1. Agenda

   Documents:

   09-13-2018 AGENDA.PDF

2. Meeting Materials

   Documents:

   09-13-2018 COUNCIL PACKET.PDF

Peter Dewing, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

Brian Montini, Mayor Pro Tem
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Northlake Town Council Agenda
Thursday, September 13, 2018 at 7:00 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, September 13, 2018 at 7:00 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. Special Recognition
   A. Proclamation 18-4 United Way of Denton County
   B. Kevin Ertle, Sergeant, Northlake Police Department, 10 Years of Service

3. Briefing Items
   C. Pecan Square Concept Plan amendment
   D. Amend UDC parking standards (update parking standard for warehouse/distribution centers)

4. Regular Meeting to Order
   Pledge of Allegiance-Moment of Silence

5. 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

6. 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

   E. Consider for approval the Town Council meeting minutes of August 9, 2018
   F. Consider for approval a resolution designating the Denton Record Chronicle as the official newspaper for official publication for notices
      i. Resolution No. 18-25

G. Consider for approval a resolution of the Town Council of the Town of Northlake, Texas approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2018 Rate Review Mechanism filings; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by approving an attached exhibit establishing a benchmark for pensions and retiree medical benefits; approving an attached exhibit regarding amortization of regulatory liability; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this resolution was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a saving clause, declaring an effective date and requiring delivery of this resolution to the Company and the ACSC's Legal Counsel
    i. Resolution No. 18-26

7. Regular Items
    H. Consider for approval an ordinance setting the levy of assessments for the cost of services provided in Northlake Public Improvement District No. 1 (Harvest) during the Fiscal Year 2018-19; setting the charges and liens against property in the District and against the owners thereof; providing for the collection of such assessments; reserving unto the Town Council the right to allow credits reducing the amount of the respective assessment to the extent of any credit granted
        i. Public Hearing
        ii. Ordinance No. 18-0913A

    I. Consider for approval an ordinance approving the Fiscal Year 2018-19 Annual Service Plan Update to the Service and Assessment Plan and the Revised Assessment Roll for the Highlands Public Improvement District
        i. Public Hearing
        ii. Ordinance No. 18-0913B

    J. Consider for approval an ordinance adopting a Fiscal year 2019 Annual Budget for Tax Increment Reinvestment Zone No. 1, Town of Northlake, Texas
        i. Ordinance No. 18-0913C

    K. Consider for approval an ordinance of the Town Council of the Town of Northlake, Texas, approving and adopting a Proposed Budget for the Fiscal Year October 1, 2018 through September 30, 2019 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), Northlake Public Improvement District No. 2 (The Highlands) providing that expenditures for said fiscal year shall be made in accordance with said Budget and declaring an effect date
        i. Ordinance No. 18-0913D

    L. Consider for approval an ordinance of the Town Council of the Town of Northlake, Texas, fixing and levying municipal ad valorem taxes of the Town of Northlake, Texas, for the Fiscal year beginning October 1, 2018 and ending on September 30, 2019 at the rate of $0.29500 per one hundred dollars ($100.00) and for directing the assessment thereof; providing for a date on which such taxes become due and delinquent together with penalties and interest; hereon providing for repealing, savings, and severability clause providing for an effective date of this ordinance and providing for the publication of the caption thereof

i. Ordinance No. 18-0913E

M. Consider all matters incident and related to the issuance and sale of Town of Northlake, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2018 including the adoption of an ordinance authorizing the issuance of such certificates of obligation and approving all other matters related hereto
   i. Public Hearing
   ii. Ordinance No. 18-0913F

N. Consider for approval an ordinance amending Article 5, "Zoning Districts," of the Unified Development Code of the Town of Northlake by establishing an Agricultural "AG" Zoning District; by eliminating the Conservation Residential Overlay "CRO" Zoning District; and by adopting or amending certain regulations applicable to certain Zoning Districts within the Town
   i. Public Hearing
   ii. Ordinance No. 18-0913G

O. Consider for approval designation of representative to serve on the Board of Directors of the Denton County Transportation Authority (DCTA)

8. 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) Supreme Court of Texas - Town of Northlake vs City of Justin. No. 18-0651

   b. Section 551.071 consultation with the Town's attorney to seek advice on eminent domain actions to obtain right-of-way out of a certain 3.530 acre tract of land located in the Patrick Rock Survey, Abstract No. 1063 in Northlake, Denton County, Texas, for the construction and maintenance of roadway and utility improvements and other public purposes permitted by law

   c. Section 551.072 deliberation regarding the purchase, exchange, lease, or value of real property to be acquired as right-of-way out of a certain 3.530 acre tract of land located in the Patrick Rock Survey, Abstract No. 1063 in Northlake, Denton County, Texas, for the construction maintenance of roadway and utility improvements and other public purposes permitted by law

Open Session

Consider the use of eminent domain to condemn property and consider a resolution of the Town of Northlake, Texas, authorizing the Town Attorney to bring a condemnation action for the purpose of obtaining approximately .4762 acres of a certain 3.530 acre tract of land located in the Patrick Rock Survey Abstract No. 1063 in Northlake, Denton County, Texas, as right-of-way necessary for the construction and maintenance of roadway and utility improvements and for other public purposes permitted by law

9. 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 Thursday, September 6, 2018 by 7:00 pm

Shirley Rogers

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)

NORTHLAKE
TEXAS

Peter Dewing, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

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Shirley Rogers

Shirley Rogers, Town Secretary

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NORTHLAKE
TEXAS

Regular Work Session

Agenda Item 1

Special Recognition

Agenda Item 2

UNITED WAY OF DENTON COUNTY

LIVE UNITED MONTH – SEPTEMBER 2018

PROCLAMATION NO. 18-4

WHEREAS, United Way of Denton County empowers donors, volunteers, businesses, governments, nonprofits, and community groups to invest in neighbors for a better Denton County community; and

WHEREAS, United Way of Denton County lives '**UNITED 4 DENTON COUNTY"** to help children and families succeed, to guide and serve Veterans and their families, to advocate for overall mental health, and to make homelessness rare, brief and nonrecurring; and

WHEREAS, United Way of Denton County helps 80,000 people each year across Denton County; and

WHEREAS, United Way of Denton County seeks to increase efficiencies and eliminate redundancies to better meet people's needs through collaborative programs to solve complex socioeconomic problems; and

WHEREAS, United Way of Denton County celebrates 65 years of improving lives across Denton County.

NOW, THEREFORE, we declare **September 2018 LIVE UNITED Month** and ask you to join United Way of Denton County board, donors, volunteers and partners in calling all residents to **LIVE UNITED.**

Given under my hand and Seal of the Town of Northlake, this the 13th day of September 2018

Town of Northlake, Texas

Peter Dewing, Mayor

IN RECOGNITION AND APPRECIATION COMMEMORATING

TEN YEARS OF EXEMPLARY SERVICE

TO THE

TOWN OF NORTHLAKE

THIS PLAQUE IS PRESENTED TO

KEVIN ERTLE

SERGEANT

NORTHLAKE POLICE DEPARTMENT

2008 - 2018

BY

PETER DEWING – MAYOR

BRIAN MONTINI – MAYOR PRO TEM

RENA HARDEMAN – COUNCIL MEMBER

JIMMY LAMBERT – COUNCIL MEMBER

ROGER SESSIONS – COUNCIL MEMBER

DANNY SIMPSON – COUNCIL MEMBER

Briefing Items

Agenda Item 3

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

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

Date: September 13, 2018

Re: Pecan Square Concept Plan Amendment

Hillwood Communities has requested an amendment to the concept plan approved with the Mixed-Use Planned Developments for Pecan Square (Pecan Square MPD). The amendment applies to only a few acres of the overall Pecan Square development and does not involve a change in overall density, just a swap of subdistrict areas shown on the concept plan. No other changes are proposed to the Pecan Square MPD. All standards, density requirements, etc. will remain the same.

The purpose of the concept plan amendment is to add a 6-acre Mixed-Use area on the west side of the "square". Mixed use allows for commercial, townhomes, and single-family. Similar to the existing Mixed-Use areas which are located near commercial and high-traffic areas, the square is intended to be the hub of the Pecan Square district with a number of amenities and activities to draw people. In exchange for the 6 acres of Mixed-Use proposed around the square, the 8-acre Mixed-Use area at the southwest corner of Mulkey Lane and Cleveland-Gibbs Road is proposed to convert to Commercial use only. An exhibit is attached showing the proposed changes.

The Pecan Square MPD provides for changes to the concept plan in the following section. Any changes that are not considered minor (defined as "realignment of roadways, the size of each subdistrict provided the size does not change by more than 15 percent from the size of the subdistrict shown on the original Concept Plan attached to this PD Ordinance, changes to the configuration of the open space areas shown on the original Concept Plan provided a minimum of 15 percent of the overall Development shall be used as open space. Open space areas shall be a minimum of 0.5 acres in size to satisfy the minimum 15 percent requirement.") require Town Council approval, but "the procedure is not considered a zoning change and no public hearing is required." Since this proposal changes the location of subdistricts, Council approval of the concept plan amendment is required. Hillwood Communities will present this proposal at the briefing and be available for questions. Staff will bring back an ordinance at the next meeting to memorialize the concept plan amendment should Council choose to approved it.

Please contact me at 940.242.5703 if you have any questions or comments.

EXISTING

PROPOSED

Legend	Permitted Uses
School	School
Commercial	Commercial/Retail
Mixed Use	Commercial, Townhomes, SF
Lifestyle	40', 50' lots
Traditional	50',60',70' lots
Estate	100' lots

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

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

Date: September 13, 2018

Re: Proposed Unified Development Code (UDC) text amendment to parking standards

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With the development of the initial buildings in the Alliance Northport project, the first new industrial development in Northlake outside of ones with planned development zoning, to be governed by the UDC, staff has noted issues with the current parking standard for Warehousing/Distribution Center uses. The UDC requires 1 space for each 2 employees or 1 space for each 1,000 square feet of total floor area, whichever is greater. This standard could require many more parking spaces than necessary, especially for very large buildings such as the 1.2 million square foot building currently under construction. Because of this, Hillwood requested variances for their first two buildings in Alliance Northport, and both were approved by the Board of Adjustment (BOA). As discussed at those meetings, staff recommended lowering the parking standard to 1 space per 5,000 square feet to match the standard used within the planned developments for Farmer Brothers and Stream Realty's Northport 35 Business Center. Staff plans to prepare a UDC amendment with this change to present at the next Council meeting.

Please contact me at 940.242.5703 if you have any questions or comments.

Regular Session

Agenda Item 4

Public Input

Agenda Item 5

Consent Items

Agenda Item 6

Peter Dewing, Mayor
Brian Montini, Mayor Pro Tem, Council Place 3
Rena Hardeman, Council Place 1

Jimmy Lambert, Council Place 2
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Town Council Meeting Minutes
Thursday, August 9, 2018
1400 FM 407 – Chamber Room - Northlake, Texas

1. Mayor Peter Dewing called the regular work session to order at 7:00 pm, quorum present

Members present:	Peter Dewing, Rena Hardeman, Jimmy Lambert, Brian Montini, Roger Sessions
Member absent:	Danny Simpson
Staff present:	Drew Corn, Town Administrator; Nathan Reddin, Development Director; Robert Crawford, Chief of Police; Eric Tamayo, Public Works Director; Sergeants Alex Arnold and Kevin Ertle; Patrol Officers Cody Long, Kurt Campbell, Lisa Lieber and Det. Doug Williams and Shirley Rogers, Town Secretary
Consultants present:	Ashley Dierker, Legal Counsel; Andy Messer, Legal Counsel

2. Special Recognition

   Police Chief Robert Crawford presented Officer Cody Long with a Life Saving Award for his exceptional performance on July 11, 2018 when he performed CPR on an accident victim on IH35W

   Police Chief Robert Crawford introduced the Northlake's two newest Officers- Lisa Lieber and Kurtis Campbell, recent graduates of the Police Academy

   Mayor Dewing recognized Nathan Reddin, Development Director, for his 10 Years of Service to Northlake
   Nathan's duties include Economic Development, Planning and Zoning, website, permits, Code Compliance, Health Inspections

3. Briefing Items
   A. Nathan Reddin briefed the council on a new proposed agricultural zoning district

4. Mayor Dewing called the regular meeting to order at 7:27 pm, quorum present
   Mayor Dewing led the council and audience in the Pledge of Allegiance and a Moment of Silence

5. Public Input
   - Bruce McDonald, resident of Northlake voiced his concerns on growth, wants council to be observant of infrastructure needs, traffic study for the new subdivisions; had comments relating to the firework ordinance
   - David Rettig, resident of Northlake, asked council to note residents quality of life with all the new construction in the area, would like to see a construction noise ordinance in place

- Joel McGregor, resident of Northlake, encouraged council to provide minimum services to the residents, put a cap on spending, don't encourage high density residential, would like to see Code Compliance position eliminated, wants a public vote on the twelve million dollars water tower bonds

- Laura McGregor, resident of Northlake, stated her opposition for Item J- not to give the Town Administrator the authority to approve change orders, believe all change orders should go thru council for approval

- Clifford Travis, resident of Northlake, was concerned at the removal of EDC/CDC members from the board without cause, wanted a reason for the removal from council members

- Michael Savoie, resident of Northlake, thanked the council members for their service, believes the town should maintain right-of-ways (mow tall grass, etc.); asked council to look carefully at the bonds for the water towers, don't approve any more subdivisions until the infrastructure for roads and water/sewer are in place

6. Consent Items

Mayor Pro Tem Montini moved to approve the consent items. 2nd by Councilmember Sessions

Vote:	motion passed unanimous
For:	Montini, Sessions, Lambert, Hardeman
Against:	None
Absent:	Simpson

B. Town Council Meeting Minutes of 7-26-18
C. Interlocal Cooperation Agreement for Shared Governance Communications & Dispatch Services System between Denton County, Texas and Town of Northlake, Texas
D. Interlocal Cooperation Agreement for Public Safety Application Support and Maintenance with Denton County Texas and Town of Northlake, Texas
E. Agreement for Animal Control Services between Brian The Animal Guy and the Town of Northlake. Texas

7. Board of Adjustment meeting convened at 7:48 pm, closed at 7:49 pm

8. Tax Increment Reinvestment Zone No. 1 meeting convened at 7:49 pm, closed at 7:50 pm

9. Regular Items

F. Resolution consenting to the creation of the Northlake Municipal Management District No. 2 on (The Ridge at Northlake)

i. Councilmember Sessions moved to approve Resolution No. 18-23. 2nd by Councilmember Lambert

Vote:	motion passed
For:	Sessions, Montini, Lambert
Against:	Hardeman
Absent:	Simpson

G. Mayor Pro Tem Montini moved to approve the Development Agreement between D-F Pacific No. 2, LTD and Silverstone-Northlake, LTD and the Town of Northlake for The Ridge at Northlake. 2nd by Councilmember Sessions

Vote:	motion passed unanimous
For:	Montini, Sessions, Lambert, Hardeman
Against:	none
Absent:	Simpson

Representatives present: Jim Wills, Taylor Morrison

H. Mayor Pro Tem Montini moved to approve a Preliminary Plat of The Ridge at Northlake, a proposed master planned development consisting of 1,038 single-family residential lots, 66 common area lots, and 2 commercial lots on a 370.785-acre tract of land out of the Patrick Rock Survey, Abstract No. 1063, generally located on the south side of Robson Ranch Road, approximately 3,200 feet east of Faught Road, and zoned Mixed-Use Planned Development (MPD). DF Pacific No. 2 Ltd. is the owner/applicant. JBI Partners Inc. is the engineer/surveyor. Case # PP-18-002. 2nd by Councilmember Lambert

Vote:	motion passed unanimous
For:	Montini, Lambert, Hardeman, Sessions
Against:	none
Absent:	Simpson

I. Notice of 2018 Tax Year Proposed Property Tax Rate for Town of Northlake was published in the Denton Record Chronicle on August 2, 2018 – proposed tax rate of 29.5 cents per $100 valuation is below both the effective tax rate of 29.61 cents and the rollback tax rate of 32.62 cents

J. Public Hearing on the Proposed Budget for Fiscal year 2018-19 beginning on October 1, 2018 and ending on September 30, 2019 for the Town of Northlake, Northlake Economic Development Corporation, Northlake Community Development Corporation, Northlake Public Improvement District No. 1 (Harvest), Northlake Public Improvement District No. 2 (The Highlands).

Mayor Dewing opened the public hearing at 8:17 pm to hear comment for or against the proposed budget. No one came forward for or against. Mayor Dewing closed the public hearing at 8:18 pm

K. Resolution authorizing the Town Administrator to approve on behalf of the Town of Northlake change orders to Town contracts that decrease the contract price or increase the contract price by $50,000.00 or less provided that such approval shall not authorize the Town Administrator to increase the contract price by more than 25% of the original contract price
    i. Councilmember Sessions moved to approve Resolution No. 18-24 by amending the contract price to $40,000.00 and not by more than 20% of the original contract price. 2nd by Councilmember Lambert

Vote: motion passed
For: Sessions, Lambert, Montini
Against: Hardeman
Absent: Simpson

L. Mayor Pro Tem Montini moved to approve an amendment to Contractor's Contract for Cleveland Gibbs Road Widening in the amount of $15,770.70. 2nd by Councilmember Sessions

Vote: motion passed unanimous
For: Montini, Sessions, Lambert, Hardeman
Against: none
Absent: Simpson

10. By general consent, the council convened into Executive Session at 8:36 pm for the following items:
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 551.071 consultation with the Town's attorney to seek advice on eminent domain actions to obtain right-of-way out of a certain 3.530 acre tract of land located in the Patrick Rock Survey, Abstract No. 1063 in Northlake, Denton County, Texas, for the construction and maintenance of roadway and utility improvements and other public purposes permitted by law

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By general consent, the council reconvened into Open Session at 8:53 pm

M. No action taken- use of eminent domain to condemn property and consider a resolution of the Town of Northlake, Texas, authorizing the Town Attorney to bring a condemnation action for the purpose of obtaining approximately .4762 acres of a certain 3.530 acre tract of land located in the Patrick Rock Survey Abstract No. 1063 in Northlake, Denton County, Texas, as right-of-way necessary for the construction and maintenance of roadway and utility improvements and for other public purposes permitted by law

11. Mayor Dewing adjourned the meeting at 8:53 pm

Passed and approved on this the 13th day of September 2018

Town of Northlake, Texas

____

Peter Dewing, Mayor

Attest:

____

Shirley Rogers, Town Secretary

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Councilmembers

From: Shirley Rogers, Town Secretary

cc: Drew Corn, Town Administrator

Date: September 6, 2018

Re: Designation Official newspaper

Honorable Mayor and Council Members:

At the beginning of each fiscal year, Type A municipalities must designate an official newspaper (Tex. Loc. Gov't Code 52.004) to publish all required notices such as ordinances, election/budget notices, bids, etc. that is required by law.

