000	1,300,000	2,300,000	5,200,000
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	-	-	6,700,000	1,488,233	2,800,000	5,200,000
REV OVER/(UNDER) EXP	25,108	57	-	6,468,969	5,200,000	(5,200,000)
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	(13,986)	(13,929)	(13,929)	6,455,040	5,186,071	(13,929)

Budget Requests

Total Budget Requests

-

REVISED REV OVER/(UNDER) EXP

(5,200,000)

REVISED ENDING FUND BAL

(13,929)



Town of Northlake
DEBT SERVICE

Fund: 160	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	(28)	34,765	249,740	249,740	249,740	37,730
REVENUES:						
Taxes / Fees & Fines	225,188	260,514	400,000	407,857	400,000	556,937
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	25,000	200,000	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Other Revenue:	117	66	50	564	50	500
TOTAL REVENUE:	250,305	460,580	400,050	408,420	400,050	557,437
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	300	300	1,941	-	1,941	2,241
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	215,212	245,304	598,334	73,437	660,119	554,696
TOTAL EXPENDITURES:	215,512	245,604	600,275	73,437	662,060	556,937
REV OVER/(UNDER) EXP	34,793	214,976	(200,225)	334,983	(262,010)	500
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	34,765	249,740	49,515	584,724	(12,270)	38,230

Budget Requests

Transfer from General Fund	50,000	
Total Budget Requests	50,000	-
REVISED REV OVER/(UNDER) EXP	(212,010)	500
REVISED ENDING FUND BAL	37,730	38,230



Town of Northlake
SPECIAL REVENUE FUNDS

Fund: <<120,121,150,151,152,153>>	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	157,985	180,989	250,910	250,910	250,910	234,200
REVENUES:						
Court Technology	20,797	15,785	16,000	12,269	16,000	16,000
Court Security	13,954	11,845	12,000	9,202	12,000	12,000
Seatbelt Fees	8,610	5,830	15,000	3,080	15,000	15,000
Online Access Fees	-	21,013	15,000	15,767	15,000	18,000
Seized Monies & Goods	-	-	-	(4,200)	-	-
State Training	-	416	-	-	-	-
Child Safety	1,608	1,773	1,000	2,100	1,000	1,000
Transfers	-	59,416	-	-	-	-
Interest	261	323	305	2,104	305	305
Other Revenue:	1,675	4,555	-	1,852	-	-
TOTAL REVENUE:	46,905	120,956	59,305	42,174	59,305	62,305
EXPENDITURES:						
Payroll & Benefits	-	99	6,000	1,098	2,800	-
Supplies	1,774	7,559	3,250	2,812	3,250	3,250
Maintenance	-	-	1,500	5,825	5,825	7,385
Utilities	2,051	2,159	3,000	1,430	3,000	3,000
Services	20,202	41,218	30,700	26,873	33,900	27,100
Capital Outlay	-	-	27,240	9,657	27,240	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	24,027	51,036	71,690	47,696	76,015	40,735
REV OVER/(UNDER) EXP	22,878	69,921	(12,385)	(5,522)	(16,710)	21,570
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	180,863	250,910	238,525	245,388	234,200	255,770



Town of Northlake
HOTEL OCCUPANCY TAX

Fund: 110	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	814,978	1,029,865	1,258,552	1,258,552	1,258,552	1,453,944
REVENUES:						
Taxes / Fees & Fines	238,013	257,813	270,000	173,023	270,000	300,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	21,696	21,535	16,096	1,248	16,096	10,805
TOTAL REVENUE:	259,709	279,348	286,096	174,271	286,096	310,805
EXPENDITURES:						
Payroll & Benefits	25,485	27,911	31,626	28,035	31,626	32,730
Supplies	51	-	-	-	-	-
Maintenance	-	-	-	65	-	-
Utilities	447	167	-	-	-	-
Services	18,838	22,583	57,339	24,360	57,339	57,400
Capital Outlay	-	-	-	-	-	-
Transfers	-	1,690	1,739	1,304	1,739	1,800
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	44,821	52,351	90,704	53,764	90,704	91,930
REV OVER/(UNDER) EXP	214,887	226,996	195,392	120,506	195,392	218,875
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	1,029,865	1,256,862	1,453,944	1,379,058	1,453,944	1,672,819

Budget Requests

Higher Education Incentive	250
TMRS 20 Year Retirement	16
4 % Salary Adjustment	934
Total Budget Requests	934

REVISED REV OVER/(UNDER) EXP **217,941**

REVISED ENDING FUND BAL - UNASSIGNED **1,671,885**



Town of Northlake
ECONOMIC DEVELOPMENT CORPORATION

Fund:	130	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:		455,140	592,373	595,579	595,579	595,579	501,305

REVENUES:							
Taxes / Fees & Fines	212,948	339,824	200,000	248,442	300,000	240,000	
Permits and Registrations	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-	-
Development	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Other Revenue:	998	15,908	16,650	22,505	16,650	22,650	
TOTAL REVENUE:	213,946	355,732	216,650	270,948	316,650	262,650	

EXPENDITURES:							
Payroll & Benefits	23,122	29,540	32,735	20,161	32,735	31,825	
Supplies	1,313	2,934	1,700	311	1,700	1,700	
Maintenance	-	2,100	2,250	1,765	2,250	2,250	
Utilities	447	78	150	-	150	-	
Services	26,816	41,183	25,430	25,430	51,100	37,600	
Incentives	14	250,000	246,250	233,700	296,250	125,500	
Capital Outlay	-	-	-	-	-	-	
Transfers	25,000	26,690	26,739	20,054	26,739	26,800	
Lease Purchase Debt Service	-	-	-	-	-	-	
TOTAL EXPENDITURES:	76,713	352,526	335,254	301,421	410,924	225,675	

REV OVER/(UNDER) EXP	137,233	3,206	(118,604)	(30,474)	(94,274)	36,975	
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Changes to Fund Balance	-	-	-	-	-	-	
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ENDING FUND BALANCE	592,373	595,579	476,975	565,105	501,305	538,280	
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Budget Requests							
Xceligent Real Estate Database						1,650	
Higher Education Incentive						250	
TMRS 20 Year Retirement						16	
4 % Salary Adjustment						934	
Total Budget Requests						2,850	

REVISED REV OVER/(UNDER) EXP						34,125	
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REVISED ENDING FUND BAL						535,430	
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COMMUNITY DEVELOPMENT CORPORATION

Fund:	131	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:		433,937	571,429	575,332	575,332	575,332	481,057

REVENUES:

Taxes / Fees & Fines	212,947	339,824	200,000	248,442	300,000	240,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	952	15,859	16,650	22,470	16,650	22,650
TOTAL REVENUE:	213,899	355,683	216,650	270,912	316,650	262,650

EXPENDITURES:

Payroll & Benefits	22,973	29,390	32,736	20,160	32,736	31,825
Supplies	1,190	2,934	1,700	311	1,700	1,700
Maintenance	-	2,100	2,250	1,765	2,250	2,250
Utilities	447	64	150	-	150	-
Services	26,783	40,600	25,385	25,385	51,100	37,600
Incentives	14	250,000	246,250	233,700	296,250	125,500
Capital Outlay	-	-	-	-	-	-
Transfers	25,000	26,691	26,739	20,054	26,739	26,800
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	76,407	351,780	335,210	301,376	410,925	225,675

REV OVER/(UNDER) EXP	137,492	3,903	(118,560)	(30,464)	(94,275)	36,975
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Changes to Fund Balance	-	-	-	-	-	-
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ENDING FUND BALANCE	571,429	575,332	456,772	544,868	481,057	518,032
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Budget Requests

Xceligent Real Estate Database	1,650
Higher Education Incentive	250
TMRS 20 Year Retirement	16
4 % Salary Adjustment	934

Total Budget Requests	2,850
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REVISED REV OVER/(UNDER) EXP	34,125
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REVISED ENDING FUND BAL	515,182
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Town of Northlake
WATER & WASTEWATER

Fund: 200	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	888,093	2,227,459	2,653,339	2,653,339	2,653,339	2,786,743
REVENUES:						
Water Sales	852,395	1,216,909	1,900,000	1,005,303	1,700,000	2,000,000
Water Fees	109,800	166,850	125,250	163,800	200,250	250,250
Sewer Sales	428,612	680,368	759,900	646,917	950,000	1,200,000
Sewer Fees	550	6,350	3,000	13,400	15,000	20,000
FWSD Reimbursement	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Developer Contributions	-	1,337,206	-	-	-	-
Other Revenue:	1,362,362	81,605	10,650	68,387	10,650	10,650
TOTAL REVENUE:	2,753,719	3,489,287	2,798,800	1,897,807	2,875,900	3,480,900
EXPENSES:						
Payroll & Benefits	186,038	244,699	380,494	228,985	380,494	379,435
Supplies	25,881	26,783	42,070	26,101	42,070	98,795
Maintenance	55,404	104,721	92,800	73,105	95,400	111,300
Wholesale Water	519,390	722,044	1,000,000	489,324	850,000	1,000,000
Sewer Treatment	286,599	228,325	500,000	586,237	783,000	1,000,000
Utilities	40,466	36,092	45,220	25,145	45,220	46,620
Services	160,840	191,908	59,150	82,311	59,150	90,150
Capital Outlay	-	-	189,900	154,467	189,900	204,000
Transfers	143,000	171,629	297,262	222,947	297,262	299,100
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,417,618	1,726,201	2,606,896	1,888,621	2,742,496	3,229,400
REV OVER/(UNDER) EXP	1,336,100	1,763,086	191,904	9,186	133,404	251,500
ENDING FUND BALANCE	2,224,193	3,990,545	2,845,243	2,662,525	2,786,743	3,038,243
Less: Net Capital Assets	(2,369,136)	(2,477,506)	(2,477,506)	(2,477,506)	(2,477,506)	(2,477,506)
Less: Customer Deposits	(88,075)	(211,510)	(280,349)	(267,535)	(280,349)	(280,349)
Changes to Fund Balance	(11,430)	-	-	-	-	-
UNRESTRICTED FUND BALANCE	(244,448)	1,301,529	87,388	(82,516)	28,888	280,388

Budget Requests

Public Works Inspector	28,695
Public Works Administrative Coordinator	34,278
Safety Equipment	5,000
Sewer Flow Monitoring Services	25,000
TMRS 20 Year Retirement	195
4 % Salary Adjustment	11,635
Education Pay	375

Total Budget Requests **105,178**

REVISED REV OVER/(UNDER) EXP **146,323**

REVISED ENDING UNRESTRICTED FUND BAL **426,710**



Town of Northlake
WATER IMPACT FEES - NORTH

Fund: 202	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	8,404	(25,964)	8,402	8,402	8,402	93,130
REVENUES:						
Water Impact Fees	-	60,504	168,150	200,007	228,150	250,000
Sewer Impact Fees	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	-	-	-	16,625	17,100	1,700
TOTAL REVENUE:	-	60,504	168,150	216,632	245,250	251,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	13,444	4,299	-	20,955	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	20,924	21,838	160,522	(1,222)	160,522	305,010
TOTAL EXPENSES:	34,368	26,137	160,522	19,733	160,522	305,010
REV OVER/(UNDER) EXP	(34,368)	34,367	7,628	196,899	84,728	(53,310)
ENDING FUND BALANCE	(25,964)	8,402	16,030	205,301	93,130	39,820
Less: Net Capital Assets	-	(632,125)	(632,125)	(632,125)	(632,125)	(632,125)
Less: Future Impact Fees	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	(39,408)	(637,167)	(629,539)	(440,268)	(552,439)	(605,749)

Budget Requests:

Design of phase 1 water tower 600,000

Total Budget Requests 600,000

REVISED REV OVER/(UNDER) EXP (653,310)

REVISED ENDING UNRESTRICTED FUND BAL (1,259,059)



Town of Northlake
WATER IMPACT FEES - SOUTH

Fund: 204	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	-	590,101	1,022,565	1,022,565	1,022,565	1,154,565
REVENUES:						
Water Impact Fees	485,012	391,488	113,000	115,272	113,000	400,000
Sewer Impact Fees	105,089	40,976	38,000	15,426	38,000	88,000
Transfers	-	-	-	-	-	-
Other Revenue:	-	-	-	515	-	1,700
TOTAL REVENUE:	590,101	432,464	151,000	131,213	151,000	489,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	-	-	39,005	19,000	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	-	-	-	39,005	19,000	-
REV OVER/(UNDER) EXP	590,101	432,464	151,000	92,208	132,000	489,700
ENDING FUND BALANCE	590,101	1,022,565	1,173,565	1,114,773	1,154,565	1,644,265
Less: Net Capital Assets	-	-	-	-	-	-
Less: Future Impact Fees	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	590,101	1,022,565	1,173,565	1,114,773	1,154,565	1,644,265

Budget Requests:

Design of phase 1 water tower 600,000

Total Budget Requests **600,000**

REVISED REV OVER/(UNDER) EXP **(110,300)**

REVISED ENDING UNRESTRICTED FUND BAL **1,754,565**



Town of Northlake
WATER CAPITAL PROJECTS

Fund: 203	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	787,307	764,864	731,964	731,964	731,964	706,082
REVENUES:						
Water Sales	-	-	-	-	-	-
Water Fees	-	-	-	-	-	-
Sewer Sales	-	-	-	-	-	-
Sewer Fees	-	-	-	-	-	-
Cost Recovery Fees	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	28,399	5,932	-	9,909	-	-
TOTAL REVENUE:	28,399	5,932	-	9,909	-	-
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	37,546	26,116	-	513	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	30,881
Lease Purchase Debt Service	13,296	12,717	25,882	3,966	25,882	-
TOTAL EXPENSES:	50,842	38,832	25,882	4,478	25,882	30,881
REV OVER/(UNDER) EXP	(22,443)	(32,900)	(25,882)	5,431	(25,882)	(30,881)
ENDING FUND BALANCE	764,864	731,964	706,082	737,395	706,082	675,201
Less: Net Capital Assets	(1,673,609)	(1,063,529)	(1,063,529)	(1,063,529)	(1,063,529)	(1,063,529)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	(908,745)	(331,565)	(357,447)	(326,134)	(357,447)	(388,328)

Budget Requests:

Design of phase 1 water tower

Total Budget Requests	-
REVISED REV OVER/(UNDER) EXP	(30,881)
REVISED ENDING UNRESTRICTED FUND BAL	(30,881)



Town of Northlake
EQUIPMENT SERVICES FUND

Fund: 505	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	94,374	335,090	370,929	370,929	370,929	400,582
REVENUES:						
Equip. Service Revenue-PD	46,836	69,750	110,000	82,500	110,000	110,000
Equip. Service Revenue-PW	18,000	25,000	25,000	18,750	25,000	25,000
Equip. Service Revenue-Utilities	18,000	25,000	75,000	93,750	125,000	75,000
Equip. Service Revenue-Dev	-	-	-	-	-	12,000
Sale of Equipment Proceeds	-	-	-	-	-	11,000
Transfers from GF	125,000	12,500	-	-	-	-
Transfers from UF	-	-	-	-	-	-
Bond Proceeds	-	-	-	301,360	301,360	-
Other Revenue	617	363	500	1,335	500	500
TOTAL REVENUE:	208,453	132,613	210,500	497,694	561,860	233,500
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	3,496	3,388	7,000	16,843	7,000	2,000
Utilities	-	-	-	-	-	-
Services	56,757	93,386	-	-	-	-
Capital Outlay	-	-	496,707	508,941	525,207	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	(890)	-	61,785	-	-	5,000
TOTAL EXPENSES:	59,362	96,774	565,492	525,784	532,207	7,000
REV OVER/(UNDER) EXP	149,091	35,839	(354,992)	(28,090)	29,653	226,500
ENDING FUND BALANCE	243,464	370,929	15,937	342,839	400,582	627,082
Less: Net Capital Assets	(219,561)	(322,581)	(322,581)	(322,581)	(322,581)	(322,581)
Less: Customer Deposits	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	23,903	48,348	(306,644)	20,259	78,001	304,501

Budget Requests:

2 Police patrol vehicles	120,000
2 Public Works vehicles	67,000
Code Compliance vehicle	36,000

Total Budget Requests **223,000**

REVISED REV OVER/(UNDER) EXP **3,500**

REVISED ENDING UNRESTRICTED FUND BAL **308,001**



Town of Northlake
BUILDING SERVICES FUND

Fund: 506	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	-	-	264,839	264,839	264,839	530,210
REVENUES:						
Mayor & Council	-	-	825	619	825	400
Administration-GF	-	14,546	16,000	12,000	16,000	7,000
Town Secretary	-	6,325	6,958	5,219	6,958	3,100
Municipal Courts	-	18,973	20,870	15,653	20,870	9,200
Development	-	7,905	8,696	6,522	8,696	3,800
Police	-	56,919	62,611	46,958	62,611	27,400
Public Works	-	15,811	17,392	13,044	17,392	7,600
Administration-HOT	-	1,581	1,739	1,304	1,739	800
Adminstration-EDC	-	1,581	1,739	1,304	1,739	800
Administration-CDC	-	1,581	1,739	1,304	1,739	800
Administration-WS Fund	-	4,427	4,870	3,653	4,870	2,200
Utility Department	-	15,811	17,392	13,044	17,392	7,900
Maintenace Reserve	-	260,001	-	-	-	-
TOTAL REVENUE:	-	405,461	160,831	120,623	160,831	71,000
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	25,191	24,760	18,508	24,760	24,760
Maintenance	-	6,446	8,000	4,148	8,000	8,000
Utilities	-	24,730	30,500	18,176	30,500	30,500
Services	-	84,255	82,200	60,940	82,200	7,200
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	-	140,622	145,460	101,773	145,460	70,460
REV OVER/(UNDER) EXP	-	264,839	15,371	18,851	15,371	540
ENDING FUND BALANCE	-	264,839	280,210	283,690	280,210	530,750
Less: Net Capital Assets	-	(27,190)	(27,190)	(27,190)	(27,190)	(27,190)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	-	237,649	253,020	256,499	253,020	503,560

Budget Requests:

General Fund transfer for lease space finish out	250,000	
Lease space finish out		400,000
Furniture and equipment		75,000

Total Budget Requests	250,000	475,000
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REVISED REV OVER/(UNDER) EXP	530,210	(474,460)
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REVISED ENDING UNRESTRICTED FUND BAL	783,230	29,100
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Town of Northlake
TECHNOLOGY SERVICES FUND

Fund: 504	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	-	-	-	-	-	100,000
REVENUES:						
Mayor & Council	-	-	-	-	-	500
Administration-GF	-	-	-	-	-	9,000
Town Secretary	-	-	-	-	-	4,000
Municipal Courts	-	-	-	-	-	12,000
Development	-	-	-	-	-	5,000
Police	-	-	-	-	-	36,000
Public Works	-	-	-	-	-	10,000
Administration-HOT	-	-	-	-	-	1,000
Administration-EDC	-	-	-	-	-	1,000
Administration-CDC	-	-	-	-	-	1,000
Administration-WS Fund	-	-	-	-	-	3,000
Utility Department	-	-	-	-	-	11,000
Interest Revenue	-	-	-	-	-	-
TOTAL REVENUE:	-	-	-	-	-	93,500
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	1,450
Utilities	-	-	-	-	-	16,000
Services	-	-	-	-	-	75,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	-	-	-	-	-	92,450
REV OVER/(UNDER) EXP	-	-	-	-	-	1,050
ENDING FUND BALANCE	-	-	-	-	-	101,050
Less: Net Capital Assets	-	-	-	-	-	-
Less: Customer Deposits	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	-	-	-	-	-	101,050

Budget Requests:

Lease space finish out	100,000	
Website redevelopment		25,000
Phase 2 of server virtualization		12,000
2nd SAN switch		4,250
Network equipment		50,000
Total Budget Requests	100,000	91,250
REVISED REV OVER/(UNDER) EXP	100,000	(90,200)
REVISED ENDING UNRESTRICTED FUND BAL	100,000	9,800