The newspaper in which a notice is published must be in print at least once each week, entered as second class postal matter in the county where distributed and devote not less than 25% of its total column lineage to general interest items. Denton Record Chronicle meets these established rules.

Northlake has used the Denton Record Chronicle newspaper for 21 years for all publication of notices and they have the lowest rates.

If you have any questions relating to the official newspaper, please feel free to contact me at srogers@town.northlake.tx.us.

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 18-25

WHEREAS, the Town Council of the Town of Northlake, Texas, desires to authorize an official newspaper for publication of official notices of the Town;

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

Section 1. The Denton Record Chronicle, a daily newspaper published in the City of Denton, Texas, is hereby designated and approved as the official newspaper and publication of the Town of Northlake, Texas, as required by law is to be published in accordance with the law.

Section 2. Any prior Resolution of the Town of Northlake, Texas, establishing any other newspaper as the official paper and publication for the Town of Northlake, Texas, shall hereby be repealed and made of no effect.

Section 3. This Resolution shall become effective on the 1st of October, 2018.

AND IT IS SO RESOLVED.

PASSED AND APPROVED ON THIS THE 13 TH DAY OF SEPTEMBER 2018

TOWN OF NORTHLAKE, TEXAS

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

RESOLUTION NO. 18-26

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

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

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

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

WHEREAS, the RRM tariff was adopted by the Town in a rate ordinance earlier this year; and

WHEREAS, on about April 1, 2018, Atmos Mid-Tex filed its 2018 RRM rate request with ACSC Cities based on a test year ending December 31, 2017; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2018 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $24.9 million on a system-wide basis ($17.8 million of which is applicable to ACSC members); and

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

WHEREAS, the Exhibit A rate tariffs incorporate the federal income tax rates that became effective January 1, 2018; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B) and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability (Exhibit C); and

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

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

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

Section 2. That the Town Council finds that the settled amount of an increase in revenues of $24.9 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2018 RRM filing, is in the public interest, and is consistent with the Town's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $24.9 million in revenue on a system-wide basis over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 5. That amortization of regulatory liability shall be consistent with the schedule found in attached Exhibit C attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2018 RRM filing.

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

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

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

Section 10. That consistent with the Town Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2018.

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

PASSED AND APPROVED this 13th day of September 2018

Town of Northlake, Texas

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

APPROVED AS TO FORM:

____

Ashley Dierker, Town Attorney

Exhibit A
Rate Tariffs Effective
October 1, 2018

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 12**

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

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

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

Charge	Amount
Customer Charge per Bill	$ 18.85 per month
Rider CEE Surcharge	$ 0.03 per month[1]
Total Customer Charge	$ 18.88 per month
Commodity Charge – All Ccf	$0.14846 per Ccf

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

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

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

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

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

Agreement
An Agreement for Gas Service may be required.

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

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 13**

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

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

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

Charge	Amount
Customer Charge per Bill	$ 43.50 per month
Rider CEE Surcharge	$ (0.03) per month[1]
Total Customer Charge	$ 43.47 per month
Commodity Charge – All Ccf	$ 0.09165 per Ccf

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

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

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

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

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

Agreement
An Agreement for Gas Service may be required.

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

---

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2018.

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 14**

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

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

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

Charge	Amount
Customer Charge per Meter	$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3312 per MMBtu
Next 3,500 MMBtu	$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0520 per MMBtu

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

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

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

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

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

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

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 15

Agreement
An Agreement for Gas Service may be required.

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

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

Exhibit A

The rates were effective for the following Cities on **3/15/2018**:

ABILENE
ADDISON
ALBANY
ALLEN
ALVARADO
ANGUS

ANNA
ARGYLE
ARLINGTON
AUBREY
AZLE
BEDFORD
BELLMEAD
BENBROOK
BEVERLY HILLS
BLOSSOM
BLUE RIDGE
BOWIE
BOYD
BRIDGEPORT
BROWNWOOD
BUFFALO
BURKBURNETT
BURLESON
CADDO MILLS
CANTON
CARROLLTON
CEDAR HILL
CELESTE
CELINA
CENTERVILLE
CISCO
CLARKSVILLE
CLEBURNE
CLYDE
COLLEGE STATION
COLLEYVILLE
COLORADO CITY
COMANCHE
COOLIDGE
COPPELL
CORINTH
CRANDALL
CROWLEY
DALWORTHINGTON GARDENS
DENISON
DENTON
DESOTO
DRAPER AKA CORRAL CITY
DUNCANVILLE
EASTLAND

EDGECLIFF VILLAGE
EMORY
ENNIS
EULESS
EVERMAN
FAIRVIEW
FARMERS BRANCH
FARMERSVILLE
FATE
FLOWER MOUND
FOREST HILL
FORNEY
FORT WORTH
FRISCO
FROST
GAINSVILLE
GARLAND
GARRETT
GRAND PARAIRIE
GRAPEVINE
GUNTER
HALTOM CITY
HARKER HEIGHTS
HASKELL
HASLET
HEWITT
HIGHLAND PARK
HIGHLAND VILLAGE
HONEY GROVE
HURST
IOWA PARK
IRVING
JUSTIN
KAUFMAN
KEENE
KELLER
KEMP
KENNEDALE
KERRVILLE
KILLEEN
KRUM
LAKE WORTH
LAKESIDE
LEWISVILLE
LINCOLN PARK (ANNEXED WITH LITTLE ELM)
LITTLE ELM
LORENA
MADISONVILLE
MALAKOFF
MANSFIELD
MCKINNEY
MELISSA
MESQUITE
MIDLOTHIAN
MURPHY
NEWARK
NOCONA
NORTH RICHLAND HILLS
NORTHLAKE
OAK LEAF
OVILLA
PALESTINE
PANTEGO
PARIS
PARKER
PECAN HILL
PETROLIA
PLANO
PONDER
POTTSBORO
PROSPER
QUITMAN
RED OAK
RENO (PARKER COUNTY)
RHOME
RICHARDSON
RICHLAND
RICHLAND HILLS
RIVER OAKS
ROANOKE
ROBINSON
ROCKWALL
ROSCOE
ROWLETT

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 17

Cities with Rate Effective 3/15/2018 (Continued)

ROYSE CITY
SACHSE
SAGINAW
SANSOM PARK
SEAGOVILLE
SHERMAN
SNYDER
SOUTHLAKE
SPRINGTOWN
STAMFORD
STEPHENVILLE
SULPHUR SPRINGS
SWEETWATER
TEMPLE
TERRELL
THE COLONY
TROPHY CLUB
TYLER
UNIVERSITY PARK
VENUS
VERNON
WACO
WATAUGA
WAXAHACHIE
WESTLAKE
WESTOVER HILLS
WHITE SETTLEMENT
WHITESBORO
WICHITA FALLS
WOODWAY
WYLIE

The rates were effective for the following Cities on **4/01/2018**:

ABBOTT
ALBA
ALMA
ALVORD
ANNONA
ANSON
ARCHER CITY
ATHENS
AURORA
AUSTIN
AVERY
BAIRD
BALCH SPRINGS
BALLINGER
BANDERA
BANGS
BARDWELL
BARRY
BARTLETT
BARTONVILLE
BELLEVUE
BELLS
BELTON
BENJAMIN
BERTRAM
BLACKWELL
BLANKET
BLOOMING GROVE
BLUE MOUND
BLUM
BOGATA
BONHAM
BREMOND
BRONTE
BROWNSBORO
BRUCEVILLE-EDDY
BRYAN
BUCKHOLTS
BUFFALO GAP
BURNET
BYERS
CALDWELL
CALVERT
CAMERON
CAMPBELL
CARBON
CASHION COMMUNITY
CEDAR PARK
CHANDLER
CHICO
CHILDRESS
CHILLICOTHE
CLIFTON
COCKRELL HILL
COLEMAN
COLLINSVILLE
COMMERCE
COMO
COOPER
COPPER CANYON
COPPERAS COVE
CORSICANA
COVINGTON
COYOTE FLATS
CRAWFORD
CROSS ROADS
CUMBY
DAWSON
DECATUR
DELEON
DEPORT
DETROIT
DODD CITY
DOUBLE OAK
DUBLIN
EARLY
ECTOR
EDOM
ELECTRA
EMHOUSE
EUSTACE
EVANT
FAIRFIELD
FERRIS
FRANKLIN
FRANKSTON
FREDERICKSBURG
GATESVILLE
GEORGETOWN
GLEN ROSE
GLENN HEIGHTS
GODLEY
GOLDTHWAITE
GOODLOW
GORDON
GOREE
GORMAN
GRANBURY
GRANDVIEW
GRANGER
GREENVILLE
GROESBECK
GUSTINE
HAMLIN
HAMILTON

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 18

Cities with Rate Effective 4/01/2018 (Continued)

HAWLEY
HEARNE
HEATH
HEBRON
HENRIETTA
HICKORY CREEK
HICO
HILLSBORO
HOLLAND
HOLLIDAY
HOWE
HUBBARD
HUTCHINS
HUTTO
IMPACT
IREDELL
ITALY
ITASCA
JEWETT
JOSEPHINE
JOSHUA
KERENS
KNOLLWOOD
KNOX CITY
KOSSE
KURTEN
LACY-LAKEVIEW
LADONIA
LAKE DALLAS
LAKEPORT
LAMPASAS
LANCASTER
LAVON
LAWN
LEANDER
LEONA
LEONARD
LEXINGTON
LINDSAY
LIPAN
LITTLE RIVER ACADEMY
LLANO
LOMETA
LONE OAK
LONGVIEW
LORAINE
LOTT
LUEDERS
MABANK
MALONE
MANOR
MARBLE FALLS
MARLIN
MART
MAYPEARL
MCGREGOR
MCLENDON-CHISHOLM
MEGARGEL
MERIDIAN
MERKEL
MEXIA
MIDWAY
MILES
MILFORD
MILLSAP
MOBILE CITY
MOODY
MORAN
MORGAN
MUENSTER
MUNDAY
MURCHISON
NEVADA
NEW CHAPEL HILL
NEWCASTLE
NOLANVILLE
NORMANGEE
NOVICE
OAK POINT
OAKWOOD
O'BRIEN CO-OP GIN
OGLESBY
OLNEY
PALMER
PARADISE
PECAN GAP
PENELOPE
PFLUGERVILLE
PILOT POINT
PLEASANT VALLEY
POINT
POST OAK BEND
POWELL
POYNOR
PRINCETON
PUTNAM
QUANAH
QUINLAN
RANGER
RAVENNA
RENO (LAMAR COUNTY)
RETREAT
RICE
RIESEL
RIO VISTA
ROBERT LEE
ROBY
ROCHESTER
ROCKDALE
ROGERS
ROSEBUD
ROSS
ROTAN
ROUND ROCK
ROXTON
RULE
RUNAWAY BAY
SADLER
SAINT JO
SAN ANGELO
SAN SABA
SANCTUARY
SANGER
SANTA ANNA
SAVOY
SCURRY
SEYMOUR
SHADY SHORES
SOMERVILLE
SOUTH MOUNTAIN
SOUTHMAYD
STAR HARBOR
STOCKTON BEND
STRAWN
STREETMAN
SUN VALLEY
SUNNYVALE
TALTY
TAYLOR
TEAGUE
TEHUACANA
THORNDALE
THORNTON
THRALL
THROCKMORTON
TIOGA
TOCO

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 19**

Cities with Rate Effective 4/01/2018 (Continued)

TOM BEAN
TRENT
TRENTON
TRINIDAD
TROY
TUSCOLA
TYE
VALLEY MILLS
VALLEY VIEW
VAN ALSTYNE
WALNUT SPRINGS
WEINERT
WEST
WESTWORTH VILLAGE
WHITEHOUSE
WHITEWRIGHT
WHITNEY
WILMER
WINDOM
WINTERS
WIXON VALLEY
WOLFE CITY
WORTHAM
YANTIS

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 16

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

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

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

Charge	Amount
Customer Charge per Meter	$ 784.00 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3312 per MMBtu
Next 3,500 MMBtu	$ 0.2425 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0520 per MMBtu

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

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

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

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

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

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

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

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 17**

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

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

Agreement
A transportation agreement is required.

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

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 18

Exhibit A

The rates were effective for the following Cities on **3/15/2018**:

ABILENE
ADDISON
ALBANY
ALLEN
ALVARADO
ANGUS

ANNA
ARGYLE
ARLINGTON
AUBREY
AZLE
BEDFORD
BELLMEAD
BENBROOK
BEVERLY HILLS
BLOSSOM
BLUE RIDGE
BOWIE
BOYD
BRIDGEPORT
BROWNWOOD
BUFFALO
BURKBURNETT
BURLESON
CADDO MILLS
CANTON
CARROLLTON
CEDAR HILL
CELESTE
CELINA
CENTERVILLE
CISCO
CLARKSVILLE
CLEBURNE
CLYDE
COLLEGE STATION
COLLEYVILLE
COLORADO CITY
COMANCHE
COOLIDGE
COPPELL
CORINTH
CRANDALL
CROWLEY
DALWORTHINGTON GARDENS
DENISON
DENTON
DESOTO
DRAPER AKA CORRAL CITY
DUNCANVILLE
EASTLAND

EDGECLIFF VILLAGE
EMORY
ENNIS
EULESS
EVERMAN
FAIRVIEW
FARMERS BRANCH
FARMERSVILLE
FATE
FLOWER MOUND
FOREST HILL
FORNEY
FORT WORTH
FRISCO
FROST
GAINSVILLE
GARLAND
GARRETT
GRAND PARAIRIE
GRAPEVINE
GUNTER
HALTOM CITY
HARKER HEIGHTS
HASKELL
HASLET
HEWITT
HIGHLAND PARK
HIGHLAND VILLAGE
HONEY GROVE
HURST
IOWA PARK
IRVING
JUSTIN
KAUFMAN
KEENE
KELLER
KEMP
KENNEDALE
KERRVILLE
KILLEEN
KRUM
LAKE WORTH
LAKESIDE
LEWISVILLE
LINCOLN PARK (ANNEXED WITH LITTLE ELM)
LITTLE ELM
LORENA
MADISONVILLE
MALAKOFF
MANSFIELD
MCKINNEY
MELISSA
MESQUITE
MIDLOTHIAN
MURPHY
NEWARK
NOCONA
NORTH RICHLAND HILLS
NORTHLAKE
OAK LEAF
OVILLA
PALESTINE
PANTEGO
PARIS
PARKER
PECAN HILL
PETROLIA
PLANO
PONDER
POTTSBORO
PROSPER
QUITMAN
RED OAK
RENO (PARKER COUNTY)
RHOME
RICHARDSON
RICHLAND
RICHLAND HILLS
RIVER OAKS
ROANOKE
ROBINSON
ROCKWALL
ROSCOE
ROWLETT

EXHIBIT A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 19**

Cities with Rate Effective 3/15/2018 (Continued)

ROYSE CITY
SACHSE
SAGINAW
SANSOM PARK
SEAGOVILLE
SHERMAN
SNYDER
SOUTHLAKE
SPRINGTOWN
STAMFORD
STEPHENVILLE
SULPHUR SPRINGS
SWEETWATER
TEMPLE
TERRELL
THE COLONY
TROPHY CLUB
TYLER
UNIVERSITY PARK
VENUS
VERNON
WACO
WATAUGA
WAXAHACHIE
WESTLAKE
WESTOVER HILLS
WHITE SETTLEMENT
WHITESBORO
WICHITA FALLS
WOODWAY
WYLIE

The rates were effective for the following Cities on **4/01/2018**:

ABBOTT
ALBA
ALMA
ALVORD
ANNONA
ANSON
ARCHER CITY
ATHENS
AURORA
AUSTIN
AVERY
BAIRD
BALCH SPRINGS
BALLINGER
BANDERA
BANGS
BARDWELL
BARRY
BARTLETT
BARTONVILLE
BELLEVUE
BELLS
BELTON
BENJAMIN
BERTRAM
BLACKWELL
BLANKET
BLOOMING GROVE
BLUE MOUND
BLUM
BOGATA
BONHAM
BREMOND
BRONTE
BROWNSBORO
BRUCEVILLE-EDDY
BRYAN
BUCKHOLTS
BUFFALO GAP
BURNET
BYERS
CALDWELL
CALVERT
CAMERON
CAMPBELL
CARBON
CASHION COMMUNITY
CEDAR PARK
CHANDLER
CHICO
CHILDRESS
CHILLICOTHE
CLIFTON
COCKRELL HILL
COLEMAN
COLLINSVILLE
COMMERCE
COMO
COOPER
COPPER CANYON
COPPERAS COVE
CORSICANA
COVINGTON
COYOTE FLATS
CRAWFORD
CROSS ROADS
CUMBY
DAWSON
DECATUR
DELEON
DEPORT
DETROIT
DODD CITY
DOUBLE OAK
DUBLIN
EARLY
ECTOR
EDOM
ELECTRA
EMHOUSE
EUSTACE
EVANT
FAIRFIELD
FERRIS
FRANKLIN
FRANKSTON
FREDERICKSBURG
GATESVILLE
GEORGETOWN
GLEN ROSE
GLENN HEIGHTS
GODLEY
GOLDTHWAITE
GOODLOW
GORDON
GOREE
GORMAN
GRANBURY
GRANDVIEW
GRANGER
GREENVILLE
GROESBECK
GUSTINE
HAMLIN
HAMILTON

EXHIBIT A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RRC Tariff No:

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2018	PAGE: 20

Cities with Rate Effective 4/01/2018 (Continued)

HAWLEY
HEARNE
HEATH
HEBRON
HENRIETTA
HICKORY CREEK
HICO
HILLSBORO
HOLLAND
HOLLIDAY
HOWE
HUBBARD
HUTCHINS
HUTTO
IMPACT
IREDELL
ITALY
ITASCA
JEWETT
JOSEPHINE
JOSHUA
KERENS
KNOLLWOOD
KNOX CITY
KOSSE
KURTEN
LACY-LAKEVIEW
LADONIA
LAKE DALLAS
LAKEPORT
LAMPASAS
LANCASTER
LAVON
LAWN
LEANDER
LEONA
LEONARD
LEXINGTON
LINDSAY
LIPAN
LITTLE RIVER ACADEMY
LLANO
LOMETA
LONE OAK
LONGVIEW
LORAINE
LOTT
LUEDERS
MABANK
MALONE
MANOR
MARBLE FALLS
MARLIN
MART
MAYPEARL
MCGREGOR
MCLENDON-CHISHOLM
MEGARGEL
MERIDIAN
MERKEL
MEXIA
MIDWAY
MILES
MILFORD
MILLSAP
MOBILE CITY
MOODY
MORAN
MORGAN
MUENSTER
MUNDAY
MURCHISON
NEVADA
NEW CHAPEL HILL
NEWCASTLE
NOLANVILLE
NORMANGEE
NOVICE
OAK POINT
OAKWOOD
O'BRIEN CO-OP GIN
OGLESBY
OLNEY
PALMER
PARADISE
PECAN GAP
PENELOPE
PFLUGERVILLE
PILOT POINT
PLEASANT VALLEY
POINT
POST OAK BEND
POWELL
POYNOR
PRINCETON
PUTNAM
QUANAH
QUINLAN
RANGER
RAVENNA
RENO (LAMAR COUNTY)
RETREAT
RICE
RIESEL
RIO VISTA
ROBERT LEE
ROBY
ROCHESTER
ROCKDALE
ROGERS
ROSEBUD
ROSS
ROTAN
ROUND ROCK
ROXTON
RULE
RUNAWAY BAY
SADLER
SAINT JO
SAN ANGELO
SAN SABA
SANCTUARY
SANGER
SANTA ANNA
SAVOY
SCURRY
SEYMOUR
SHADY SHORES
SOMERVILLE
SOUTH MOUNTAIN
SOUTHMAYD
STAR HARBOR
STOCKTON BEND
STRAWN
STREETMAN
SUN VALLEY
SUNNYVALE
TALTY
TAYLOR
TEAGUE
TEHUACANA
THORNDALE
THORNTON
THRALL
THROCKMORTON
TIOGA
TOCO

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION EXCEPT THE CITY OF DALLAS AND UNINCORPORATED AREAS**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2018**	**PAGE: 21**

Cities with Rate Effective 4/01/2018 (Continued)

TOM BEAN
TRENT
TRENTON
TRINIDAD
TROY
TUSCOLA
TYE
VALLEY MILLS
VALLEY VIEW
VAN ALSTYNE
WALNUT SPRINGS
WEINERT
WEST
WESTWORTH VILLAGE
WHITEHOUSE
WHITEWRIGHT
WHITNEY
WILMER
WINDOM
WINTERS
WIXON VALLEY
WOLFE CITY
WORTHAM
YANTIS

EXHIBIT A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 11/01/2018**	**PAGE:**

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

Where

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

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

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

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

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

ADD = billing cycle actual heating degree days.

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

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

$WNA_i = WNAF_i \times q_{ij}$

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

EXHIBIT A

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 11/01/2018**	**PAGE:**

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.77	0.1201	99.33	0.5737
Austin	10.38	0.1493	201.46	0.8942
Dallas	13.17	0.2062	183.71	1.0046
Waco	9.26	0.1323	124.57	0.6398
Wichita Falls	11.62	0.1278	114.97	0.5226

Weather Normalization Adjustment (WNA) Report

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

Exhibit B

Pensions and Retiree Medical Benefits

EXHIBIT B

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	Description	Shared Services		Mid-Tex Direct			
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Supplemental Executive Benefit Plan	Post-Employment Benefit Plan	Adjustment Total
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Fiscal Year 2018 Willis Towers Watson Report, as adjusted	$ 4,082,906	$ 2,703,898	$ 6,964,307	$ 188,360	$ 3,724,168	
2	Allocation to Mid-Tex	43.55%	43.55%	71.24%	100.00%	71.24%	
3	Fiscal Year 2018 Actuarially Determined Benefit Costs (Ln 1 x Ln 2)	$ 1,778,092	$ 1,177,539	$ 4,961,241	$ 188,360	$ 2,653,027	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Fiscal Year 2018 Willis Towers Watson Benefit Costs To Approve (Excluding Removed Cost Centers) (Ln 3 x Ln 4)	$ 1,778,092	$ 1,177,539	$ 4,961,241	$ 188,360	$ 2,653,027	$ 10,758,260
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	80.15%	80.15%	40.05%	19.03%	40.05%	
11							
12							
13	Total Pension Account Plan	$ 1,425,108		$ 1,987,133			$ 3,412,241
14	Total Post-Employment Benefit Plan		$ 943,775			$ 1,062,621	2,006,396
15	Total Supplemental Executive Benefit Plan				$ 35,837		35,837
16	Total (Ln 13 + Ln 14 + Ln 15)	$ 1,425,108	$ 943,775	$ 1,987,133	$ 35,837	$ 1,062,621	$ 5,454,474
17							

18 Note:
19 1. Mid-Tex is proposing that the fiscal year 2018 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the
20 benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The Company is requesting that the benchmark amount approved by the
21 RRM Cities for future periods include only the expense amount. The amount attributable to capital would continue to be recorded to utility plant through the overhead
22 process as described in the CAM.

Exhibit C

Amortization of Regulatory Liability

EXHIBIT C

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2017
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount	Balance as of December 31, 2017
	(a)	(b)	(c)	(d)	(e)
1	2017			$ 289,813,479	$ 289,813,479
2	2018	$ 289,813,479	$ 12,075,562	277,737,918	
3	2019	277,737,918	12,075,562	265,662,356	
4	2020	265,662,356	12,075,562	253,586,795	
5	2021	253,586,795	12,075,562	241,511,233	
6	2022	241,511,233	12,075,562	229,435,671	
7	2023	229,435,671	12,075,562	217,360,110	
8	2024	217,360,110	12,075,562	205,284,548	
9	2025	205,284,548	12,075,562	193,208,986	
10	2026	193,208,986	12,075,562	181,133,425	
11	2027	181,133,425	12,075,562	169,057,863	
12	2028	169,057,863	12,075,562	156,982,301	
13	2029	156,982,301	12,075,562	144,906,740	
14	2030	144,906,740	12,075,562	132,831,178	
15	2031	132,831,178	12,075,562	120,755,616	
16	2032	120,755,616	12,075,562	108,680,055	
17	2033	108,680,055	12,075,562	96,604,493	
18	2034	96,604,493	12,075,562	84,528,932	
19	2035	84,528,932	12,075,562	72,453,370	
20	2036	72,453,370	12,075,562	60,377,808	
21	2037	60,377,808	12,075,562	48,302,247	
22	2038	48,302,247	12,075,562	36,226,685	
23	2039	36,226,685	12,075,562	24,151,123	
24	2040	24,151,123	12,075,562	12,075,562	
25	2041	12,075,562	12,075,562	(0)	
26					
27	Note:				
28	1. The annual amortization of a 24 year recovery period is based on the				
29	Reverse South Georgia Method.				

August 24, 2018

MODEL STAFF REPORT

BACKGROUND AND SUMMARY

The City, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members earlier this year. On or about April 1, 2018, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of $42.0 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to $27.4 million. After review of the consultants' report, the Company offered to settle for a system-wide increase of $25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of $24.9 million. That increase when allocated to ACSC members results in an increase of $17.8 million. The Effective Date for new rates is October 1, 2018. ACSC members should take action approving the Resolution before the end of September.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate $24.9 million in additional revenues on a system-wide basis. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

Given the fact that ACSC demanded that Atmos reflect reduced federal income taxes in its cost-of-service, as reflected in the RRM Tariff adopted earlier this year, Atmos reduced its rates in March. The rate increase associated with the Resolution is largely offset by the lowered federal income tax rates, such that out-of-pocket expense to consumers should be roughly the same under new rates as what was experienced by consumers last winter. A bill impact comparison is attached as Attachment 2.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

EXPLANATION OF "BE IT ORDAINED" PARAGRAPHS

1. This section approves all findings in the Resolution.

2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.

3. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional $24.9 million on a system-wide basis. Settling Cities will be responsible for $17.8 million of the $24.9 million.

4. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.

5. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.

6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.

7. This section repeals any resolution or ordinance that is inconsistent with the Resolution.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.

10. This section provides for an effective date upon passage.

11. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover $42 million in additional system-wide revenues, the RRM settlement at $24.9 million reflects savings of $17.1 million. ACSC's consultants produced a report indicating that Atmos had justified increased revenues of at least $21.7 million. Settlement at $24.9 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before September 30, 2018. New rates become effective October 1, 2018.

ATMOS ENERGY CORP., MID-TEX DIVISION
PROPOSED TARIFF STRUCTURE (BEFORE RATE CASE EXPENSE RECOVERY)
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	(a)	(b)	(c)	(d) (e) (f) (g)
1	Proposed Change In Rates:		$ 24,900,000	Schedule A
2	Proposed Change In Rates without Revenue Related Taxes:		$ 23,357,466	Ln 1 divided by Tax factor on WP_F-5.1
3				
4				
5				
6		Revenue Requirements	Allocations	
7	Residential	$ 338,431,486	77.95%	Per GUD 10170 Final Order
8	Commercial	84,223,622	19.40%	Per GUD 10170 Final Order
9	Industrial and Transportation	11,490,316	2.65%	Per GUD 10170 Final Order
10	Net Revenue Requirements GUD No. 10170	$ 434,145,424	100.00%	
11				
12				
13				
14				
15				

Line No.	Increase to Customer Classes per GUD 10170 Final Order:			
16				
17				
18	Customer Charges	Current	Prospective	Revenues
19				
20	Residential Base Charge	$ 18.35	$ 0.50	$ 9,103,979
21	Residential Consumption Charge	$ 0.13734	$ 0.01118	9,103,979
22	Commercial Base Charge	$ 41.95	$ 1.54	2,265,658
23	Commercial Consumption Charge	$ 0.08746	$ 0.00421	2,265,658
24	I&T Base Charge	$ 752.00	$ 32.12	309,095
25	I&T Consumption Charge Tier 1 MMBTU	$ 0.3172	$ 0.0140	144,188
26	I&T Consumption Charge Tier 2 MMBTU	$ 0.2322	$ 0.0102	118,338
27	I&T Consumption Charge Tier 3 MMBTU	$ 0.0498	$ 0.0022	46,570
28	Total			$ 23,357,466
29				

Line No.	Customer Charges Rounded Off and residential base charge increase for 2018 limited to $0.60 per RRM tariff:				
16					
17					
18	Customer Charges	Proposed Change	Proposed Change In Revenues	Proposed Rates	Proposed Revenues
19					
20	Residential Base Charge	$ 0.50	$ 9,156,798	$ 18.85	$ 345,211,285
21	Residential Consumption Charge	$ 0.01112	9,051,844	$ 0.14846	120,848,626
22	Commercial Base Charge	$ 1.55	2,278,481	$ 43.50	63,944,478
23	Commercial Consumption Charge	$ 0.00419	2,253,573	$ 0.09165	49,293,546
24	I&T Base Charge	$ 32.00	307,968	$ 784.00	7,545,216
25	I&T Consumption Charge Tier 1 MMBTU	$ 0.0140	144,244	$ 0.3312	3,412,408
26	I&T Consumption Charge Tier 2 MMBTU	$ 0.0103	118,980	$ 0.2425	2,801,237
27	I&T Consumption Charge Tier 3 MMBTU	$ 0.0022	46,631	$ 0.0520	1,102,180
28	Total		$ 23,358,519		$ 594,158,976
29					

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2017

Line							October 1, 2018	
1	**Rate R @ 45 Ccf**					**CURRENT**	**PROPOSED**	**CHANGE**
2	Customer charge					$ 18.35		
3	Consumption charge	45.0	CCF	X $ 0.13734	=	6.18		
4	Rider GCR Part A	45.0	CCF	X $ 0.28533	=	12.84		
5	Rider GCR Part B	45.0	CCF	X $ 0.30630	=	13.78		
6	Subtotal					$ 51.15		
7	Rider FF & Rider TAX	$ 51.15		X 0.06604	=	3.38		
8	Total					$ 54.53		
9								
10	Customer charge						$ 18.85	
11	Consumption charge	45.0	CCF	X $ 0.14846	=		6.68	
12	Rider GCR Part A	45.0	CCF	X $ 0.28533	=		12.84	
13	Rider GCR Part B	45.0	CCF	X $ 0.30630	=		13.78	
14	Subtotal						$ 52.15	
15	Rider FF & Rider TAX	$ 52.15		X 0.06604	=		3.44	
16	Total						$ 55.59	$ 1.06
17								1.94%
18								
19	**Rate C @ 346.5 Ccf**					**CURRENT**	**PROPOSED**	**CHANGE**
20	Customer charge					$ 41.95		
21	Consumption charge	346.5	CCF	X $ 0.08746	=	30.31		
22	Rider GCR Part A	346.5	CCF	X $ 0.28533	=	98.88		
23	Rider GCR Part B	346.5	CCF	X $ 0.22105	=	76.60		
24	Subtotal					$ 247.74		
25	Rider FF & Rider TAX	$ 247.74		X 0.06604	=	16.36		
26	Total					$ 264.10		
27								
28	Customer charge						$ 43.50	
29	Consumption charge	346.5	CCF	X $ 0.09165	=		31.76	
30	Rider GCR Part A	346.5	CCF	X $ 0.28533	=		98.88	
31	Rider GCR Part B	346.5	CCF	X $ 0.22105	=		76.60	
32	Subtotal						$ 250.74	
33	Rider FF & Rider TAX	$ 250.74		X 0.06604	=		16.56	
34	Total						$ 267.30	$ 3.20
35								1.21%

Attachment 2

36	**Rate I @ 3907 MMBTU**					**CURRENT**	**PROPOSED**	**CHANGE**
37	Customer charge					$ 752.00		
38	Consumption charge	1,500	MMBTU	X $ 0.3172	=	475.80		
39	Consumption charge	2,407	MMBTU	X $ 0.2322	=	558.79		
40	Consumption charge	0	MMBTU	X $ 0.0498	=	-		
41	Rider GCR Part A	3,907	MMBTU	X $ 0.2922	=	1,141.41		
42	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=	1,906.68		
43	Subtotal					$ 4,834.68		
44	Rider FF & Rider TAX		$ 4,834.68	X 0.06604	=	319.28		
45	Total					$ 5,153.96		
46								
47	Customer charge						$ 784.00	
48	Consumption charge	1,500	MMBTU	X $ 0.3312	=		496.80	
49	Consumption charge	2,407	MMBTU	X $ 0.2425	=		583.58	
50	Consumption charge	0	MMBTU	X $ 0.0520	=		-	
51	Rider GCR Part A	3,907	MMBTU	X $ 0.2922	=		1,141.41	
52	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=		1,906.68	
53	Subtotal						$ 4,912.47	
54	Rider FF & Rider TAX		$ 4,912.47	X 0.06604	=		324.42	
55	Total						$ 5,236.89	$ 82.93
56								1.61%
57	**Rate T @ 3907 MMBTU**					**CURRENT**	**PROPOSED**	**CHANGE**
58	Customer charge					$ 752.00		
59	Consumption charge	1,500	MMBTU	X $ 0.3172	=	475.80		
60	Consumption charge	2,407	MMBTU	X $ 0.2322	=	558.79		
61	Consumption charge	0	MMBTU	X $ 0.0498	=	-		
62	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=	1,906.68		
63	Subtotal					$ 3,693.27		
64	Rider FF & Rider TAX		$ 3,693.27	X 0.06604	=	243.90		
65	Total					$ 3,937.17		
66								
67	Customer charge						$ 784.00	
68	Consumption charge	1,500	MMBTU	X $ 0.3312	=		496.80	
69	Consumption charge	2,407	MMBTU	X $ 0.2425	=		583.58	
70	Consumption charge	0	MMBTU	X $ 0.0520	=		-	
71	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=		1,906.68	
72	Subtotal						$ 3,771.06	
73	Rider FF & Rider TAX		$ 3,771.06	X 0.06604	=		249.04	
74	Total						$ 4,020.10	$ 82.93
75								2.11%

Regular Items

Agenda Item 7

ORDINANCE NO. 18-0913A

AN ORDINANCE SETTING THE LEVY OF ASSESSMENTS FOR THE COST OF SERVICES PROVIDED IN NORTHLAKE PUBLIC IMPROVEMENT DISTRICT NO. 1 DURING FISCAL YEAR 2018-2019; SETTING OF CHARGES AND LIENS AGAINST PROPERTY IN THE DISTRICT AND AGAINST THE OWNERS THEREOF; PROVIDING FOR THE COLLECTION OF SUCH ASSESSMENTS; RESERVING UNTO THE TOWN COUNCIL THE RIGHT TO ALLOW CREDITS REDUCING THE AMOUNT OF THE RESPECTIVE ASSESSMENT TO THE EXTENT OF ANY CREDIT GRANTED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Northlake, Texas, has heretofore directed that certain services (the "Services") shall be provided in the Northlake Public Improvement District No. 1 (the "District"); and

WHEREAS, the boundaries of the improvement district are approximately: quarter mile north of Old Justin Road on the north, Harvest Way on the east, FM 407 on the south, and quarter mile west of Cleveland-Gibbs Road on the west; and

WHEREAS, the Services provided in Fiscal Year 2018-2019 and their estimated costs are as follows:

EXPENSES

Utilities	128,131
Landscape Maintenance	897,100
Common Area Maintenance	66,550
Limited Access	0
General and Administrative	43,172
Insurance and Taxes	921
Employees	74,583
Town Administration Fee	10,000
Budget Expenses	**$1,220,457**

The total budgeted expenses of the Services are $1,220,457 in the District; and

WHEREAS, it is proposed that property in the District be assessed at $0.21 per each $100 of property value, as of January 1, 2018 and determined by the appraisal district with jurisdiction over property in the District:

WHEREAS, the Services and proposed assessment roll were heard by the Town Council in a public hearing conducted on the 13th day of September 2018, at 7:00 p.m. in the Council Chamber in the Town Hall in the Town of Northlake, Texas (the "Public Hearing"), notice of which was published in a newspaper of general circulation in the Town, and at such hearing all desiring to be heard were given a full and fair opportunity to be heard;

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

SECTION 1.

The Town Council, from all evidence before it, including all information provided to it and considered in the Public Hearing, finds that the assessments herein described should be levied against the respective parcels of property in the District and against the owners of such property. Such assessments and charges are right and proper and are substantially in proportion to the benefits to the respective parcels of property by means of the Improvements in the District for which such assessments are levied and establish substantial justice and equality and uniformity between all parties concerned, considering the benefits received and burdens imposed. The Town Council further finds that in each case the property assessed is specially benefited in enhanced value to the said property by means of the Improvements in the District and for which assessment is levied and charge made, and further finds that the apportionment of the cost of the Improvements is in accordance with applicable law. The Town Council, from the evidence, further finds that the values of the respective parcels of property on January 1, 2018, are true and correct.

SECTION 2.

There shall be levied and assessed against the parcels of property in the District and against the real and true owners thereof (whether such owners be correctly named herein or not), the sums of money itemized per parcel of property, and the owners thereof, as far as such owners are known, at the following rates and method of payment: $0.21 per each $100 of value for property in the District.

SECTION 3.

Where more than one person or entity owns an interest in any property described herein, each such person or entity shall be personally liable only for its, her or his pro rata share of the total assessment against such property in proportion to its, his or her respective interest to the total ownership such property, and its, his or her respective interest in such property may be released from the assessment lien upon payment of a proportionate sum.

SECTION 4.