Town of Northlake
NORTH LAKE PID#1 - HARVEST COMMUNITY

Fund:	401	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:		-	(92)	(5,607)	(5,607)	(5,607)	293
REVENUES:							
Assessments		56,412	131,219	315,800	293,512	315,800	501,050
Transfers		-	-	-	-	-	-
Other Revenue:		-	-	-	-	-	-
TOTAL REVENUE:		56,412	131,219	315,800	293,512	315,800	501,050
EXPENDITURES:							
Supplies		-	-	-	-	-	-
Maintenance		-	-	-	-	-	-
Utilities		-	-	-	-	-	-
Services		83,041	136,733	309,900	233,240	309,900	501,050
Transfers		-	-	-	-	-	-
TOTAL EXPENDITURES:		83,041	136,733	309,900	233,240	309,900	501,050
REV OVER/(UNDER) EXP		(26,629)	(5,514)	5,900	60,273	5,900	-
Changes to Fund Balance		-	-	-	-	-	-
ENDING FUND BALANCE		(26,629)	(5,607)	293	54,666	293	293



Town of Northlake
NORTH LAKE PID#2 - THE HIGHLANDS

Fund: 402	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	3,060,802	3,103,098	1,379,116	1,379,116	1,379,116	1,399,991
REVENUES:						
Assessments	309,746	305,200	316,812	314,320	316,812	317,899
Transfers	-	-	-	-	-	-
Other Revenue	3,260	13,972	1,500	8,644	1,500	10,000
Other Financing Sources	-	-	-	-	-	-
TOTAL REVENUE:	313,006	319,172	318,312	322,965	318,312	327,899
EXPENDITURES:						
Supplies	-	-	-	-	-	-
Maintenance	-	-	10,612	-	10,612	10,824
Utilities	-	-	-	-	-	-
Services	-	1,745,835	10,000	1,309,375	10,000	13,150
Transfers	-	-	-	-	-	-
Bond Debt Service	270,711	297,320	276,825	33,618	276,825	278,525
TOTAL EXPENDITURES:	270,711	2,043,155	297,437	1,342,993	297,437	302,499
REV OVER/(UNDER) EXP	42,296	(1,723,982)	20,875	(1,020,028)	20,875	25,400
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	3,103,098	1,379,116	1,399,991	359,088	1,399,991	1,425,391



Town of Northlake
TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
BEGINNING FUND BALANCE:	-	-	-	-	-	-
REVENUES:						
Ad Valorem Taxes	-	-	43,632	36,896	36,896	73,451
Transfers	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	-	-	43,632	36,896	36,896	73,451
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	48,900	-	6,896	43,451
Utilities	-	-	-	-	-	-
Services	-	1,385	30,000	16,922	30,000	30,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	-	1,385	78,900	16,922	36,896	73,451
REV OVER/(UNDER) EXP	-	(1,385)	(35,268)	19,973	-	-
ENDING FUND BALANCE	-	(1,385)	(35,268)	19,973	-	-

FY 2016/2017 Revised Budget Requests

Throughout the economic downturn, Town staff has been able to keep expenses within budget by delaying and deferring many crucial projects and programs. From calendar year 2010 to 2014 only 17 new homes were built in Northlake. During this time of very low activity, staff was still able to build General Fund reserves to more than the three months of operations. However, 2015 saw 99 residential building permits issued, followed by 189 in 2016. This does not include housing starts in Harvest. Obviously these new houses will bring new residents which in turn will increase traffic on Town roads, water service requests and calls for police service. To provide these basic Town services, additional personnel and resources are needed.

Lease Space Buildout

After deciding that construction of a Town Hall facility at this point in the Town's growth would be premature and put too large a debt liability on the Town, Town Council has moved forward with a plan to lease space in a building to be built on the north side of FM 407 at the entrance to Harvest. Although the building owner will provide some funds for the finish-out of the office interior, additional funds will be required. In FY 2016, a transfer of \$225,000 from General Fund reserves to Building Services Fund was made. In FY 2017 an additional \$250,000 is proposed to be transferred to Building Services Fund. In addition, a transfer of \$50,000 from the General Fund to the new Information Technology Fund is proposed for FY 2018 to provide funding for computers, network, telecommunications, copy/scan/print devices and audio and visual equipment for council chambers. These funds totaling \$525,000 will provide sufficient monies for the project.

Debt Service Reserves Increase

A transfer of \$50,000 is scheduled in the fiscal year 2016-2017 revised budget from the General Fund to the Debt Service Fund to increase the fund balance.

FY 2017/2018 Proposed Budget Requests

The master planned communities of Harvest and Canyon Falls are adding a new home every day and every other day, respectively. The Highlands, Prairie View Farms and Stardust Ranch have completed their Phase 1 infrastructure with Creek Meadow, Heritage Fields and Pecan Square not far behind. All projects have expanded the Town's water and road systems and increased the population. These developments create new and expanded work demands on development and public works staff in terms of permitting, review, inspection and installation. More residents require additional police staff to ensure proper coverage of patrols. The expectations of residents and businesses for Town services remain high. The challenge will be to maintain service levels in the face of increased workloads and ever-increasing complexity. These budget requests focus on maintaining current service levels of the Town by enhancing the Town's in-house capabilities through new positions, equipment and maintenance efforts.

Infrastructure Inspector and Administrative Assistant Positions – Public Works

Public Works now has staffing of two independent work crews with a crew leader, equipment operator and maintenance worker. In addition, the recently added utility technician position works semi-autonomously monitoring, testing and maintaining the Town's water and sewer systems. A crucial position needed by Public Works and warranted by the growth in Northlake is an infrastructure inspector. This position is responsible for inspecting on site all public infrastructure in the Town of Northlake built by developers to ensure all construction meets the high standards set by Town Council. Harvest Phase 3B, Harvest Meadows Phase 3, Stardust Ranch Phase 2 and Creek Meadows Phase 2 are all underway. Additional phases are anticipated for Canyon Falls in the upcoming fiscal year as well. Each phase will have corresponding construction of water and sewer lines, drainage, and roadways. In addition, commercial construction is expected to take off: IHOP and the Albert Retail Center at the northeast corner of I35W and SH 114; Two 7-Elevens located at FM 407 and SH 114; larger retail areas such as the Town Commons in front of Harvest and Chadwick Commons on the south side of SH 114. The proposed inspector will be one voice and one contact for the Town and will have the authority to stop construction if it does not conform to Town standards.

Every activity and task conducted by the crews, technician, or proposed inspector is logged into the work order system. Work orders are tied to assets and record what work was done and what supplies were used. Currently over 60 work orders are processed a week and this number is expected to increase. The data collected from the work orders ties into inventory and determines when supplies should be replenished. The system records when preventive maintenance has occurred and when next scheduled. While this information is very helpful administrative assistance is needed to manage the system in terms of reporting, supply ordering and tracking man-hours. A proposed administrative assistant for Public Works would assist the director with the work order system as well as all public works staff. Administrative functions could be handled by this position allowing existing public works staff to remain in the field repairing roads and drainage, maintaining water and sewer systems, and inspecting public infrastructure during construction.