The several sums above mentioned and assessed against the said parcels of property, and owners thereof, and penalty and interest thereon at the rate prescribed by Chapter 372, Texas Local Government Code (the Public Improvements District Assessment Act), together with reasonable attorney's fees and cost of collection, if incurred, are hereby declared to be and are made a lien upon the respective parcels of property against which the same are assessed, and a personal liability and charge against the real and true owners of such property, whether such owners be correctly named herein or not, and such liens shall be and constitute the first enforceable lien and claim against the property on which such assessments are levied, and shall be a first and paramount lien thereon, superior to all other liens and claims, except state, county, school district and Town ad valorem taxes. A copy of this ordinance may be filed with the County Clerk of Denton County, Texas, and when so filed shall constitute complete and adequate legal notice to the public concerning the liens hereby assessed against the respective parcels of property and the owners thereof.

The sums so assessed against the respective parcels of property and the owners thereof shall be and become due and payable on or before January 31, 2019 and shall become delinquent if not paid by February 1, 2019. The entire amount assessed against each parcel of property shall bear penalty and interest, from and after February 1, 2019 at the same rate as prescribed by law for any delinquent ad valorem tax until paid.

SECTION 5.

If default shall be made in the payment of any assessments, collection thereof shall be enforced by suit in any court of competent jurisdiction, and Town shall exercise all of its lawful powers to aid in the enforcement and collection of said assessments.

SECTION 6.

The total amount assessed against the respective parcels of property, and the owners thereof, is in accordance with the proceedings of the Town hereto and is less than the proportion of the cost allowed and permitted by applicable law.

SECTION 7.

Although the aforementioned charges have been fixed, levied, and assessed in the respective amounts herein stated, the Town Council does hereby reserve the right to reduce the aforementioned assessments by allowing credits to certain property owners where deemed appropriate and provided that such any such allowance does not result in any inequity and/or unjust discrimination.

SECTION 8.

Full power to make and levy reassessments and to correct mistakes, errors, invalidities or irregularities in the assessments are, in accordance with the law in force in this Town, vested in the Town.

SECTION 9.

In any suit upon any assessment or reassessment, it shall be sufficient to allege the substance of the provision recited in this ordinance and that such recitals are in fact true, and further allegations with reference to the proceedings relating to such assessment and reassessment shall not be necessary.

SECTION 10.

Should any portion, section or part of a section of this Ordinance be declared invalid, inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way impair the remaining portions, sections, or parts of sections of this Ordinance, which shall remain in full force and effect.

SECTION 11.

This Ordinance shall be cumulative of all other ordinances and appropriations amending the same except in those instances where the provisions of this Ordinance are in direct conflict with such other ordinances and appropriations, in which instance said conflicting provisions of said prior ordinances and appropriations are hereby expressly repealed.

SECTION 12.
This Ordinance shall take effect and be in full force and effect from and after the date of its passage.

AND IT IS SO ORDAINED.

PASSED AND APPROVED ON THIS DAY 13TH OF SEPTEMBER 2018

TOWN OF NORTHLAKE, TEXAS

____

Peter Dewing, Mayor

Attest:

____
Shirley Rogers, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Ashley Dierker, Town Attorney

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 18-0913B

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS ACCEPTING AND APPROVING AN UPDATE OF THE SERVICE AND ASSESSMENT PLAN AND AN UPDATED ASSESSMENT ROLL FOR THE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT IN COMPLIANCE WITH CHAPTER 372 (AUTHORIZED IMPROVEMENT ASSESSMENT); MAKING AND ADOPTING FINDINGS; PROVIDING FOR THE INCORPORATION OF FINDINGS; ACCEPTING AND APPROVING THE ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL FOR THE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT, ATTACHED AS EXHIBIT "A" HERETO; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING SEVERABILITY, PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 24, 2014, after due notice, the Town Council of the Town of Northlake, Texas (the "Town Council") held the public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Sec. 372.009 of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act ") and made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 14-12 adopted by a majority of the members of the Town Council, authorized the PID in accordance with its finding as to the advisability of the public improvements and services;

WHEREAS, on May 29, 2014, after notice and a public hearing conducted in the manner required by law, the Town Council adopted Ordinance No. 14-0529A approving a service and assessment plan and an assessment roll for The Highlands Public Improvement District;

WHEREAS, on May 29, 2014, the Town Council issued bonds secured directly and indirectly, respectively, by the assessments levied pursuant to the Assessment Ordinance;

WHEREAS, Section 372.013 of the PID Act and the Service and Assessment Plan require that the Service and Assessment Plan and Assessment Roll be annually reviewed and updated;

WHEREAS, the Annual Service Plan Update and updated Assessment Roll attached as **Exhibit "A"** hereto conform the original Assessment Roll to the principal and interest payment schedule required for the bonds, thereby reducing the amounts listed on the original Assessment Roll, and update the Assessment Roll to reflect prepayments, property divisions and changes to the budget allocation for District public improvements that occur during the year, if any; and

WHEREAS, the Town Council now desires to proceed with the adoption of this Ordinance which supplements the Assessment Ordinance and approves and adopts the Annual Service Plan Update and the Updated Assessment Roll attached thereto, in conformity with the requirements of the PID Act, for the fiscal year beginning October 1, 2018 and ending September 30, 2019.

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

SECTION 1.
INCORPORATION OF FINDINGS

The findings and determinations set forth in the preambles above are incorporated herein for all purposes and are hereby adopted.

SECTION 2.
ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL

The Annual Service Plan Update and Updated Assessment Roll attached hereto as **Exhibit "A"** are hereby accepted and approved and compliance with the PID Act in all matters is required.

SECTION 3.
CUMULATIVE REPEALER

That this Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such Ordinance on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the Ordinance shall remain in full force and effect.

SECTION 4.
SEVERABILITY

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the Town Council that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

SECTION 5.
EFFECTIVE DATE

This Ordinance shall take effect, and the levy of the Assessments, and the provisions and terms of the Plan shall be and become effective on upon passage and execution hereof in accordance with the law.

Passed and approved on this 13th day of September 2018

Town of Northlake, Texas

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

APPROVED TO AS FORM:

____

Ashley Dierker, Town Attorney

EXHIBIT "A"
ANNUAL SERVICE PLAN UPDATE AND UPDATED ASSESSMENT ROLL
(AUTHORIZED IMPROVEMENT ASSESSMENT)

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THE HIGHLANDS PUBLIC IMPROVEMENT DISTRICT
NORTHLAKE, TEXAS

ANNUAL SERVICE PLAN UPDATE
TO THE SERVICE AND ASSESSMENT PLAN

Introduction

On April 24, 2014 the Town Council of the Town of Northlake, Texas adopted resolution 14-12, pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, creating The Highlands Public Improvement District.

A service and assessment plan (the "Service and Assessment Plan") was prepared at the direction of the Town Council identifying the public improvements to be provided by the PID, the costs of the Authorized Improvements, the indebtedness to be incurred for the authorized improvements, and the manner of assessing the property in the PID for the costs of the authorized improvements. Pursuant to Sections 372.013, 372.014, and 372.015 of the Public Improvement District Act (the "PID Act"), the Service and Assessment Plan is to be reviewed and updated annually. The update of the Service and Assessment Plan (the "Annual Service and Assessment Plan Update") for 2018 includes the 2018 assessment roll identifying the assessments on each parcel, based on the method of assessment set forth in the Service and Assessment Plan, as amended, and pursuant to this Annual Service Plan Update. Section 372.015 of the PID Act states that the governing body of the municipality shall apportion the cost of an improvement to be assessed against property in an improvement district, and the apportionment shall be made on the basis of special benefits accruing to the property because of the improvement.

On May 29, 2014 the Town Council authorized the issuance of combination tax and assessment revenue certificates of obligation, series 2014A, in the amount of $4,170,000.00 for the authorized improvements within The Highlands Public Improvement District.

Update of the Service Plan

Schedule A shows the sources of funds for the authorized improvements and estimated costs to be incurred in connection with the issuance of the 2014 Series A Certificates of Obligation and the uses of these funds.

Schedule A
Sources and Uses of Funds
The Highlands Public Improvement District
(Cumulative as of August 31, 2018)

Sources of Funds:	
Par Amount of Certificates	$ 4,170,000
Net Original Issue Discount	(720)
Developer Contributions	7,862,709
Total Sources of Funds	$ 12,031,989

Uses of Funds:	
PID Improvements	
Waterline	$ 890,000
Paving	4,901,078
Landscaping/Open Space	2,586,000
Utilities	1,612,203
Soft Cost	1,125,000
Contingency	653,428
Underwriter's Discount	49,515
Cost to Establish PID and Issuance Costs	214,765
Total Uses of Funds	$ 12,031,989

Schedule B contains the five-year service plan that details the sources of funding and expenditures for PID. The schedule shows the activity that has occurred through August 2018.

Schedule B
Authorized Improvements
The Highlands Public Improvement District Sources & Usage of Funds
May 2014 - August 2018

	Total
Sources of Funds:	
Par Amount of Certificates	4,170,000
Net Original Issue Discount	(720)
Developer Contributions	7,862,709
Total Sources of Funds	12,031,989
Uses of Funds:	
PID Improvements	
Waterline	890,000
Paving	4,901,078
Landscaping/Open Space	2,586,000
Utilities	1,612,203
Soft Cost	1,125,000
Contingency	653,428
Underwriter's Discount	49,515
Cost to Establish PID and Issuance Costs	214,765
Total Uses of Funds	12,031,989

Debt Service and Assessment Collections

The assessments imposed on any parcel may be paid in full at any time. If an assessment is not paid in full, the assessments are payable in 20 (twenty) annual installments. Each assessment installment is comprised of payment for principal and interest for the 2014 Series A Tax and Assessment Certificate of Obligation, maintenance and operation expenses, and administrative expenses.

Schedule C shows the amounts to be collected during fiscal year 2019 for the assessments and the expected payments for debt service, maintenance and operations and administrative expenses.

Schedule C
Fiscal Year 2019 Budget For Annual Assessments
The Highlands Public Improvement District

Revenues:		
Annual Assessments To Be Collected	$	317,902
Interest Income		10,000
Total Revenues	$	327,899

Expenditures		
Debt Service:		
Principal Payment on August 15, 2018	$	175,000
Interest Payment on August 15, 2018		105,125
Debt Service Bank and Agent Fees		3,150
Maintenance & Operations		11,041
Administrative Expenses		10,000
Total Expenditures	$	304,316

Schedule D
The Highlands Public Improvement District
Tax Year 2018 Certified Assessment Roll
Fiscal Year 2019

Entity	Property ID	File Name	Address	City	State	Zip	Total Land Acres	2018 Assessment
THE HIGHLANDS PID	161073DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	263.91	$ 220,138.58
THE HIGHLANDS PID	669938DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.50	$ 1,947.21
THE HIGHLANDS PID	669939DEN	ENGLISH, TONY R & TERESA L	3208 GLENMORE AVE	JUSTIN	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669940DEN	HOLMES, JOSEPH J & KAREN	3216 GLENMORE AVE	JUSTIN	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669941DEN	NOBLE CLASSIC HOMES INC	PO BOX 507	ARGYLE	TX	76226	1.09	$ 1,414.97
THE HIGHLANDS PID	669942DEN	HARDING, MATTHEW SCOTT & JENNIFER LEIGH	3232 GLENMORE AVE	NORTHLAKE	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669943DEN	TCMILLERCONSTRUCTION LLC	1450 HUGHES RD STE 215	GRAPEVINE	TX	76051	1.09	$ 1,414.97
THE HIGHLANDS PID	669944DEN	KENNEDY, BRENT & KAREN KAY	3248 GLENMORE AVE	JUSTIN	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669945DEN	ANDERSON MILLER INTERESTS LLC A TEXAS LIMITE	3901 AIRPORT FWY STE 31	BEDFORD	TX	76021	1.09	$ 1,414.97
THE HIGHLANDS PID	669946DEN	TRAVIS, CLIFFORD WAYNE & CHRISTINE DAVIES	3264 GLENMORE AVE	JUSTIN	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669947DEN	BRYNN, LEIF E & DEDRA K	3272 GLENMORE AVE	NORTHLAKE	TX	76247	1.09	$ 1,414.97
THE HIGHLANDS PID	669948DEN	HORTON, JOEY & TERESA	3280 GLENMORE AVE	JUSTIN	TX	76247	1.11	$ 1,440.94
THE HIGHLANDS PID	669949DEN	INDEPENDENCE CUSTOM HOMES INC	PO BOX 716	COLLEYVILLE	TX	76034	1.03	$ 1,337.08
THE HIGHLANDS PID	669950DEN	ABRAHAM, ABBEY & SUSAN E	1024 CORDERO DR	LEWISVILLE	TX	75067	1.00	$ 1,298.14
THE HIGHLANDS PID	669951DEN	PROVIDENTIAL LAND DEVELOPMENT LP	624 STONEGLEN DR	KELLER	TX	76248	1.02	$ 1,324.10
THE HIGHLANDS PID	669952DEN	LOCKNANE, CODY & PAIGE	3332 GLENMORE AVE	JUSTIN	TX	76247	1.03	$ 1,337.08
THE HIGHLANDS PID	669953DEN	GREEN, BRANDON & KRISTINA	3408 GLENMORE AVE	JUSTIN	TX	76247	1.24	$ 1,609.69
THE HIGHLANDS PID	669954DEN	PEEL, MARK K & KAREN M	3416 GLENMORE AVE	JUSTIN	TX	76247	1.22	$ 1,583.73
THE HIGHLANDS PID	669955DEN	BUTLER, WILLIAM R & SADIE F	3424 GLENMORE AVE	JUSTIN	TX	76247	1.22	$ 1,583.73
THE HIGHLANDS PID	669956DEN	TYLER, DAVID L & LINDA A	3432 GLENMORE AVE	JUSTIN	TX	76247	1.22	$ 1,583.73
THE HIGHLANDS PID	669957DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.29	$ 1,674.60
THE HIGHLANDS PID	669958DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.22	$ 1,583.73
THE HIGHLANDS PID	669959DEN	ANDERSON MILLER INTERESTS LLC	1450 HUGHES RD STE 215	GRAPEVINE	TX	76051	1.59	$ 2,064.04
THE HIGHLANDS PID	669960DEN	LAMBERT, JAMES & KATHRYN	3409 KNIGHTS CT	JUSTIN	TX	76247	1.27	$ 1,648.64
THE HIGHLANDS PID	669961DEN	BRUGLER, MERCER L & DONNA J	17407 PRESCOTT MNR	CYPRESS	TX	77433	1.05	$ 1,363.05
THE HIGHLANDS PID	669962DEN	HUNKE, DANIEL & LAUREN	3400 WESTHILL CIR	JUSTIN	TX	76247	1.01	$ 1,311.12
THE HIGHLANDS PID	669963DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.01	$ 1,311.12
THE HIGHLANDS PID	669964DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.16	$ 1,505.84
THE HIGHLANDS PID	669965DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.19	$ 1,544.79
THE HIGHLANDS PID	669967DEN	HERZOG, GARY W & PEGGY M	500 SUTHERLAND CRESCEN	NORTHLAKE	TX	76247	1.18	$ 1,531.81
THE HIGHLANDS PID	669968DEN	GAVIGLIO, MARK & JANICE M	550 SUTHERLAND CRESCEN	JUSTIN	TX	76247	1.01	$ 1,311.12
THE HIGHLANDS PID	669969DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.01	$ 1,311.12
THE HIGHLANDS PID	669970DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.01	$ 1,311.12
THE HIGHLANDS PID	669971DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.01	$ 1,311.12
THE HIGHLANDS PID	669972DEN	NOBLE CLASSIC HOMES INC	PO BOX 507	ARGYLE	TX	76226	1.14	$ 1,479.88
THE HIGHLANDS PID	669973DEN	NOBLE CLASSIC HOMES INC	PO BOX 507	ARGYLE	TX	76226	1.52	$ 1,973.17
THE HIGHLANDS PID	669974DEN	WILSON, LUCAS P & JAMIE D	3320 NORTHWEST CROSSI	JUSTIN	TX	76247	1.16	$ 1,505.84
THE HIGHLANDS PID	669975DEN	ANDERSON MILLER INTERESTS LLC A TEXAS LIMITE	3901 AIRPORT FWY STE 31	BEDFORD	TX	76021	1.08	$ 1,401.99
THE HIGHLANDS PID	669976DEN	ANDERSON MILLER INTERESTS LLC A TEXAS LIMITE	3901 AIRPORT FWY STE 31	BEDFORD	TX	76021	1.14	$ 1,479.88
THE HIGHLANDS PID	669977DEN	PROVIDENTIAL LAND DEVELOPMENT LP	624 STONEGLEN DR	KELLER	TX	76248	1.17	$ 1,518.82
THE HIGHLANDS PID	669978DEN	INDEPENDENCE CUSTOM HOMES INC	6114 HUNTER LN	COLLEYVILLE	TX	76034	1.17	$ 1,518.82
THE HIGHLANDS PID	669979DEN	WHELAN, JAMES J & ANDREA D	3426 NORTHWEST CROSSI	JUSTIN	TX	76247	1.25	$ 1,622.68
THE HIGHLANDS PID	669980DEN	FULLERTON, JACQUELINE D & THOMAS J	19405 LA SERENA DR	ESTERO	FL	33967	1.16	$ 1,505.84
THE HIGHLANDS PID	669981DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.33	$ 1,726.53
THE HIGHLANDS PID	669982DEN	INDEPENDENCE CUSTOM HOME INC	6114 HUNTER LN	COLLEYVILLE	TX	76034	1.05	$ 1,363.05
THE HIGHLANDS PID	669983DEN	INDEPENDENCE CUSTOM HOMES INC	PO BOX 716	COLLEYVILLE	TX	76034	1.10	$ 1,427.95
THE HIGHLANDS PID	669984DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.09	$ 1,414.97
THE HIGHLANDS PID	669985DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.06	$ 1,376.03
THE HIGHLANDS PID	669986DEN	INDEPENDENCE CUSTOM HOMES INC	PO BOX 716	COLLEYVILLE	TX	76034	1.29	$ 1,674.60
THE HIGHLANDS PID	669987DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.02	$ 1,324.10
THE HIGHLANDS PID	669988DEN	MACHOLL, JAMES & SIVERIO-MACHOLL, DORA	9833 AMARANTH DR	FORT WORTH	TX	76177	1.13	$ 1,466.90
THE HIGHLANDS PID	669989DEN	PROVIDENTIAL LAND DEVELOPMENT LP	624 STONEGLEN DR	KELLER	TX	76248	1.00	$ 1,298.14
THE HIGHLANDS PID	669990DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	1.00	$ 1,298.14
THE HIGHLANDS PID	669992DEN	BOND, RHONDA G	3285 GLENMORE AVE	JUSTIN	TX	76247	1.02	$ 1,324.10
THE HIGHLANDS PID	669993DEN	BONAR, SAMUEL A & CAROL A	3273 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	669994DEN	CAMPBELL, LESLI G	3265 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	669995DEN	MARGIOTTI, JOHN MICHAEL JR & JAMIE L	3257 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	669996DEN	PROVIDENTIAL LAND DEVELOPMENT LP	624 STONEGLEN DR	KELLER	TX	76248	1.00	$ 1,298.14
THE HIGHLANDS PID	669997DEN	JOHNSON, MARCUS CULLEN & JILLIAN L	3241 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	669998DEN	PULLEN, RYAN K & TERRIN M	3233 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	669999DEN	SITZ, GREGORY S & STACEY L	2802 SHERWOOD DR	TROPHY CLUB	TX	76262	1.00	$ 1,298.14
THE HIGHLANDS PID	670000DEN	DALTON, TERRY W & IDA M	PO BOX 243	ARGYLE	TX	76226	1.00	$ 1,298.14
THE HIGHLANDS PID	670001DEN	INDEPENDENCE CUSTOM HOMES INC	PO BOX 716	COLLEYVILLE	TX	76034	1.00	$ 1,298.14
THE HIGHLANDS PID	670002DEN	ADAIR, JARETT C & ASHLEY G	3441 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	670003DEN	COURTNEY, PAUL J & PUENTES, AUDREY R	3435 GLENMORE AVE	NORTHLAKE	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	670004DEN	BAILEY, DELINDA K & GARY LYNN	3427 GLENMORE AVE	JUSTIN	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	670005DEN	NEWTON, HOWARD W & KATRINA L	3419 GLENMORE AVE	NORTHLAKE	TX	76247	1.00	$ 1,298.14
THE HIGHLANDS PID	670006DEN	ANDERSON MILLER INTERESTS LLC	1450 HUGHES RD STE 215	GRAPEVINE	TX	76051	1.00	$ 1,298.14
THE HIGHLANDS PID	670007DEN	ANDERSON MILLER INTERESTS LLC	1450 HUGHES RD STE 215	GRAPEVINE	TX	76051	1.02	$ 1,324.10
THE HIGHLANDS PID	670008DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	0.03	Exempt
THE HIGHLANDS PID	670009DEN	RCM HIGHLANDS LP	909 LAKE CAROLYN PKWY S	IRVING	TX	75039	11.54	Exempt
					Grand Totals		**350.79**	**$ 317,901.50**

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 18-0913C

AN ORDINANCE OF THE TOWN OF NORTHLAKE, TEXAS ADOPTING A FISCAL YEAR 2019 ANNUAL BUDGET FOR TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF NORTHLAKE, TEXAS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on December 10, 2015, the Town Council of the Town Of Northlake, Texas (the "Town") held a public hearing on the creation of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (the "Zone"), at which a preliminary Project and Financing Plan for the Zone was presented;

WHEREAS, on December 10, 2015, the Town Council created a Tax Increment Financing Reinvestment Zone to be entitled "Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas;"

WHEREAS, on January 14, 2016, this Board of Directors of the Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas approved the Project and Financing Plan and found and determined that the projects set forth in the Project and Financing Plan provide infrastructure and facilities that enhance and promote the development and redevelopment of the Zone and enhance property values in the Zone;

WHEREAS, on June 8, 2017 the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas approved Resolution TIRZ No. 1-02 which approved the proposed Fiscal Year 2018 Annual Budget for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and

WHEREAS, the Town Council has reviewed the proposed Fiscal Year 2019 Annual Budget for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas as approved by the Board of Directors and has determined that the proposed budget should be approved.

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

SECTION 1

The Town Council finds that all matters stated in the preamble of this ordinance are true and correct and are incorporated into the body of this ordinance.

SECTION 2

The Fiscal Year 2019 Annual Budget for the Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas (attached hereto as Exhibit A) in the form and substance attached hereto and incorporated herein, is hereby approved.

SECTION 3

This ordinance is effective on the date of passage.

PASSED AND APPROVED on this 13th day of September, 2018

TOWN OF NORTHLAKE, TEXAS

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

EXHIBIT A

Fiscal Year 2019 Annual Budget

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	(1,385)	5,197	5,197	5,197	5,197
REVENUES:						
Ad Valorem Taxes	-	36,896	73,451	73,451	73,451	127,027
Transfers	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	-	36,896	73,451	73,451	73,451	127,027
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	43,451	-	43,451	97,027
Utilities	-	-	-	-	-	-
Services	1,385	30,314	30,000	4,591	30,000	30,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,385	30,314	73,451	4,591	73,451	127,027
REV OVER/(UNDER) EXP	(1,385)	6,582	0	68,860	0	-
ENDING FUND BALANCE	(1,385)	5,197	5,197	74,056	5,197	5,197

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Shirley Rogers, Town Secretary

Karen Bolyard, Finance Director

Date: September 13, 2018

Re: Adoption of 2018-2019 Proposed Budget and 2017-2018 Revised Budget

---

The 2017-2018 Proposed Budget is based on continuing the 29.5¢ tax rate. The same rate since last increased in 1997. The proposed budget document was filed with the Town Secretary and was made available online at the Town website www.town.northlake.tx.us on July 27, 2018.

The 2017-2018 Revised and 2018-2019 Proposed Annual Operating Budgets are as follows:

Fund Title	FY 2018 Revised	FY 2019 Proposed
General Fund	$4,732,289	$4,402,259
Capital Projects Fund	$1,450,000	$3,550,000
Debt Service Fund	$556,937	$1,331,034
Other Special Revenue Funds	$80,469	$40,400
Hotel Occupancy Tax Fund	$91,575	$110,468
Economic Development Corporation	$409,025	$573,318
Community Development Corporation	$409,025	$573,318
Utility Fund	$3,220,028	$4,111,493
Utility Impact Fees Fund	$555,010	$712,000
Utility Capital Projects Fund	$25,881	$10,035,881
Equipment Services Fund	$270,000	$274,000
Building Services Fund	$602,290	$257,312
Information Technology Services Fund	$183,200	$158,000
PID #1 (Harvest)	$501,050	$779,600
PID #2 (The Highlands)	$302,499	$304,316
TIRZ #1 (Canyon Falls)	$73,451	$127,027

The Economic and Community Development Corporation Board meetings were held on August 16, 2018 at 4:30 pm and 5:30 pm at which the Boards reviewed the operating budgets for the Corporations and made recommendations to Council to approve the respective proposed budgets.

The notice of public hearing for the 2018-2019 Annual Budget was published in the Denton Record Chronicle newspaper on July 30, 2018 in accordance with State law. The public hearing was held during the Town Council meeting, August 9, 2018. All necessary notices, publications and hearings have been completed in compliance with State law.

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

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 18-0913D

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE TOWN FOR THE FISCAL YEAR OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Northlake, Texas has held work sessions and a public hearing on the budget for the Town of Northlake, Texas for the fiscal year 2018-2019; and

WHEREAS, the Northlake Economic Development Corporation and the Northlake Community Development Corporation held public hearings on their budgets on August 9, 2018 and

WHEREAS, the Northlake Economic Development Corporation and the Northlake Community Development Corporation recommended their budgets for approval by the Town Council; and

WHEREAS, the Northlake Public Improvement Districts No. 1 and The Highlands Public Improvement District held public hearings on their budgets on August 9, 2018; and

WHEREAS, the Northlake Public Improvement Districts No. 1 and The Highlands Public Improvement District recommended their budgets for approval by the Town Council; and

WHEREAS, the Town Council concluded its public hearing on said budget on August 9, 2018; and

WHEREAS, the Town Council, upon full consideration of the matter, is of the opinion that the budget hereinafter set forth is proper, is in the best interest of the health, safety, and general welfare of the citizens of the Town of Northlake, and should be adopted;

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

Section 1. That appropriations as designated for the payment of expenses for the operation of the town government, hereinafter itemized by a true and correct copy of the budget document hereto attached as Exhibit A, are hereby approved.

Section 2. That expenditures during the fiscal year shall be made in accordance with budget approved by this ordinance, unless otherwise authorized by a duly enacted ordinance of the Town, said budget document being on file for public inspection in the office of the Town Secretary.

Section 3. That the budget shall be filed with the municipal clerk; a copy of budget, including the cover page, shall be posted on the Town's official website; and the record vote of each member voting on the adoption of the budget shall be posted on the Town's official website.

Section 4. That the necessity for making and approving a budget for the fiscal year, as required by the laws of the State of Texas, require that this Ordinance shall take effect immediately from and after its passage, as the law in such case provides.

DULY PASSED AND APPROVED by the Town Council of the Town of Northlake, Texas this **13th day of September 2018**

Town of Northlake, Texas

____
Peter Dewing, Mayor

Attest:

____
Shirley Rogers, Town Secretary

NORTHLAKE
TEXAS

Bridging the Gaps

Filling in the Spaces

Town of Northlake

2018-2019 Annual Budget

Town of Northlake

Proposed Budget
For Fiscal Year Starting October 1, 2018

This budget will raise more total property taxes than last year's budget by $446,879 or 31.9%, and of that amount $222,296 is a revenue increase from new property added to tax roll this year.

Town Council

Peter Dewing, Mayor

Brian G. Montini, Mayor Pro Tem

Rena Hardeman

Jimmy Lambert

Roger Sessions

Danny Simpson

Drew Corn, Town Administrator
Karen Bolyard, Finance Director

www.town.northlake.tx.us

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September 13, 2018

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

The Town of Northlake budget for the fiscal year 2018/2019 bridges the gaps and fills in the spaces as the Town continues to stretch in the face of the ever-increasing volume and 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. Constructing new roads and expanding water and sewer systems is and will continue to be a priority for Northlake for the foreseeable future. The new residents and businesses will both create the need for additional Town services and infrastructure but will 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, Lab Supply and reLogistics. 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 past surveys and the most recent 2018 survey of residents and in many conversations with residents, the desire for restaurants and shopping in the area continues. 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, Sonic, IHOP and Popeye's, have all opened within the last two years. Town staff continues to aggressively recruit a grocery store. In the interim, convenience stores have popped up. In 2018, two 7-Eleven stores open simultaneously in Northlake one at State Highway 114 and the other at Farm-to-Market 407. Coming in late the Fall of 2018 are Burgerim, a gourmet burger restaurant, and Amano Bistro a family-run Italian restaurant both the located on SH 114.

In addition to the increase in market values of housing, new homes and buildings have increased property values in Northlake. Certified residential property values have increased over 55% with over three-fourths of this increase from new construction. Sales tax revenue projections will remain at last year's amount. New retail and restaurant sales have replaced one-time sales tax on construction related material for the Northport 35 and Farmer Brothers projects. The Town's utility system operations which are experiencing substantial, annual cost increases from wholesale providers. However, the growing customer base has allowed the Town to keep residential retail rates from increasing correspondingly.

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, delaying infrastructure improvements, 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 2019, the Town has increased staffing. This trend is proposed to continue with the addition of four positions. In Police, the sergeant will provide for 24-hour supervision and officer backup. In Public Works, the maintenance worker will supplement existing staff to monitor and maintain the Town's water system. The planner will assist the Development Services director with review of zoning requests, plats, site plans and other development related submissions. The accountant will assist the Finance Director with accounting entries, reconciliations, and document preparation for audit, budget and other financial functions.

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 2016 Series debt totaled $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. Proposed for FY 2019 is the issuance of $12,000,000 in certificates of obligation to finance crucial expansion of the Town's water system. In the north, a 1.25-million-gallon elevated water storage tank and related lines will be built to ensure water storage and pressures. In the south, a 0.75-million-gallon elevated water storage tank, a 0.5-million-gallon ground storage, pumping capacity and related lines will be constructed to replace the beneficial but soon to end water pressures supplied by the City of Fort Worth.

The Town of Northlake has been able to leverage growth to the benefit of the residents and the Town infrastructure. North Ridge Estates property values provided funding to pave Florance Road, Bingham Road and Schober Road, and parts of Holder Road and Evelyn Road. 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 funded a second connection to UTRWD, a trail system and upgrades to Florance, Cleveland-Gibbs and Sam Lee. The continued residential growth in The Highlands, Prairie View Farms, Creek Meadows, Stardust Ranch and Canyon Falls will provide the tax base to support the Series 2018 debt issuance.

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. The effective tax rate for the 2018 tax year is calculated as 29.61¢; legislatively defined as the tax rate needed to provide the same property tax revenues using the upcoming year's tax base. In FY 2019, the Town is effectively doing more with less property tax as compared to the prior year. 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 2018-2019, 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 2018/2019 as ratified by the Town Council during the Budget Work Session on May 10, 2018.

- 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 $653,127,276 in 2017, to $781,484,615 in 2018. After exemptions, losses and caps, the taxable value is projected to increase from $500,185,509 in 2017 to $625,771,541 in 2018. Applying the proposed tax rate of 29.5¢ per $100 valuation, property taxes revenues are $1,846,026 an approximately 25 percent increase from property tax revenue last fiscal year. Of this amount $779,292 will be dedicated to debt service, $934,662 will pay for maintenance and operations, and the remaining $132,072 is dedicated to the Canyon Falls Tax Increment Reinvestment Zone. 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 minimal plan changes, healthcare costs are expected to increase 5.5% over last year which is below initial projections. Supplies expense category will increase slightly due to increased staff levels. Maintenance costs will decrease due to newer equipment and a reduction in street maintenance due to the recent road paving projects. Costs for services has decreased from the previous year but a related increase has occurred in Transfers. Rather than splitting common expenses such as insurance, building rental and utilities, the Town will charge each department a monthly internal service charge and then pay common expenses from Building Services internal service fund.

The general themes of this year's proposed service enhancements are to provide additional staff capacity for the ever-increasing workload, to provide additional levels of expertise to assist the Town management team, and to provide oversight and redundancy for worker supervision and safety. 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 one month.

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
- Pave Cleveland-Gibbs from FM 407 to FM 1171 and pave Sam Lee Lane from Ashmore to 1,850 feet east
- Implement a salary and market maintenance adjustment ranging from 2.5% - 5%
- Add additional sergeant position in Police to provide 24-hour supervision and backup
- Add additional maintenance worker position in Public Works for water system monitoring and maintenance, and water meter installation
- Create planner position which reports to Development Director and assists with development related reviews
- Create accountant position to report to Finance Director and performs various accounting, auditing and budget functions for the Town
- Finish out Town Hall lease space with move in September 2018
- Partner with Harvest to conduct Town's first public Fourth of July fireworks display
- Purchase police replacement vehicles and new dump truck and trailer to supplement existing Public Works equipment
- Fund approximately $25,000 in enhancements for officer safety, traffic enforcement and criminal investigations
- Complete design of Phase 3 of the northern pressure plain and Phase 2 of the southern pressure plain including ground storage, pumps and elevated tanks
- Issue certificates of obligation to fund the construction of water system improvements
- Evaluate and repair existing sewer system at SH 114 and IH-35W which was built in 1997

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 and customers, or investments in upgrading existing infrastructure. The proposed budget is in response to existing needs not 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. The recent salary survey recommendations effects staff in three different ways based on which category they fall into. First is to bring employees, who are below the proposed salary range, up to the minimum. Second is to increase salaries of other employees to market based on their education, experience and tenure with the Town. Finally, the remaining employees not affected by the previous two changes will receive a market maintenance adjustment ranging from 2.5% to 5%. The real goal in maintaining competitive salaries is to not lose high-performing, well-trained employees. The loss of productivity and cost of replacing them and retraining often exceed the proposed salary increases.

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. However, with only three sergeants, there are shifts were a lone officer is on duty with no supervision or backup. The Town has utmost confidence in their officers, but this is not the ideal situation. The proposed additional sergeant position will provide for 24-hour supervisory coverage and enhance officer safety with additional backup.

The latest Council of Governments population projections show Northlake with 3,610 residents. These numbers only illustrate part of the Town's service area. Harvest which is not in the Town limits is approaching 5,000 residents and all of those residents are Northlake water customers. Public Works averages two water meter sets per day. In addition, as the system grows so to do the regulations and reporting requirements. An additional maintenance worker is requested to assist with the monitoring and maintenance of the Town's expanding water system.

The Development Director was originally responsible for intake, review and presentation of zoning cases, plats and other development submissions, in addition to economic development, marketing and website management. With the increase in development, a permit technician position was added for intake two years ago. Last year a code compliance position was added to assist with basis code review and compliance of existing uses and structures. While these positions have been a tremendous help, but larger more complicated zoning cases and long-range planning initiatives take up most of the available time of the director. The proposed planner will relieve some of the workload currently on the Development Director.

The Finance Director is responsible for the accounting, auditing, budgeting and overall finances of the Town. The current staff of two accounting clerks helps with the processing of receivables, payables, payroll and benefits, and the setup of utility accounts. However, higher-level functions all fall on the director. The proposed accountant position will lessen the workload of the director, performing such accounting functions as monthly bank reconciliation, weekly check runs, and oversight of the clerks. In addition, the accountant will assist with audit and budget preparation providing the necessary research and documentation for these annual processes.

In 2010 during the downturn in the economy, the Town purchased a used single-rear-axle dump truck which was what was affordable at the time. However, the dump truck cannot carry a full bed load of materials and tow necessary equipment for a project. Multiple trips are necessary. The proposed double-rear-axle dump truck and trailer will adequately transport personnel, materials and equipment to a work site. The current dump truck will still be used to supplement the new trucks increased capacity.