Administrative Assistant Position – Police

As the Town grows and police personnel grows, oversight of the force is imperative both for the safety of the officer and the public especially in the current environment. Northlake recently added a sergeant and a detective to the Police Department increasing the number of sworn peace officers from eleven to thirteen. This staffing will allow a supervisor on most shifts and focused and timely investigation of crimes. New residents and businesses necessitate the expansion of the police force to protect life and property but this growth will increase the complexity of the department. Increased activity will increase the amount of open records request, typically accident reports, which are currently around 300 per year. In addition, federal and state regulatory agencies require periodic reporting such as the Racial Profiling Report and the Use of Force Report. A growing department also means increased purchasing of equipment, uniforms, supplies, etc. The FY 2018 budget proposes adding an administrative assistant position in the Police Department to assist with the various and numerous administrative functions of the department. The position will not be a peace officer but will support the 13 licensed peace officers on staff allowing them to focus on the core function of the police department: to protect and to serve the residents and businesses of Northlake.

Code Compliance Coordinator – Development Services

Infrastructure inspection concerns public utilities, roadways and drainage. Once the facilities are built and accepted they become the property of the Town. Most of the properties and buildings in the Town are private and are the responsibility and liability of the owner. However, the Town does require property owners to maintain their property and buildings to certain community standards, known as the code of ordinances. Enforcement of Town codes is a delicate proposition. Preferably, the Town would prefer all property owners maintain their property within the code and would prefer not to encroach on private property. Unfortunately, there are cases when a property or structure deteriorates to a point that it becomes a health or safety hazard. Currently the Town contracts for code enforcement services on a part-time basis. For FY 2018, a proposed code compliance coordinator would be a staff position reporting to the Development Director and would be available throughout the workday for code compliance issues. In addition, this position would review permit applications for basic zoning requirements including landscape, fence, and sign standards. This position will spend half of their time in the office reviewing plans and the other half inspecting properties.

Employee Compensation and Benefits

In 2015, the council approved a salary and benefit survey and analysis. The study showed that Northlake salary ranges were approximately 10% below market and recommended new salary ranges for Town positions. FY 2017 budget brought salary ranges to 100% of the 2015 survey. For FY 2018, a cost-of-living increase for all employees is proposed which is in line with the federal adjustment. Employees between salary range minimum to midpoint will be increased 4%; and midpoint to maximum will be increased 3%. Police officer steps will be increased from 6 total steps to 8 steps to allow room for officers at the top of their step to receive a salary

increase. The employee retirement benefit will be enhanced to allow for retirement at 20 years of service versus the current 25-year requirement. The service retirement change will have minimum impact on the budget because the retiree will receive less in annual benefit by virtue of having less years in the system. Also, proposed for FY 2018 is annual education pay for employees with post-secondary degree. Education pay provides a useful benefit when recruiting degreed personnel, a means to retain existing employees who have a degree, and an incentive when encouraging employees to seek a degree or an advanced degree. The levels of payment are: Associates \$750, Bachelors \$1,000, Masters \$1,250 and Doctorate \$1,500. The net impact of these changes for all funds is \$90,480.

Police Vehicles and Equipment

Two police vehicles with corresponding equipment are proposed for this budget to replace two high-mileage vehicles. The two vehicles to be replaced have been in use for over 100,000 miles for usage that is greater than typical vehicle wear and tear. One vehicle will be for patrol and the vehicle type will continue to be the Chevy Tahoe. The other vehicle will be used for traffic enforcement and will be a Ford Interceptor. Both vehicles with equipment are estimated to cost \$120,000. The equipment includes radar, emergency lights, heavy-duty bumper, and rugged laptop. Several equipment additions and enhancement are requested by Police including an evidence camera, rugged laptop and evidence tracking software for the detective and an additional rugged laptop, replacement LiDAR (Light Detection and Tracking) and spike strips for traffic enforcement. For officer safety, the Police Department is requesting protective gear and weapons. Total for all listed equipment is \$30,530.

Public Works Vehicles

The proposed Infrastructure Inspector will need a dedicated vehicle to make the many rounds throughout various construction areas and will most likely be a Ford F-150. Currently, the employee serving in this role drives a used Chevy Tahoe that was formerly a police patrol vehicle. The public works director is assigned a take-home vehicle so that he is available during emergencies or major system failures. His vehicle is also a used high-mileage former police vehicle. A Ford F-150 would replace the used Tahoe for the public works director's vehicle. Maintenance and reliability have become a major issue with these vehicles. Together both vehicles are estimated to cost \$67,000.

Continue Flow Monitoring Services

Beginning in FY 2017, public works contracted for flow monitoring services to measure wastewater flows at various points in the sewer system. The purpose of the service is to determine if any points exist where groundwater or rainwater enter the sewer collection system. The Town contracts with Trinity River Authority to treat sewer and the service is costed on volume. The Town believes that spending funds to prevent rainwater entering the system is more responsible and cost effective than paying TRA to treat it. This service is \$25,000 annually.

Micro-seal of Schober and Bingham Roads

Schober and Bingham roads were built by developers in the late Eighties when the Town had minimal development standards. These five-acre tract developments were rural in every sense: open drainage ditches, groundwater wells, on-site septic systems and gravel roads. For the roads over the years the Town with general tax funds has been able to improve the road surface, by chip-sealing the original gravel surface then paving an asphalt overlay. The asphalt section has held up well for the last few years. To extend the life of these roads, a micro-seal is proposed for both roads. After the existing road surface has been repaired, and all cracks filled and potholes filled, a thin asphalt layer is placed over the entire road surface. The seal protects the road from water infiltration which could erode or expand any cracks in the road, if not repaired. The estimated costs for both roads are \$50,000.

Design of Expansion of Water System in North and South Pressure Plains

The Northlake water system currently provides service to over 1,000 accounts with a meter added on average every day. The system is divided into two pressure plains. The north is all areas north of Denton Creek which is supplied by Upper Trinity Regional Water District. All the current single family residential is in the north pressure plain and currently has about 900,000 gallons of ground storage. The Town needs to begin design for additional ground storage, elevated storage and additional pumping capacity. Growth in residential is projected to continue for five to ten years. The south pressure plain is the remainder of Town and the wholesale water supplier is the City of Fort Worth. The south is where the Town's commercial and multifamily uses are located. There is no storage or pumps in the south; all pressure is latent in the system by virtue of this area being on the downhill end of Fort Worth's system. With the rapid development in north Fort Worth, this beneficial pressure will be reduced over time. To replace this projected decrease in pressure, the Town will need build storage and pressure. Each design project is estimated to be \$600,000. The funding will come from the respective impact fee funds.