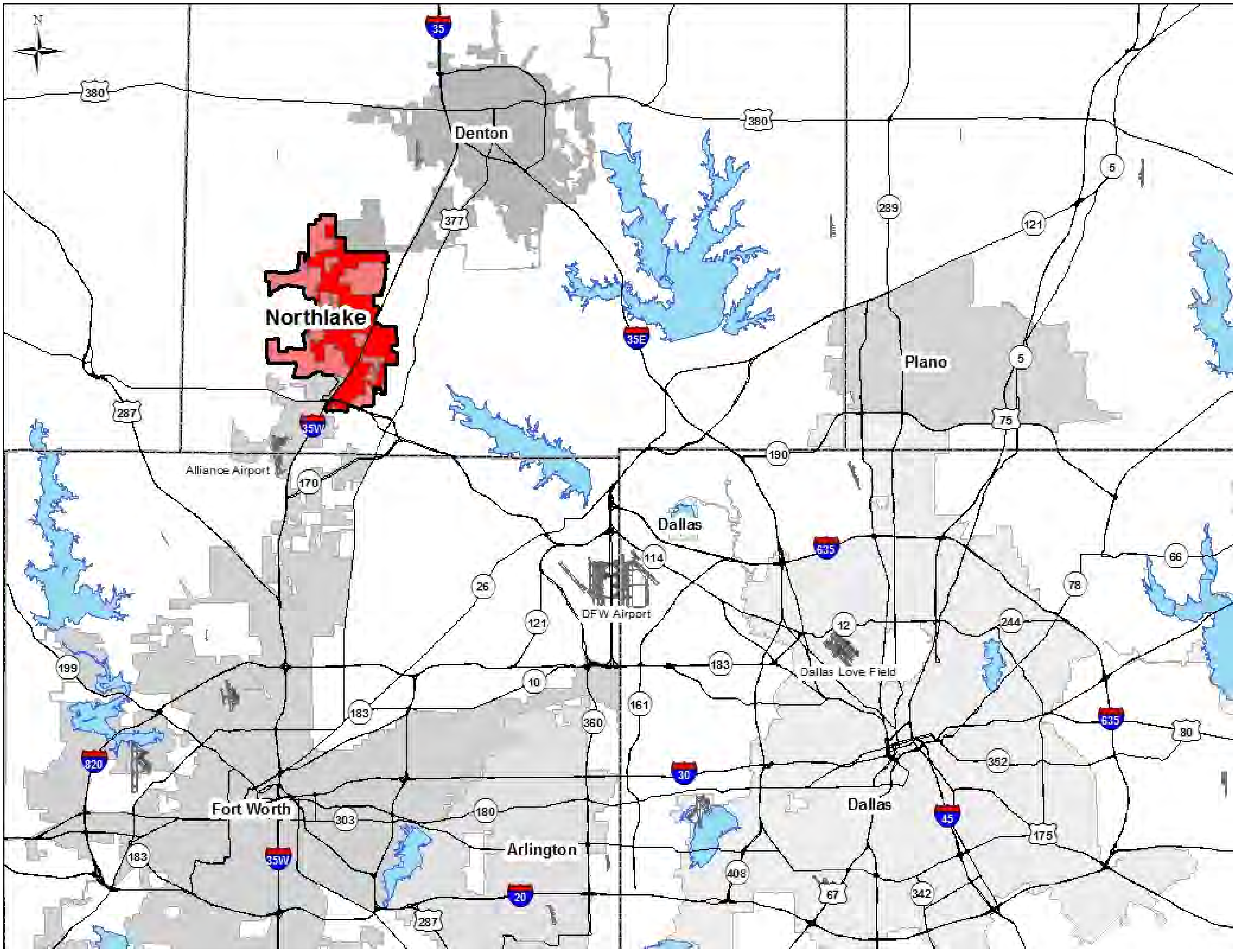
For a small town, Northlake has a vastly expanding water system. There are over 1,500 water connections in Northlake and to provide safe, reliable water to each customer Northlake must expand its pumping and storage capacity. The southern area of Northlake benefits from being on the low end of the City 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. 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 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 The Ridge and Pecan Square, the Town has taken the lead in 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 proposed budget for these water system improvements are $12,000,000 and will be funded from by debt issued in the form of certificates of obligation.

In summary, the Fiscal Year 2018/2019 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 maintain existing service levels but for greater number of residents, customers and businesses, and for increased complexity of activities. The proposed budget will continue to use new resources to invest in infrastructure and in personnel to continue to connect our infrastructure and accomplish our ever-expanding duties.

Sincerely,

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 2017/2018 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 last twenty-one years due to increases in residential and commercial property values, and growth in sales tax and development fee revenues due to development activity. Additional resources were transferred to the building fund to complete lease space finish out costs and were reinvested in the Town as capital improvements. The Town funded 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

Northlake completed the Water and Sewer Impact Fee Study in March of 2018. The study was based on the 2016 Comp Plan Update which emphasized 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. In April, Council adopted the Northlake Strategic Plan with its vision of "Northlake honors its rural legacy while thriving as a multi-generational, family-oriented and highly engaged community".

Attract and Retain Various Business Types for Diverse Future Tax Base

Hillwood purchased of 260 acres off I-35W additional warehouse and commercial development in FY 2017. In FY 2018 Hillwood began construction of a 1.2 million square foot assembly and distribution center for a nationally renowned brand and broke ground on a 500,000 square foot speculative warehouse. These industrial uses bring employees who frequent local restaurants such as Burgerim and Amano Bistro who will open in Fall of 2018. Burgerim and Amano Bistro were recipients of Northlake Pioneer Grants which incentivize retailers and restaurants to locate in Northlake.

Improve, Construct and Maintain Road, Water, Sewer and Drainage Infrastructure

The Town repaved Florance Road from FM 407 to Strader at the beginning of FY 2018. The paving of Cleveland-Gibbs Road (from FM 407 to FM 1171) began the summer of 2018 and will be completed by February 2019. The paving of Sam Lee Lane had been delayed due to underground and above-ground utility relocation. These projects were funded by the issuance of Certificates of Obligation Series 2016.

Design began in FY 2018 on North Pressure Plain Phase III and South Pressure Plain Phase II water system improvements which will include two elevated storage tanks, a ground storage tank, a pump station and 12-inch, 16-inch and 20-inch water transmission lines. The design projects totaled about $1.4 million and were funded with water impact fee funds and cost participation from the Belmont Fresh Water Supply District.

Recruit, Retain and Train Highly Qualified Personnel

In FY 2018, the Town will provide a cost-of-living allocation 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. To recruit and retain, employees with post-secondary degrees, the Town adopted 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

For FY 2018, Police added an administrative assistant to assist the chief and sergeants with 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 civilian but assist the 13 licensed peace officers in the Northlake police force.

In FY 2018, an infrastructure inspector position was created to allow for one point of contact and one voice for Public Works in inspecting the work of contractors building public infrastructure. Also, an Administrative Assistant position was created to 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 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 Code Compliance Coordinator position was added in FY 2018 to assist the director in the reviewing submissions for basic zoning requirements and will also conduct field inspection for compliance to zoning.

Utilize Equipment and Technology to Increase Productivity and Efficiency

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. Similar models were purchased in FY 2017 and the department has been pleased so far with their performance. Smaller equipment purchases were made 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 Public Works vehicles were purchased in FY 2018, a Ford F-150 and Chevy Colorado, to replace former police Chevy Tahoes. A new addition to the Town fleet was another Colorado for the Code Compliance Coordinator as this position inspects code and zoning violations throughout the Town.

Council Budget Principles FY 2018/2019 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 and commercial construction activity continues to increase the property tax base allowing the Town to invest in much needed infrastructure. For FY 2019, the Town proposed issuing $12.0 million in Certificates of Obligation to improve the Town's water storage and distribution system. This investment in the Town will be accomplished with no increase in the tax rate.

Ensure Sustainable Development through Strategic Planning

With the completion of the Master Thoroughfare Plan (MTP) and the Comprehensive Land Use Plan Update in 2016 and the Water, and Sewer Master Plans and Strategic Plan in 2018, the Town will not have any major planning undertaking but will continue to analyze existing plans and look for opportunities for improvement.

Attract and Retain Various Business Types for Diverse Future Tax Base

The 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 has begun. 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 corporations have partnered with Buxton in FY 2019 to focus on assisting commercial developers in finding retail and restaurant tenants for their available buildings and properties.

Improve, Construct and Maintain Road, Water, Sewer and Drainage Infrastructure

Florance Road reconstruction project is complete. Cleveland-Gibbs paving project is projected to be complete in February 2019. Sam Lee paving is anticipated to begin in FY 2018 and be completed in Summer of 2019.

Design of water system improvement for Phase III of the North Pressure Plain and Phase II of the South Pressure Plain will wrap-up in FY 2019 and construction can proceed. The proposed improvements will include a 1.25-million-gallon elevated storage tank and 16-inch water transmission line in the North Plain, and a 0.75-million-gallon elevate storage tank, a 0.5-million-gallon ground storage tank, a pump station, and 12-inch and 20-inch transmission lines.

Recruit, Retain and Train Highly Qualified Personnel

The 2018 salary survey found Northlake salaries to be 14.5% below market. Unlike previous compensation revisions, the proposed adjustments are not across the board and will fall into three categories: adjustment to new minimums, adjustment to market position, and adjustment to overall market. The adjustments keep 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 continued growth in Northlake in both the Ranch Preservation and Traditional Neighborhood Character Areas, an additional sergeant position is proposed for FY 2019 to provide oversight and backup for front-line officers. This position will bring the number of sergeants to four allowing for a supervisory presence for all shifts on a 24-hour basis.

For Public Works, the water system is expanding at a faster pace than population due to water service outside the Town limits and industrial and commercial customer growth. To help maintain the water system and assist with testing, an additional maintenance worker position is proposed.

The Development and Finance Directors have historically been working department heads; performing operational duties while also providing leadership and oversight for their departments. As Northlake grows in both terms of residents and complexity, these department heads will devote more time to management and less time to daily tasks. The budget requests two new positions, Planner and Accountant, to assist Development Services and Finance, respectively, and provide much needed professional assistance to these departments.

The Town finalized a lease agreement for office space on the north side of FM 407 at the entrance of Harvest. Interior finish-out construction has begun and furniture, fixtures and equipment including an audio and visual system for council chambers and court room have been ordered. Move in date for the lease space is projected to be October 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 2018 and the department has been pleased with their performance.

In 2010, Public Works purchased a used single-rear-axle dump truck and heavy-duty trailer which was all the Town could afford at the time. The dump truck with a full load of materials could not pull the trailer with the necessary equipment causing crews to make multiple trips for even the simplest projects. Also, the trailer had an irreparable air-brake system. In the proposed budget, staff requests a new double-axle dump truck and a new heavy-duty trailer allowing for the hauling of materials, equipment and crew to the job-site in one trip. The existing dump truck will continue to be used in a supplemental role.

In Public Works ongoing battle with sewer system groundwater inflow and infiltration, staff proposes engaging a consultant to video sewer lines in identified areas to assess for any damage or breaks. Depending on the severity, smaller issues can be repaired with the remote equipment. Larger issues will be mapped and further studies for long-term repair solutions.

Fund Summaries

Before moving into the details of the proposed budget for FY 2018/2019, 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

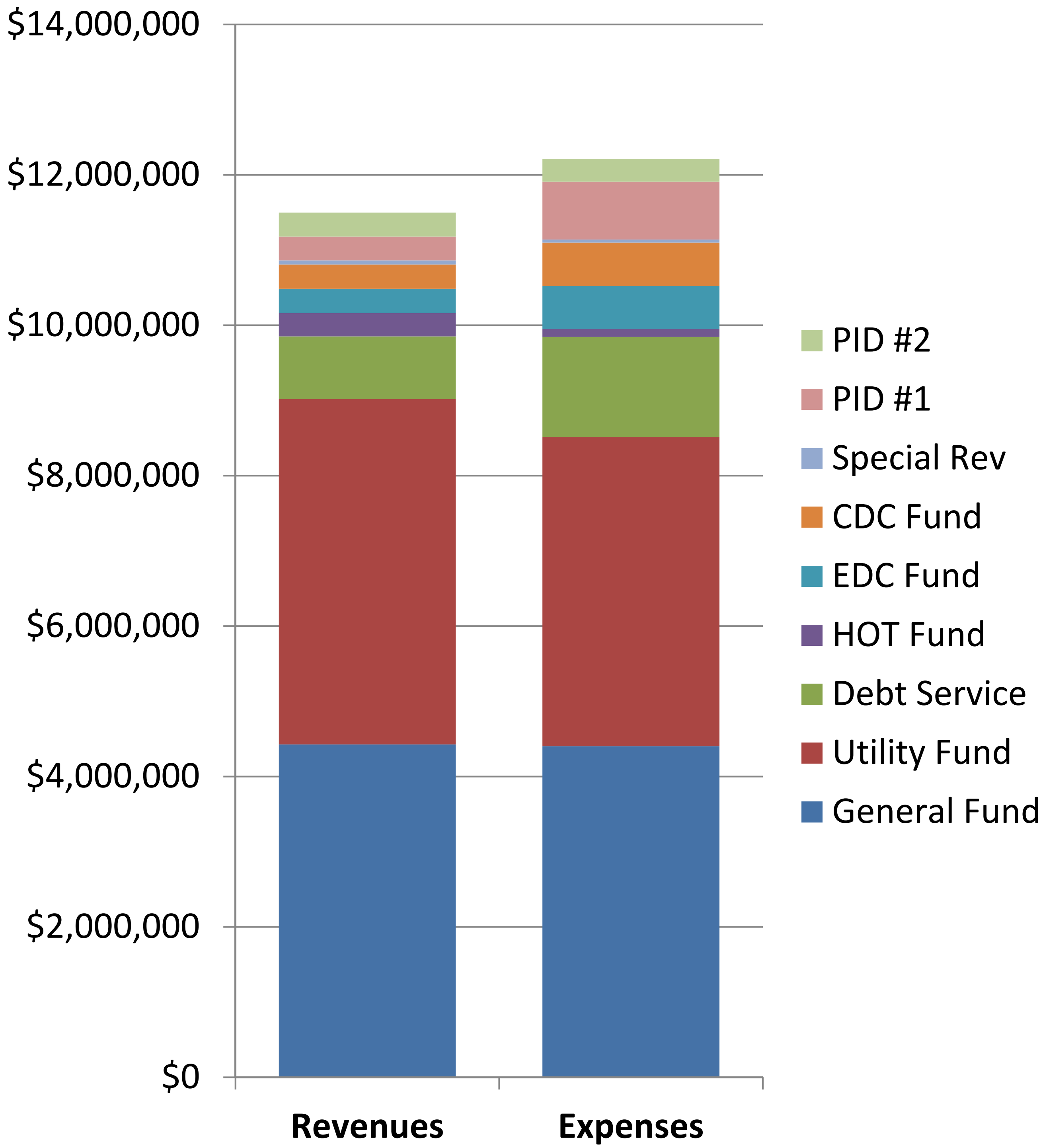
The Proprietary Funds are for ongoing organizations and activities that are similar to those often found in the private sector. These funds include:

- 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

Property Tax Summary		**Certified 2018 Tax Year**		
Net Taxable Value:		**TOTAL**	**TIRZ**	**NET**
Total Preliminary Value as of July 14, 2018		$ 781,484,615	$ 146,761,067	
Less Exemptions and Caps:				
Disabled Veteran		$ (311,500)	$ (128,500)	
Over 65		$ (1,309,237)		
Homestead		$ (3,459,362)	$ (548,545)	
Less Value Losses:				
Agricultural Productivity		$ (96,102,804)	$ (789,862)	
Non-profit Organization		$ (7,764,708)	$ (798)	
Personal Property Nominal Inventory		$ -		
Freeport Inventory		$ (9,470,449)		
Tax Abatements		$ (37,295,014)		
Total Reduction to Values		$ (155,713,074)	$ (1,467,705)	
Net Taxable Value		$ 625,771,541	$ 145,293,362	
Less TIRZ Base Year			$ (5,549,784)	
Estimated Property Tax Collections:				
Net Taxable Value		$ 625,771,541	$ 139,743,578	
Proposed Tax Rate per $100 valuation		$ 0.2950	$ 0.0909	
Estimated Property Tax Levy		$ 1,846,026	$ 127,027	
Tax Rate Distribution Schedule:		Tax Rate per $100		
Maintenance and Operations	58%	$ 0.1705		
Debt Service	42%	$ 0.1245		
Total Distribution of Tax Rate		$ 0.295		
Distribution of Estimated Tax Revenue:				
Maintenance and Operations		$ 1,066,734	$ (127,027)	939,707
Debt Service		$ 779,292		779,292
Total Estimated Tax Revenue		$ 1,846,026		$ 1,718,999

Town of Northlake

GENERAL FUND

Fund: 100	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	1,478,315	1,510,410	1,878,278	1,878,278	1,878,278	1,501,455
REVENUES:						
Court Fines	601,110	592,248	600,000	369,735	500,000	500,000
Sales/Beverage Tax	679,648	623,492	480,000	447,067	600,000	600,000
Ad Valorem Taxes	693,972	744,911	842,210	911,586	910,000	939,707
Permits	31,452	20,760	21,450	16,517	19,550	19,550
Franchise Fees	257,563	282,277	311,000	245,942	332,000	380,000
Building Permits	686,682	793,743	969,500	683,749	903,725	1,004,500
Development	343,565	527,041	437,500	313,389	703,050	502,250
Transfers	175,000	200,000	230,881	155,291	230,881	270,881
Other Revenue:	110,340	149,495	156,260	118,495	156,260	208,260
TOTAL REVENUES:	3,579,331	3,933,968	4,048,801	3,261,772	4,355,466	4,425,148
EXPENDITURES:						
Payroll & Benefits	1,635,467	1,873,267	2,399,917	1,635,042	2,422,727	2,417,146
Supplies	105,596	116,755	156,108	92,773	152,548	159,338
Maintenance	187,603	189,990	288,378	220,676	293,678	180,611
Utilities	14,661	17,546	19,095	14,064	21,675	22,775
Services	843,499	700,190	908,991	492,831	855,286	822,239
Capital Outlay	2,484	-	33,225	9,542	21,400	6,000
Transfers	757,927	668,352	234,000	233,625	347,500	449,180
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	3,547,237	3,566,099	4,039,714	2,698,553	4,114,814	4,057,289
REV OVER/(UNDER) EXP	32,094	367,868	9,087	563,219	240,652	367,859
ENDING FUND BALANCE	**1,510,410**	**1,878,278**	**1,887,365**	**2,441,498**	**2,118,930**	**1,869,314**
Budget Requests						
Transfer to Building Fund					100,000	
Transfer to Debt Service Fund					500,000	
Officer Safety & Investigative Tools					17,475	
Fourth of July Special Event						25,000
Accountant						56,524
Planner						66,495
Police Sergeant						93,550
Public Works Dump Truck & Trailer Fuel & Maintenance						1,750
Salary Adjustments						101,651
Total Budget Requests					**617,475**	**344,970**
REVISED REV OVER/(UNDER) EXP					(376,823)	22,889
REVISED ENDING FUND BAL - UNASSIGNED					**1,501,455**	**1,524,344**

Town of Northlake

CAPITAL PROJECTS

Fund: 301	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	(13,986)	11,071	5,909,853	5,909,853	5,909,853	4,459,853
REVENUES:						
Taxes / Fees & Fines	-	-	-	-	-	-
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	50,000	6,660,000	-	-	-	-
Bond Proceeds	-	(25,000)	6,700,000	-	-	-
Other Revenue:	57	1,235,504	-	78,612	-	-
TOTAL REVENUE:	50,057	7,870,504	6,700,000	78,612	-	-
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	353,795	-	112,427	150,000	-
Capital Outlay	-	1,617,927	5,200,000	731,883	1,300,000	3,550,000
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	-	1,971,722	5,200,000	844,310	1,450,000	3,550,000
REV OVER/(UNDER) EXP	50,057	5,898,782	1,500,000	(765,698)	(1,450,000)	(3,550,000)
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**36,071**	**5,909,853**	**7,409,853**	**5,144,155**	**4,459,853**	**909,853**

Town of Northlake

DEBT SERVICE

Fund: 160	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	34,765	249,740	126,530	126,530	126,530	720,093
REVENUES:						
Taxes / Fees & Fines	260,514	408,634	556,937	599,282	600,000	779,292
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	200,000	50,000	-	37,500	50,000	50,000
Bond Proceeds	-	8,380,000	-	-	-	-
Other Revenue:	66	216,558	500	1,851	500	1,200
TOTAL REVENUE:	460,580	9,055,192	557,437	638,633	650,500	830,492
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	300	-	2,241	2,988	2,241	2,241
Capital Outlay	-	-	-	-	-	-
Transfers	-	6,990,000	-	-	-	-
Debt Service	245,304	2,188,403	554,696	69,859	554,696	527,013
TOTAL EXPENDITURES:	245,604	9,178,403	556,937	72,846	556,937	529,254
REV OVER/(UNDER) EXP	214,976	(123,210)	500	565,787	93,563	301,239
ENDING FUND BALANCE	**249,740**	**126,530**	**127,030**	**692,317**	**220,093**	**1,021,332**

	FY 2018 Revised Budget	FY 2019 Proposed Budget
Budget Requests		
Transfer from General Fund	500,000	
North & South Elevated Water Storage Debt Service		801,780
Total Budget Requests	**500,000**	**801,780**
REVISED REV OVER/(UNDER) EXP	593,563	(500,542)
REVISED ENDING FUND BAL	**720,093**	**219,552**

Town of Northlake

COURT SECURITY SPECIAL REVENUE

Fund: 120	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	85,266	94,340	99,558	99,558	99,558	62,758
REVENUES:						
Court Technology	-	-	-	-	-	-
Court Security	11,845	11,324	12,000	7,518	12,000	12,000
Seatbelt Fees	-	-	-	-	-	-
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Interest	167	963	200	1,981	200	200
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	12,012	12,287	12,200	9,499	12,200	12,200
EXPENDITURES:						
Payroll & Benefits	99	1,098	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	2,838	5,971	9,000	4,664	9,000	9,000
Capital Outlay	-	-	-	-	40,000	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	2,937	7,069	9,000	4,664	49,000	9,000
REV OVER/(UNDER) EXP	9,075	5,218	3,200	4,835	(36,800)	3,200
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**94,340**	**99,558**	**102,758**	**104,393**	**62,758**	**65,958**

Town of Northlake

COURT TECHNOLOGY SPECIAL REVENUE

Fund: 121	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	3,417	13,433	(2,651)	(2,651)	(2,651)	8,920
REVENUES:						
Court Technology	15,785	15,094	16,000	10,019	16,000	16,000
Court Security	-	-	-	-	-	-
Seatbelt Fees	-	-	-	-	-	-
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Interest	-	781	-	1,841	-	-
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	15,785	15,876	16,000	11,860	16,000	16,000
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	4,325	5,885	-	-	-
Utilities	2,159	1,943	3,000	-	-	-
Services	3,609	16,035	5,000	1,429	4,429	-
Capital Outlay	-	9,657	-	-	-	5,000
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	5,769	31,960	13,885	1,429	4,429	5,000
REV OVER/(UNDER) EXP	10,016	(16,084)	2,115	10,431	11,571	11,000
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**13,433**	**(2,651)**	**(536)**	**7,780**	**8,920**	**19,920**

Town of Northlake

POLICE SPECIAL TRAINING

Fund: 151	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	416	416	416	416	473
REVENUES:						
Interest	-	-	-	-	-	-
Seatbelt Fees	-	-	-	-	-	-
Seized Monies & Goods	-	-	-	-	-	-
State Training	416	-	-	1,377	1,377	1,400
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	416	-	-	1,377	1,377	1,400
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	-	-	1,320	1,320	1,400
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	-	-	-	1,320	1,320	1,400
REV OVER/(UNDER) EXP	416	-	-	57	57	-
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**416**	**416**	**416**	**473**	**473**	**473**

Town of Northlake

CHILD SAFETY SPECIAL REVENUE

Fund: 152	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	86,060	90,417	92,989	92,989	92,989	95,589
REVENUES:						
Court Technology	-	-	-	-	-	-
Court Security	-	-	-	-	-	-
Seatbelt Fees	5,830	3,845	15,000	2,055	3,000	3,000
Seized Monies & Goods	-	-	-	-	-	-
State Training	-	-	-	-	-	-
Child Safety	1,773	2,100	1,000	1,438	2,000	2,000
Transfers	-	-	-	-	-	-
Interest	139	939	100	1,916	100	2,100
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	7,742	6,884	16,100	5,409	5,100	7,100
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	3,385	2,812	3,250	410	500	1,000
Maintenance	-	1,500	1,500	1,500	1,500	1,500
Utilities	-	-	-	-	-	-
Services	-	-	1,500	-	500	1,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	3,385	4,312	6,250	1,910	2,500	3,500
REV OVER/(UNDER) EXP	4,357	2,572	9,850	3,498	2,600	3,600
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**90,417**	**92,989**	**102,839**	**96,487**	**95,589**	**99,189**
Budget Requests						
Children At Play Traffic Sign						5,000
Total Budget Requests						**5,000**
REVISED REV OVER/(UNDER) EXP						(1,400)
REVISED ENDING FUND BAL						**97,789**

Town of Northlake

COURT ONLINE ACCESS FEES

Fund: 153	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	46,232	56,668	-	40,947	41,507
REVENUES:						
Online Access Fees	21,013	19,646	18,000	8,758	18,000	18,000
Transfers	59,416	-	-	-	-	-
Interest Revenue	-	973	-	1,841	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	80,428	20,619	18,000	10,599	18,000	18,000
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	1,680	1,680	-
Maintenance	-	-	-	5,922	5,000	5,000
Utilities	-	-	-	-	-	-
Services	34,197	10,182	11,600	7,055	13,300	11,500
Capital Outlay	-	-	3,240	-	3,240	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	34,197	10,182	14,840	14,657	23,220	16,500
REV OVER/(UNDER) EXP	46,232	10,437	3,160	(4,059)	(5,220)	1,500
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**46,232**	**56,668**	**59,828**	**40,947**	**44,747**	**48,547**

Town of Northlake

HOTEL OCCUPANCY TAX

Fund: 110	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	1,029,865	1,258,552	1,484,307	1,484,307	1,484,307	1,703,537
REVENUES:						
Taxes / Fees & Fines	257,813	267,965	300,000	303,017	300,000	300,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	21,535	17,407	10,805	2,724	10,805	10,805
TOTAL REVENUE:	279,348	285,372	310,805	305,742	310,805	310,805
EXPENDITURES:						
Payroll & Benefits	27,911	34,336	33,675	34,360	33,675	48,529
Supplies	-	-	-	49	-	-
Maintenance	-	65	-	77	-	-
Utilities	167	-	-	-	-	-
Services	22,583	24,795	55,600	16,453	55,600	55,600
Capital Outlay	-	-	-	-	-	-
Transfers	1,690	1,739	1,800	1,725	2,300	3,235
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	52,351	60,936	91,075	52,664	91,575	107,364
REV OVER/(UNDER) EXP	226,996	224,437	219,730	253,078	219,230	203,441
ENDING FUND BALANCE	**1,256,862**	**1,482,988**	**1,704,037**	**1,737,386**	**1,703,537**	**1,906,978**

Budget Requests	
Salary Adjustment	3,104
Total Budget Requests	**3,104**
REVISED REV OVER/(UNDER) EXP	200,337
REVISED ENDING FUND BAL - UNASSIGNED	**1,903,874**

Town of Northlake

ECONOMIC DEVELOPMENT CORPORATION

Fund: 130	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	592,373	595,579	612,391	612,391	612,391	526,016
REVENUES:						
Taxes / Fees & Fines	339,824	311,471	240,000	223,534	300,000	300,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	15,908	23,048	22,650	22,041	22,650	22,650
TOTAL REVENUE:	355,732	334,519	262,650	245,574	322,650	322,650
EXPENDITURES:						
Payroll & Benefits	29,540	26,554	33,025	24,832	33,025	35,779
Supplies	2,934	465	1,700	679	1,700	1,700
Maintenance	2,100	1,765	2,250	774	2,250	2,250
Utilities	78	-	-	-	-	-
Services	41,183	28,484	39,250	34,208	59,250	64,750
Incentives	250,000	233,700	125,500	195,004	270,500	370,000
Capital Outlay	-	-	-	-	-	-
Transfers	26,690	26,739	26,800	20,475	27,300	33,235
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	352,526	317,707	228,525	275,972	394,025	507,714
REV OVER/(UNDER) EXP	3,206	16,812	34,125	(30,397)	(71,375)	(185,064)
ENDING FUND BALANCE	**595,579**	**612,391**	**646,516**	**581,993**	**541,016**	**340,952**
Budget Requests						
Sam Lee Driveway Relocation					15,000	
Amano Bistro Pioneer Grant						50,000
Burgerim Pioneer Grant						12,500
Salary Adjustment						3,104
Total Budget Requests					**15,000**	**65,604**
REVISED REV OVER/(UNDER) EXP					(86,375)	(250,668)
REVISED ENDING FUND BAL					**526,016**	**275,348**

COMMUNITY DEVELOPMENT CORPORATION

Fund: 131	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	571,429	575,332	592,138	592,138	592,138	505,763
REVENUES:						
Taxes / Fees & Fines	339,824	311,471	240,000	223,534	300,000	300,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	15,859	23,021	22,650	22,033	22,650	22,650
TOTAL REVENUE:	355,683	334,492	262,650	245,567	322,650	322,650
EXPENDITURES:						
Payroll & Benefits	29,390	26,554	33,025	24,782	33,025	35,479
Supplies	2,934	488	1,700	679	1,700	1,700
Maintenance	2,100	1,765	2,250	774	2,250	2,250
Utilities	64	-	-	-	-	-
Services	40,600	28,439	39,250	35,487	59,250	64,750
Incentives	250,000	233,700	125,500	195,004	270,500	370,000
Capital Outlay	-	-	-	-	-	-
Transfers	26,691	26,739	26,800	20,475	27,300	33,235
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	351,780	317,685	228,525	277,202	394,025	507,414
REV OVER/(UNDER) EXP	3,903	16,807	34,125	(31,635)	(71,375)	(184,764)
ENDING FUND BALANCE	**575,332**	**592,138**	**626,263**	**560,504**	**520,763**	**320,999**
Budget Requests						
Sam Lee Driveway Relocation					15,000	
Amano Bistro Pioneer Grant						50,000
Burgerim Pioneer Grant						12,500
Salary Adjustment						3,104
Total Budget Requests					**15,000**	**65,604**
REVISED REV OVER/(UNDER) EXP					(86,375)	(250,368)
REVISED ENDING FUND BAL					**505,763**	**255,395**

Town of Northlake

WATER & WASTEWATER

Fund: 200	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	2,227,459	2,653,339	2,840,035	2,840,035	2,840,035	3,178,307
REVENUES:						
Water Sales	1,216,909	1,564,207	2,000,000	1,342,183	2,000,000	2,750,000
Water Fees	166,850	203,250	250,250	188,030	250,250	250,250
Sewer Sales	680,368	917,177	1,200,000	783,844	1,200,000	1,500,000
Sewer Fees	6,350	21,100	20,000	19,100	20,000	20,000
Other Revenue:	81,855	86,946	10,650	89,112	88,050	75,050
TOTAL REVENUES:	2,152,332	2,792,680	3,480,900	2,422,269	3,558,300	4,595,300
EXPENSES:						
Payroll & Benefits	244,699	331,210	444,528	278,124	456,478	438,037
Supplies	26,783	38,546	105,795	23,217	65,795	51,250
Maintenance	104,721	107,506	136,300	69,132	111,300	105,800
Wholesale Water	722,044	881,097	1,000,000	656,908	1,200,000	1,500,000
Sewer Treatment	228,325	732,937	1,000,000	439,255	800,000	1,000,000
Utilities	36,092	35,001	46,620	21,096	46,620	46,620
Services	191,908	182,426	92,235	70,838	101,735	77,650
Capital Outlay	-	-	210,000	119,875	184,000	184,000
Transfers	171,629	297,262	299,100	228,075	254,100	372,615
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,726,201	2,605,985	3,334,578	1,906,519	3,220,028	3,775,972
REV OVER/(UNDER) EXP	426,131	186,695	146,322	515,750	338,272	819,328
ENDING FUND BALANCE	2,653,589	2,840,035	2,986,357	3,355,784	3,178,307	3,997,635
Less: Net Capital Assets	(2,477,506)	(2,609,785)	(2,609,785)	(2,609,785)	(2,609,785)	(2,609,785)
Less: Customer Deposits	(211,510)	(306,985)	(424,497)	(424,497)	(424,497)	(424,497)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**(35,427)**	**(76,735)**	**(47,925)**	**321,503**	**144,025**	**963,353**

Budget Requests	
Accountant	18,841
Public Works Maintenance Worker	54,200
Public Works Dump Truck & Trailer Fuel & Maintenance	1,750
Sewer System Evaluation & Repair	244,100
Salary Adjustments	16,630
Total Budget Requests	**335,521**
REVISED REV OVER/(UNDER) EXP	483,807
REVISED ENDING UNRESTRICTED FUND BAL	**627,832**

Town of Northlake

WATER IMPACT FEES - NORTH

Fund: 202	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	(25,964)	8,402	279,528	279,528	279,528	176,218
REVENUES:						
Water Impact Fees	60,504	307,575	250,000	269,084	250,000	250,000
Sewer Impact Fees	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	-	17,278	1,700	15,132	1,700	1,700
TOTAL REVENUE:	60,504	324,853	251,700	284,216	251,700	251,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	4,299	38,535	600,000	13,824	50,000	200,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	21,838	15,192	305,010	(819)	305,010	-
TOTAL EXPENSES:	26,137	53,727	905,010	13,005	355,010	200,000
REV OVER/(UNDER) EXP	34,367	271,125	(653,310)	271,211	(103,310)	51,700
ENDING FUND BALANCE	8,402	279,528	(373,782)	550,739	176,218	227,918
Less: Net Capital Assets	(632,125)	(625,213)	(625,213)	(625,213)	(625,213)	(625,213)
Less: Future Impact Fees	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**(637,167)**	**(359,129)**	**(1,012,439)**	**(87,918)**	**(462,439)**	**(410,739)**

Town of Northlake

WATER IMPACT FEES - SOUTH

Fund: 204	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	590,101	1,022,565	1,170,004	1,170,004	1,170,004	1,459,704
REVENUES:						
Water Impact Fees	391,488	160,946	400,000	263,764	400,000	200,000
Sewer Impact Fees	40,976	40,975	88,000	29,888	88,000	50,000
Transfers	-	-	-	-	-	-
Other Revenue:	-	1,174	1,700	1,856	1,700	1,700
TOTAL REVENUE:	432,464	203,095	489,700	295,508	489,700	251,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	55,656	600,000	40,754	200,000	512,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	-	55,656	600,000	40,754	200,000	512,000
REV OVER/(UNDER) EXP	432,464	147,439	(110,300)	254,753	289,700	(260,300)
ENDING FUND BALANCE	**1,022,565**	**1,170,004**	**1,059,704**	**1,424,757**	**1,459,704**	**1,199,404**
Less: Net Capital Assets	-	-	-	-	-	-
Less: Future Impact Fees	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**1,022,565**	**1,170,004**	**1,059,704**	**1,424,757**	**1,459,704**	**1,199,404**

Town of Northlake

WATER CAPITAL PROJECTS

Fund: 203	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	764,864	731,964	693,813	693,813	693,813	667,932
REVENUES:						
Water Sales	-	-	-	-	-	-
Water Fees	-	-	-	-	-	-
Sewer Sales	-	-	-	-	-	-
Sewer Fees	-	-	-	-	-	-
Cost Recovery Fees	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	5,932	13,504	-	17,998	-	-
TOTAL REVENUE:	5,932	13,504	-	17,998	-	-
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	26,116	40,776	-	175	-	5,300
Capital Outlay	-	-	-	-	-	10,000,000
Transfers	-	-	30,881	-	(0)	-
Lease Purchase Debt Service	12,717	10,879	-	3,873	25,881	30,581
TOTAL EXPENSES:	38,832	51,655	30,881	4,048	25,881	10,035,881
REV OVER/(UNDER) EXP	(32,900)	(38,151)	(30,881)	13,950	(25,881)	(10,035,881)
ENDING FUND BALANCE	731,964	693,813	662,932	707,763	667,932	(9,367,949)
Less: Net Capital Assets	(1,063,529)	(1,023,427)	(1,023,427)	(1,023,427)	(1,023,427)	(1,023,427)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**(331,565)**	**(329,615)**	**(360,496)**	**(315,664)**	**(355,495)**	**(10,391,376)**

Budget Requests:	
Water Towers Bond Proceeds	10,000,000
Total Budget Requests	**10,000,000**
REVISED REV OVER/(UNDER) EXP	(35,881)
REVISED ENDING UNRESTRICTED FUND BAL	**(391,376)**

Town of Northlake

TECHNOLOGY SERVICES FUND

Fund: 504	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE	-	-	89,719	89,719	89,719	36,019
REVENUES:						
Mayor & Council	-	-	500	4,875	6,500	6,500
Administration-GF	-	100,000	9,000	9,000	12,000	12,000
Town Secretary	-	-	4,000	3,750	5,000	5,000
Municipal Courts	-	-	12,000	12,000	16,000	16,000
Development	-	-	5,000	4,875	6,500	6,500
Police	-	-	36,000	35,250	47,000	47,000
Public Works	-	-	10,000	9,750	13,000	13,000
Administration-HOT	-	-	1,000	1,125	1,500	1,500
Adminstration-EDC	-	-	1,000	1,125	1,500	1,500
Administration-CDC	-	-	1,000	1,125	1,500	1,500
Administration-WS Fund	-	-	3,000	3,000	4,000	4,000
Utility Department	-	-	11,000	11,250	15,000	15,000
Interest Revenue	-	-	-	-	-	-
TOTAL REVENUE:	-	100,000	93,500	97,125	129,500	129,500
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	428	1,450	4,743	1,450	16,000
Utilities	-	-	16,000	8,553	15,500	31,000
Services	-	9,853	100,000	78,332	100,000	111,000
Capital Outlay	-	-	66,250	23,167	66,250	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Servic	-	-	-	-	-	-
TOTAL EXPENSES:	-	10,281	183,700	114,794	183,200	158,000
REV OVER/(UNDER) EXP	-	89,719	(90,200)	(17,669)	(53,700)	(28,500)
ENDING FUND BALANCE	-	89,719	(481)	72,049	36,019	7,519
Less: Net Capital Assets	-	-	-	-	-	-
Less: Customer Deposits	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALA	**-**	**89,719**	**(481)**	**72,049**	**36,019**	**7,519**