Economic Development Real Estate Database

As the commercial real estate market heats up in Northlake, real-time data on real estate property listings and accurate and timely listings of available properties is crucial for the Town's economic development efforts. When potential retail developers and brokers call, having up-to-date information helps staff effectively promote the Town. This listing service through Xceligent costs \$3,300 annually and split evenly between Northlake Economic and Community Development Corporations

Website Redevelopment

The Town has had the basic same website for about seven years. Over this time there have been many suggestions to the layout and functionality both from residents and staff. Unfortunately, the current website service has limited capabilities. The Town proposes redeveloping the website with a new provider that has higher functionality. The estimated cost for the new website is \$25,000. A balance must be found that allows for Town staff with

minimal expertise in website development to still be able to navigate the controls of the website while maximizing the capabilities of the site and enhancing the user experience.

Server Virtualization – Phase 2

In February of 2017, a number of related upgrades and replacements were necessary to the Town's servers. \$19,500 was budgeted for a stand-alone server to separate the Police Department to comply with Criminal Justice Information System standards. An additional \$8,500 was budgeted for a server for the body and vehicle camera system. After including cost savings and unanticipated revenues, the Town was able purchase the first phase of a virtualized server system and place police services on the virtual server yet separate them to meet CJIS standards. Phase 1 included two dedicated servers, a mass data storage device and a high-speed router. For FY 2018, Phase 2 will add an additional reserve server and router to the system to provide for redundancy in the event of server failure with no downtime.

Harvest Commons Lease Space

In 2015, the Town engaged an architectural firm to conduct a needs assessment for office space specifically the need for a new Town Hall. The firm recommended a Town Hall of approximately 20,000 square feet; current facilities total 4,400 square feet. The recommended size would accommodate Town staff accounting for growth for the next five to fifteen years depending on the rate of growth. The budget for this size facility including land, infrastructure, building, furniture and equipment ranged from \$10,000,000 to \$13,000,000. Town Council decided that large of financial commitment should not be made now and to build a smaller structure the Town would soon outgrow would be a waste of taxpayer money. The direction was to seek lease space to house Town staff. The first opportunity came when Harvest began developing the retail area along FM 407. The Town has negotiated with the building owner to lease about 6,000 square feet of office space in the area known as Town Commons but also keep the current buildings bringing the total of Town office space to 10,400 square feet. Police will occupy the portable building and Public Works current Town Hall. Administration, Court, Finance and Development Services will relocate to the new lease space. Funds have been set aside for the finish out of the space, furniture and equipment, and networking. Part of the finish out costs will be borne by the building owner but the Town's portion is estimated at \$400,000. Furniture is budgeted at \$75,000 and network installation at \$50,000. Move-in date is anticipated for August 2018 when monthly rent payments will begin.



Town of Northlake
DEPARTMENT REPORT

	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
COUNCIL						
EXPENDITURES:						
Payroll & Benefits	1,955	2,103	2,600	1,997	2,600	2,600
Supplies	1,217	817	1,100	411	1,100	1,100
Maintenance	579	205	-	65	-	-
Utilities	666	822	750	481	750	750
Services	10,972	9,933	15,000	5,812	15,250	15,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	825	619	825	900
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	15,388	13,879	20,275	9,384	20,525	20,350
ADMINISTRATION						
EXPENDITURES:						
Payroll & Benefits	268,163	290,158	323,891	242,586	323,891	332,560
Supplies	20,538	10,033	14,825	12,633	15,325	15,725
Maintenance	1,270	306	650	146	500	650
Utilities	5,333	2,147	1,200	1,153	2,100	1,200
Services	92,375	278,553	228,325	141,117	264,325	228,325
Capital Outlay	-	-	-	-	-	-
Transfers	-	15,546	16,000	12,000	16,000	16,000
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	387,679	596,743	584,891	409,635	622,141	594,460
TOWN SECRETARY						
EXPENDITURES:						
Payroll & Benefits	84,248	86,698	92,971	71,050	92,971	93,890
Supplies	5,611	2,323	3,510	1,873	3,510	3,610
Maintenance	320	51	500	146	500	500
Utilities	3,356	485	-	-	-	-
Services	22,393	9,781	14,650	14,373	14,650	16,650
Capital Outlay	-	-	-	-	-	-
Transfers	-	99,238	825	5,219	6,958	7,100
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	115,928	198,576	112,456	92,661	118,589	121,750



Town of Northlake
DEPARTMENT REPORT

	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
MUNICIPAL COURT						
EXPENDITURES:						
Payroll & Benefits	180,739	184,886	202,687	152,752	202,687	204,400
Supplies	8,193	3,286	6,040	2,477	6,040	6,040
Maintenance	101	3,266	-	228	-	-
Utilities	4,829	-	-	-	-	-
Services	44,984	(1,673)	59,610	22,946	34,610	54,500
Capital Outlay	-	-	-	-	-	-
Transfers	-	20,277	20,870	15,653	20,870	21,200
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	238,845	210,042	289,207	194,055	264,207	286,140
DEVELOPMENT SERVICES						
EXPENDITURES:						
Payroll & Benefits	53,403	68,981	75,216	56,776	75,216	76,475
Supplies	4,857	3,999	1,700	1,238	1,700	4,700
Maintenance	-	1,297	800	546	800	150
Utilities	3,520	630	150	431	150	600
Services	254,384	384,051	344,130	195,022	329,730	382,450
Capital Outlay	-	-	-	-	-	-
Transfers	-	8,449	8,696	6,522	8,696	8,800
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	316,164	467,406	430,692	260,535	416,292	473,175
POLICE						
EXPENDITURES:						
Payroll & Benefits	717,551	824,652	1,096,531	712,288	1,096,531	1,112,929
Supplies	64,126	60,634	79,628	42,491	84,408	85,928
Maintenance	38,184	31,660	29,978	17,935	31,378	34,678
Utilities	10,499	6,344	4,500	4,251	6,090	7,500
Services	65,156	41,993	61,200	50,045	61,200	59,360
Capital Outlay	-	2,484	-	-	-	-
Transfers	46,500	130,582	135,000	129,458	135,000	137,400
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	942,015	1,098,349	1,406,837	956,468	1,414,607	1,437,795



Town of Northlake
DEPARTMENT REPORT

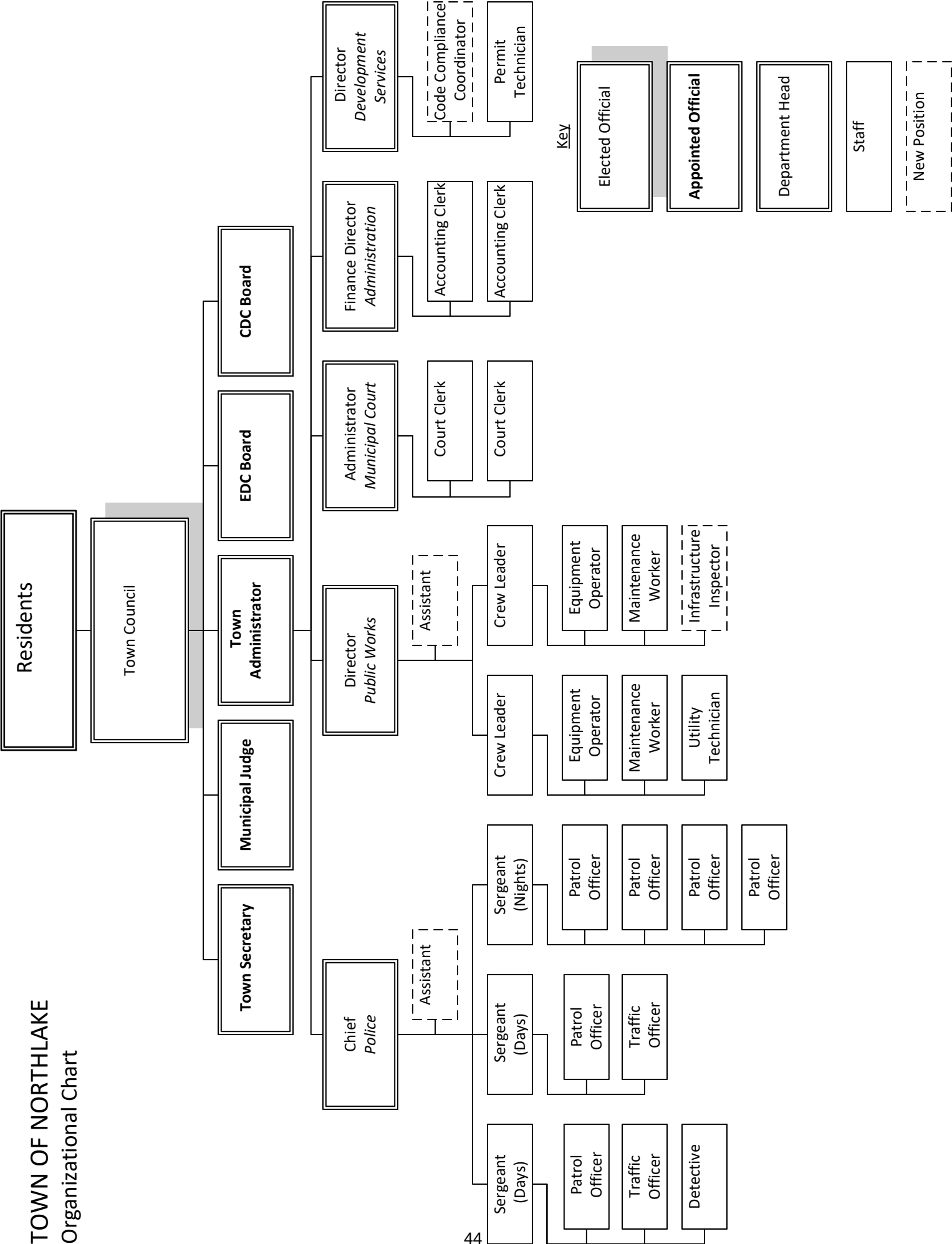
	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
PUBLIC WORKS - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	143,055	176,630	238,343	178,861	238,343	323,605
Supplies	23,775	24,490	33,705	17,547	34,705	34,705
Maintenance	103,540	150,818	165,750	112,358	166,750	195,850
Utilities	10,799	4,234	3,720	7,097	6,800	9,045
Services	24,962	43,872	28,000	22,032	28,000	28,000
Capital Outlay	54,488	-	-	-	-	-
Transfers	18,000	41,898	42,392	31,794	42,392	42,600
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	378,619	441,942	511,910	369,689	516,990	633,805
NON-DEPARTMENTAL - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	-	1,360	15,000	1,088	15,000	15,000
Supplies	916	13	-	-	-	-
Maintenance	3,920	-	-	5,583	-	-
Utilities	-	-	-	-	-	-
Services	45,539	76,990	129,965	43,274	37,000	124,706
Capital Outlay	-	-	-	-	-	-
Transfers	175,000	534,416	825	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	225,376	612,778	145,790	49,945	52,000	139,706
ADMINISTRATION - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	53,182	76,329	99,357	74,220	99,357	101,780
Supplies	11,330	6,148	6,200	5,517	6,200	8,700
Maintenance	101	51	100	81	100	100
Utilities	2,878	43	-	-	-	-
Services	108,951	101,964	25,350	26,763	25,350	25,350
Capital Outlay	-	-	-	-	-	-
Transfers	125,000	129,731	154,870	116,153	154,870	155,200
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	301,441	314,267	285,877	222,734	285,877	291,130



Town of Northlake
DEPARTMENT REPORT

	FY 2015 Actual	FY 2016 Actual	FY 2017 Original Budget	FY 2017 Actual As of 6/30	FY 2017 Revised Budget	FY 2018 Proposed Budget
PUBLIC WORKS - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	132,857	168,345	281,137	154,765	281,137	277,655
Supplies	14,551	20,635	35,870	20,583	35,870	90,095
Maintenance	55,304	104,670	92,700	73,024	95,300	111,200
Utilities	843,577	986,418	1,545,220	1,100,706	1,678,220	2,046,620
Services	30,956	72,170	21,800	35,391	21,800	41,800
Capital Outlay	-	-	189,900	154,467	189,900	204,000
Transfers	18,000	41,898	142,392	106,794	142,392	143,900
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,095,245	1,394,136	2,309,019	1,645,729	2,444,619	2,915,270
PUBLIC WORKS - NON-DEPARTMENTAL						
EXPENSES:						
Payroll & Benefits	-	25	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	20,933	17,774	12,000	20,157	12,000	23,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	20,933	17,799	12,000	20,157	12,000	23,000

TOWN OF NORTHLAKE
Organizational Chart



TOWN OF NORTHLAKE

Personnel Distribution

Full-Time Equivalents

	2015/16 Actual	2016/17 Adopted	2016/17 Amended	2016/17 Actual	2017/18 Requests	2017/18 Projected
GENERAL FUND						
Administration						
Town Administrator	1.00	1.00		1.00		1.00
Town Secretary	1.00	1.00		1.00		1.00
Finance Director (75%)	0.65	0.75		0.75		0.75
Accounting Clerk (75%)	0.65	0.75		0.75		0.75
Full-Time	3.30	3.50	0.00	3.50	0.00	3.50
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.30	3.50	0.00	3.50	0.00	3.50
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Code Compliance Coordinator	0.00	0.00		0.00	0.75	0.75
Permit Technician	1.00	1.00		1.00		1.00
Full-Time	1.25	1.25	0.00	1.25	0.75	2.00
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	1.25	1.25	0.00	1.25	0.75	2.00
Municipal Court						
Court Administrator	1.00	1.00		1.00		1.00
Court Clerk	2.00	2.00		2.00		2.00
Full-Time	3.00	3.00	0.00	3.00	0.00	3.00
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.00	0.00	3.00	0.00	3.00
Police						
Police Chief	1.00	1.00		1.00		1.00
Lieutenant	0.00	0.00		0.00		0.00
Sergeant	2.00	2.75		2.75	0.25	3.00
Police Officer	7.50	8.00		8.00		8.00
Detective	0.00	0.75		0.75	0.25	1.00
Administrative Assistant	0.00	0.00		0.00	0.75	0.75
Full-Time	10.50	12.50	0.00	12.50	1.25	13.75
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	10.50	12.50	0.00	12.50	1.25	13.75
Public Works						
Public Works Director (50%)	0.50	0.50		0.50		0.50
Crew Leader (50%)	0.50	0.87		0.87	0.13	1.00
Infrastructure Inspector (50%)	0.00	0.00		0.00	0.37	0.37
Equipment Operator (50%)	1.00	1.00		1.00		1.00
Maintenance Worker (50%)	1.00	1.00		1.00		1.00
Administrative Assistant (50%)	0.00	0.00		0.00	0.37	0.37
Full-Time	3.00	3.37	0.00	3.37	0.87	4.24
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	3.37	0.00	3.37	0.87	4.24
Total General Fund						
Full-Time	21.05	23.62	0.00	23.62	2.87	26.49
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	21.05	23.62	0.00	23.62	2.87	26.49

TOWN OF NORTHLAKE

Personnel Distribution

Full-Time Equivalents

	2015/16 Actual	2016/17 Adopted	2016/17 Amended	2016/17 Actual	2017/18 Requests	2017/18 Projected
<u>ECONOMIC DEVELOPMENT CORP.</u>						
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Full-Time	0.25	0.25	0.00	0.25	0.00	0.25
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.25	0.25	0.00	0.25	0.00	0.25
<u>COMMUNITY DEVELOPMENT CORP.</u>						
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Full-Time	0.25	0.25	0.00	0.25	0.00	0.25
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.25	0.25	0.00	0.25	0.00	0.25
<u>HOTEL OCCUPANY TAX FUND</u>						
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Full-Time	0.25	0.25	0.00	0.25	0.00	0.25
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.25	0.25	0.00	0.25	0.00	0.25
<u>UTILITY FUND</u>						
Administration						
Finance Director (25%)	0.35	0.25		0.25		0.25
Accounting Clerk (25%)	0.35	0.25		0.25		0.25
Utility Billing Clerk	0.00	0.50		0.50	0.50	1.00
Full-Time	0.70	1.00	0.00	1.00	0.50	1.50
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.70	1.00	0.00	1.00	0.50	1.50
Public Works						
Public Works Director (50%)	0.50	0.50		0.50		0.50
Crew Leader (50%)	0.50	0.87		0.87	0.13	1.00
Infrastructure Inspector (50%)	0.00	0.00		0.00	0.37	0.37
Equipment Operator (50%)	1.00	1.00		1.00		1.00
Maintenance Worker (50%)	1.00	1.00		1.00		1.00
Utility Technician	0.00	0.75		0.75	0.25	1.00
Administrative Assistant (50%)	0.00	0.00		0.00	0.37	0.37
Full-Time	3.00	4.12	0.00	4.12	1.12	5.24
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.00	4.12	0.00	4.12	1.12	5.24
Total Utility Fund						
Full-Time	3.70	5.12	0.00	5.12	1.62	6.74
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	3.70	5.12	0.00	5.12	1.62	6.74
<u>All Funds Total</u>						
Full-Time	25.50	29.49	0.00	29.49	4.49	33.98
Part-Time	0.00	0.00	0.00	0.00	0.00	0.00
Total	25.50	29.49	0.00	29.49	4.49	33.98

Date of Incorporation 1960
Form of Government Mayor/Council
Area 10,881 acres (17.0 sq. miles)

Mean Household Income \$82,023
Avg. Single Family Home Value \$342,262

Area Fire Protection

Roanoke Fire Department
Argyle Fire Department

Police Protection

Number of Stations 1
Number of Sworn Personnel 13

Area Recreational Parks and Facilities

5

Area Libraries

6

Education

The University of North Texas
University of Texas - Arlington
Southern Methodist University
Texas Wesleyan University
Texas Christian University
Texas Woman's University
North Central Texas College
Tarrant County College
Northwest, Ponder, and Argyle ISDs
Elementary Schools 10
Intermediate School (5th-6th grades) 1
Middle Schools 5
High Schools 5

Railroads

Burlington Northern Santa Fe
Union Pacific

Air Service

DFW Airport (34 miles) Commercial
Alliance Airport (14 miles) Industrial
Meacham Airport (28 miles) General Aviation
Northwest Regional (4 miles) General Aviation

Highways

Interstate IH-35W
Highways SH 114, US 377
Major Farm-to-Market FM 156, FM 407, FM 1171

Distance in Miles To:

Denton 14
Fort Worth 30
Dallas 42
Houston 281
Chicago 926
Los Angeles 1378
New York 1576

Tax Rate Per \$100 Valuation

Northlake \$0.295
Argyle ISD \$1.570
Northwest ISD \$1.453
Ponder ISD \$1.468
Denton County \$0.248
Denton County ESD #1 \$0.100

Area Community Facilities

Hotels 12
Hospitals 5
Churches 27

Utilities

Natural Gas Atmos
COSERV
Electricity TXU Electric
COSERV
Telecommunications AT&T
Frontier
Grande
Waste Collection Progressive

Major Area Employers

Amazon
Argyle ISD
BNSF
Clorox Distribution Center
Farmer Bros
G.E. Locomotive
Hydro Conduit
Northwest ISD
Texas Motor Speedway

Incentives:

Freeport Exemptions
Economic Development Incentives
Pioneer Grant (5 year forgivable loan)
Fast Track Permitting

www.town.northlake.tx.us



Executive Session

Agenda Item 7

Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:

- a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except:
 - 1) When the governmental body seeks the advice of its attorney about:
 - (a) Pending or contemplated litigation; or
 - (b) A settlement offer; or
 - 'Town of Northlake vs. City of Justin (Cause No. 15-08170-367)
 - (c) Appellate Docket No. 02-17-00111-CV
 - City of Justin vs. Town of Northlake
- b. Section 551.074 Personnel Matters authorizes certain deliberations about officers and employees of the governmental body
 - (a) Performance Review- Town Administrator