Town of Northlake

EQUIPMENT SERVICES FUND

Fund: 505	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	335,090	370,929	778,413	778,413	778,413	741,913
REVENUES:						
Equip. Service Revenue-PD	69,750	110,000	110,000	82,500	110,000	110,000
Equip. Service Revenue-PW	25,000	25,000	25,000	18,750	25,000	25,000
Equip. Service Revenue-Utilities	25,000	125,000	75,000	56,250	75,000	75,000
Equip. Service Revenue-Dev	-	-	12,000	9,000	12,000	12,000
Sale of Equipment Proceeds	-	-	11,000	2,683	11,000	11,000
Transfers from GF	12,500	-	-	-	-	-
Transfer from Debt Fund	-	305,000	-	-	-	-
Transfers from UF	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Insurance Proceeds	-	49,677	-	32,878	-	-
Other Revenue	363	9,067	500	1,905	500	500
TOTAL REVENUE:	132,613	623,745	233,500	203,966	233,500	233,500
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	3,388	44,818	2,000	35,831	42,000	7,000
Utilities	-	-	-	-	-	-
Services	93,386	171,443	-	-	-	-
Capital Outlay	-	-	223,000	208,434	223,000	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	5,000	-	5,000	-
TOTAL EXPENSES:	96,774	216,260	230,000	244,265	270,000	7,000
REV OVER/(UNDER) EXP	35,839	407,484	3,500	(40,299)	(36,500)	226,500
ENDING FUND BALANCE	370,929	778,413	781,913	738,114	741,913	968,413
Less: Net Capital Assets	(322,581)	(667,552)	(667,552)	(667,552)	(667,552)	(667,552)
Less: Customer Deposits	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**48,348**	**110,861**	**114,361**	**70,562**	**74,361**	**300,861**

Budget Requests:	
2 Police Vehicles	110,000
Pubic Works Dump Truck	130,000
Public Works Trailer	27,000
Total Budget Requests	**267,000**
REVISED REV OVER/(UNDER) EXP	(40,500)
REVISED ENDING UNRESTRICTED FUND BAL	**33,861**

Town of Northlake

BUILDING SERVICES FUND

Fund: 506	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	264,839	589,702	589,702	589,702	158,412
REVENUES:						
Mayor & Council	-	825	400	300	400	13,890
Administration-GF	14,546	16,000	7,000	5,250	7,000	17,360
Town Secretary	6,325	6,958	3,100	2,325	3,100	6,945
Municipal Courts	18,973	20,870	9,200	6,900	9,200	20,830
Development	7,905	8,696	3,800	2,850	3,800	8,680
Police	56,919	62,611	27,400	20,550	27,400	97,225
Public Works	15,811	17,392	7,600	5,700	7,600	31,250
Administration-HOT	1,581	1,739	800	600	800	1,735
Adminstration-EDC	1,581	1,739	800	600	800	1,735
Administration-CDC	1,581	1,739	800	600	800	1,735
Administration-WS Fund	4,427	4,870	2,200	1,650	2,200	10,420
Utility Department	15,811	17,392	7,900	5,925	7,900	38,195
Maintenance Reserve	260,001	250,000	-	-	-	-
Interest Income	-	1,159	-	1,856	-	-
Insurance Proceeds	-	43,812	-	3,025	-	-
TOTAL REVENUE:	405,461	455,803	71,000	58,130	71,000	250,000
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Building Lease	21,860	21,684	21,660	16,879	21,660	146,660
Supplies	3,331	2,304	3,100	3,579	3,100	3,100
Maintenance	6,446	5,562	8,000	12,909	8,000	8,000
Utilities	24,730	24,473	30,500	9,145	15,000	15,000
Services	84,255	76,916	7,200	11,136	7,200	84,552
Capital Outlay	-	-	475,000	87,809	547,330	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	140,622	130,939	545,460	141,458	602,290	257,312
REV OVER/(UNDER) EXP	264,839	324,863	(474,460)	(83,328)	(531,290)	(7,312)
ENDING FUND BALANCE	264,839	589,702	115,242	506,375	58,412	151,100
Less: Net Capital Assets	(27,190)	(24,071)	(24,071)	(24,071)	(24,071)	(24,071)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**237,649**	**565,631**	**91,171**	**482,304**	**34,341**	**127,029**

	FY 2018 Revised Budget	FY 2019 Proposed Budget
Budget Requests:		
General Fund transfer for Town Commons audio visual	100,000	
Total Budget Requests	**100,000**	**-**
REVISED REV OVER/(UNDER) EXP	(431,290)	(7,312)
REVISED ENDING UNRESTRICTED FUND BAL	**134,341**	**127,029**

Town of Northlake
NORTHLAKE PID#1 - HARVEST COMMUNITY

Fund: 401	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	(5,607)	758	758	758	758
REVENUES:						
Assessments	131,219	294,469	501,050	502,594	501,050	780,150
Transfers	-	-	-	-	-	-
Other Revenue:	-	-	-	2,059	-	-
TOTAL REVENUE:	131,219	294,469	501,050	504,653	501,050	780,150
EXPENDITURES:						
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	136,733	288,104	501,050	311,760	501,050	779,600
Transfers	-	-	-	-	-	-
TOTAL EXPENDITURES:	136,733	288,104	501,050	311,760	501,050	779,600
REV OVER/(UNDER) EXP	(5,514)	6,365	-	192,893	-	550
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**(5,514)**	**758**	**758**	**193,651**	**758**	**1,308**

Town of Northlake

NORTHLAKE PID#2 - THE HIGHLANDS

Fund: 402	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	3,103,098	1,379,116	118,594	118,594	118,594	143,994
REVENUES:						
Assessments	305,200	316,034	317,899	312,408	317,899	317,902
Transfers	-	-	-	-	-	-
Other Revenue	13,972	8,857	10,000	332	10,000	10,000
Other Financing Sources	-	-	-	-	-	-
TOTAL REVENUE:	319,172	324,892	327,899	312,740	327,899	327,902
EXPENDITURES:						
Supplies	-	-	-	-	-	-
Maintenance	-	-	10,824	21,436	10,824	11,041
Utilities	-	-	-	-	-	-
Services	1,745,835	1,309,538	13,150	4,543	13,150	13,150
Transfers	-	-	-	-	-	-
Bond Debt Service	297,320	275,875	278,525	32,918	278,525	280,125
TOTAL EXPENDITURES:	2,043,155	1,585,413	302,499	58,896	302,499	304,316
REV OVER/(UNDER) EXP	(1,723,982)	(1,260,521)	25,400	253,844	25,400	23,586
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**1,379,116**	**118,594**	**143,994**	**372,438**	**143,994**	**167,580**

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
BEGINNING FUND BALANCE:	-	(1,385)	5,197	5,197	5,197	5,197
REVENUES:						
Ad Valorem Taxes	-	36,896	73,451	73,451	73,451	127,027
Transfers	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	-	36,896	73,451	73,451	73,451	127,027
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	43,451	-	43,451	97,027
Utilities	-	-	-	-	-	-
Services	1,385	30,314	30,000	4,591	30,000	30,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,385	30,314	73,451	4,591	73,451	127,027
REV OVER/(UNDER) EXP	(1,385)	6,582	0	68,860	0	-
ENDING FUND BALANCE	(1,385)	5,197	5,197	74,056	5,197	5,197

FY 2017/2018 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 and 191 in 2017. 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 being 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 was transferred to Building Services Fund. In addition, a transfer of $50,000 from the General Fund to the new Information Technology Fund in FY 2018 to provide funding for networking in the new space. For FY 2018 Revised Budget another $100,000 is proposed to be transferred to the Building Fund for enhanced council voting system and chamber recording system. The recording system will allow the court to become a court of record if council so choses. Finally, $40,000 of the improvements will be expended from the Court Security Fund to provide personal security enhancements such as bullet-proof glass, doors and walls. These funds totaling $665,000 will provide sufficient monies for the project.

Debt Service Principal Paydown

A transfer of $500,000 is scheduled in the fiscal year 2017-2018 revised budget from the General Fund to the Debt Service Fund for a planned paydown of interest. The Town is proposing to issue $12,000,000 in certificates of obligation for water system improvements. The paydown of principal will reduce the amount of outstanding debt and save the Town in future interest.

FY 2018/2019 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 of Northlake, Creek Meadow, Prairie View Farms and Stardust Ranch have completed their Phase 1 infrastructure with The Ridge at Northlake 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 Town 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.

Maintenance Worker – Public Works

Public Works now has staffing of two independent work crews each with a crew leader, equipment operator and maintenance worker. In addition, the recently added infrastructure inspector dedicates one position, one voice to represent the Town and ensure the Town's requirements are met by private developers building public infrastructure. Another area of continued need for Public Works is the oversight and maintenance of the Town's water system. With new water meter sets approaching 500 per year additional help is warranted. The utility technician works semi-autonomously monitoring, testing and maintaining the Town's water and sewer systems. An additional position needed by Public Works and warranted by the growth in Northlake water system is a maintenance worker to assist the utility technician. The maintenance worker position will work with the utility technician to set water meters, test and report water sampling and performed routine and preventive maintenance on the water system. The partial year funding for this position is $54,200 and will be completely funded from the Utility Fund.

Sergeant – Police

The current projected population of Northlake is 3,610. Approximately the same number of residents are in Harvest a neighborhood inside Northlake's extra-territorial jurisdiction for which Northlake provides police service. In addition, Northlake Police Department also provides service to Draper, Texas (formerly known as Corral City). As the Town and service area 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. Two new officers recently graduated of the Tarrant County College Police Academy, making them the fourth and fifth graduates of the program from Northlake, increasing the number of sworn peace officers from eleven to thirteen. The FY 2019 proposed budget will add another Sergeant; increasing their number from three to four. Having four Sergeants will allow for complete twenty-four-hour supervision. The sergeant position is projected to filled in 2019 with an anticipated expense of $93,500 which includes salary, benefits and related costs.

Planner – Development Services

The Development Director is responsible for intake, review and presentation of zoning cases, plats and other development submissions, in addition to economic development, marketing and website management. The Development Director has historically been a working department head; performing operational duties while also providing leadership and oversight for his department. As Northlake grows in both terms of residents and complexity, this department head will devote more time to management and less time to daily tasks. Larger more complicated zoning cases and long-range planning initiatives take up much of the available time of the director in addition to economic development and marketing efforts. The budget requests a new position, Planner, to assist Development Services and Finance, respectively, and provide much needed professional assistance to the department. The FY 2019 proposed budget for this position is $66,495.

Accountant – Finance

Similar to the Development Director, the Finance Director performs many operational duties while also providing direction and management of the Finance Department. The Finance Director is responsible for the accounting, auditing, budgeting and overall finances of the Town. The current staff of two accounting clerks helps with the processing of receivables, payables, payroll and benefits, and the setup of utility accounts. However, higher-level functions all fall on the director. The proposed accountant position will lessen the workload of the director, performing such accounting functions as monthly bank reconciliation, weekly check runs, and oversight of the clerks. In addition, the accountant will assist with audit and budget preparation providing the necessary research and documentation for these annual processes. The proposed accountant position will be funded 75% from General Fund with the remainder funded from Utility Fund, $56,524 and $18,841, respectively, for a total of first year costs of $75,365.

Employee Compensation and Benefits

In 2018, the council approved a salary and benefit survey and analysis. The study showed that Northlake salary ranges were 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 were increased 4%; and midpoint to maximum were increased 3%. This year's adjustments will be implemented differently than in years past. The proposed adjustments will not be across the board and will fall into three categories: adjustment to new minimums, adjustment to market position, and adjustment to overall market. The adjustments keep employee compensation competitive with other area municipalities but still below the market average. The proposed salary ranges put three positions below the minimum salary range, so their salaries will be increased to minimum. Seven other positions are well below their position in the labor market based on education, experience and tenure; these positions will be adjusted to put them more in line with market. Finally, the remaining positions will receive an increase ranging from 2.5% to 5% to remain competitive in terms of compensation. The total cost from all funds for the salary adjustments are $127,593.

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 $110,000. The equipment includes radar, emergency lights, heavy-duty bumper, and rugged laptop.

Public Works Vehicles

In 2010, Public Works purchased a used single-rear-axle dump truck and heavy-duty trailer which was all the Town could afford at the time. The dump truck with a full load of materials could not pull the trailer with the necessary equipment causing crews to make multiple trips for even the simplest projects. Also, the trailer had an irreparable air-brake system. In the proposed budget, staff requests a new double-axle dump truck and a new heavy-duty trailer allowing for the hauling of materials, equipment and crew to the job-site in one trip. The existing dump truck will continue to be used in a supplemental role. The estimated cost for the dump truck is $130,000 and trailer $27,000.

Sewer System Evaluation and Repair

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 that paying TRA to treat it. Through these monitoring efforts, Public Works is requesting $244,100 to hire a consultant to remote video identified sewer lines. Smaller repairs can be performed remotely while larger repairs will require excavation and replacement of failed lines.

Construction of Water System Improvements in North and South Pressure Plains

The Northlake water system currently provides service to over 1,500 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. In the North, the Town will begin construction of a 1.25-million-gallon elevated storage and connecting 16-inch water transmission lines. Growth in residential is projected to continue for five to ten years. The latest probable cost estimate for these improvements in the North are $3,600,000. These improvements will be the third phase in a multi-phased improvement according to master plans first developed in 2004 and revised in 2012 and 2018. The south pressure plain comprises the remainder of Town and the wholesale water supplier for this area 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 both storage and pressure. The project in the South will include a 0.75-million-gallon elevated storage tank, a 0.5-million-gallon ground storage tank, a pump station with pumps and related electrical and remote control, connecting 20-inch water transmission line, and finally an additional 12-inch water line crossing State Highway 114 for system redundancy and pressure balancing. The total estimated costs for the South Plain projects are $7,500,000 for this second phase improvements in the South. Engineering design for these water system improvements were funded from their respective impact fee funds. There is also anticipated land and easement acquisition costs currently in negotiation. The total project funding is $12,000,000 and will be financed through certificates of obligation.

Fourth of July Fireworks Display

Northlake never had a downtown. Northlake was incorporated by about twenty ranching and farming families who included only their homesteads and the roads connecting them. In the recent past, Northlake population was small enough that town-wide events could be held at Town Hall. However, Town Hall can no longer host community events. Based on input from new council members, the Mayor added funding for a new community event, a Fourth of July fireworks display. In partnership with Harvest, the Town will contract with a fireworks specialist and an event planner to put on this event. The estimate costs for the event are $25,000.

Town of Northlake

DEPARTMENT REPORT

COUNCIL

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
EXPENDITURES:						
Payroll & Benefits	2,103	1,997	2,600	1,801	2,600	2,600
Supplies	817	625	1,100	1,826	2,040	1,940
Maintenance	205	65	-	-	-	-
Utilities	822	629	750	632	750	750
Services	9,933	12,640	15,000	22,437	16,900	7,500
Capital Outlay	-	-	-	-	-	-
Transfers	-	825	900	5,175	6,900	20,390
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	13,879	16,781	20,350	31,870	29,190	33,180

ADMINISTRATION

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
EXPENDITURES:						
Payroll & Benefits	290,158	321,999	342,540	244,532	342,540	350,120
Supplies	10,033	14,336	15,725	4,052	7,925	7,925
Maintenance	306	4,933	650	7,703	8,450	650
Utilities	2,147	1,529	1,200	1,044	1,200	1,200
Services	278,553	180,012	228,325	117,826	203,325	228,325
Capital Outlay	-	-	-	-	-	-
Transfers	15,546	66,000	16,000	14,250	19,000	29,360
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	596,743	588,808	604,440	389,406	582,440	617,580

TOWN SECRETARY

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
EXPENDITURES:						
Payroll & Benefits	86,698	92,896	97,315	72,746	97,315	98,251
Supplies	2,323	2,369	3,610	1,890	3,610	3,610
Maintenance	51	146	500	-	500	500
Utilities	485	-	-	-	-	-
Services	9,781	17,340	16,650	10,653	20,150	24,750
Capital Outlay	-	-	-	-	-	-
Transfers	6,759	112,631	900	6,075	8,100	11,945
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	106,097	225,382	118,975	91,364	129,675	139,056

Town of Northlake

DEPARTMENT REPORT

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
MUNICIPAL COURT						
EXPENDITURES:						
Payroll & Benefits	184,886	197,385	211,065	149,435	207,265	207,019
Supplies	3,286	3,794	6,040	2,494	6,040	6,040
Maintenance	3,266	2,537	-	-	-	-
Utilities	-	-	-	-	-	-
Services	(1,673)	32,257	54,500	21,139	34,000	30,500
Capital Outlay	-	-	-	-	-	-
Transfers	20,277	20,870	21,200	18,900	25,200	36,830
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	210,042	256,844	292,805	191,968	272,505	280,389
DEVELOPMENT SERVICES						
EXPENDITURES:						
Payroll & Benefits	68,981	75,249	135,518	89,469	154,428	158,618
Supplies	3,999	1,738	4,700	2,282	5,000	5,000
Maintenance	1,297	546	150	400	400	400
Utilities	630	579	600	873	1,200	1,200
Services	384,051	308,282	382,450	218,295	371,525	357,850
Capital Outlay	-	-	-	-	-	-
Transfers	8,449	8,696	8,800	16,725	22,300	27,180
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	467,406	395,090	532,218	328,044	554,853	550,248
POLICE						
EXPENDITURES:						
Payroll & Benefits	824,652	939,339	1,209,154	850,444	1,216,854	1,247,032
Supplies	60,634	66,044	87,328	52,263	88,828	92,643
Maintenance	31,660	25,640	41,228	45,479	49,578	45,336
Utilities	6,344	5,247	7,500	6,713	7,500	8,600
Services	41,993	56,079	59,360	15,716	56,680	63,108
Capital Outlay	2,484	-	27,225	7,952	19,810	-
Transfers	130,582	172,611	137,400	138,300	220,400	254,225
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,098,349	1,264,959	1,569,195	1,116,867	1,659,650	1,710,944

Town of Northlake

DEPARTMENT REPORT

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
PUBLIC WORKS - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	176,630	243,269	386,725	223,663	386,725	338,505
Supplies	24,490	27,809	37,605	27,504	39,105	42,180
Maintenance	150,818	150,524	245,850	167,096	234,750	133,725
Utilities	4,234	9,563	9,045	4,803	11,025	11,025
Services	43,872	34,933	28,000	16,156	28,000	28,000
Capital Outlay	-	-	6,000	1,590	1,590	6,000
Transfers	41,898	42,392	42,600	34,200	45,600	69,250
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	441,942	508,489	755,825	475,011	746,795	628,685
NON-DEPARTMENTAL - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	1,360	1,133	15,000	2,952	15,000	15,000
Supplies	13	41	-	462	-	-
Maintenance	-	5,598	-	-	-	-
Utilities	-	-	-	-	-	-
Services	76,990	58,648	124,706	75,173	124,706	82,206
Capital Outlay	-	-	-	-	-	-
Transfers	534,416	350,000	900	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	612,778	415,420	140,606	78,587	139,706	97,206
ADMINISTRATION - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	76,329	111,994	129,467	66,375	133,467	99,532
Supplies	6,148	5,795	8,700	1,721	24,200	4,200
Maintenance	51	1,322	100	4,186	4,600	100
Utilities	43	-	-	-	-	-
Services	101,964	114,912	25,350	24,976	29,850	35,850
Capital Outlay	-	-	-	6,801	-	-
Transfers	129,731	154,870	155,200	154,650	156,200	244,420
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	314,267	388,893	318,817	258,709	348,317	384,102

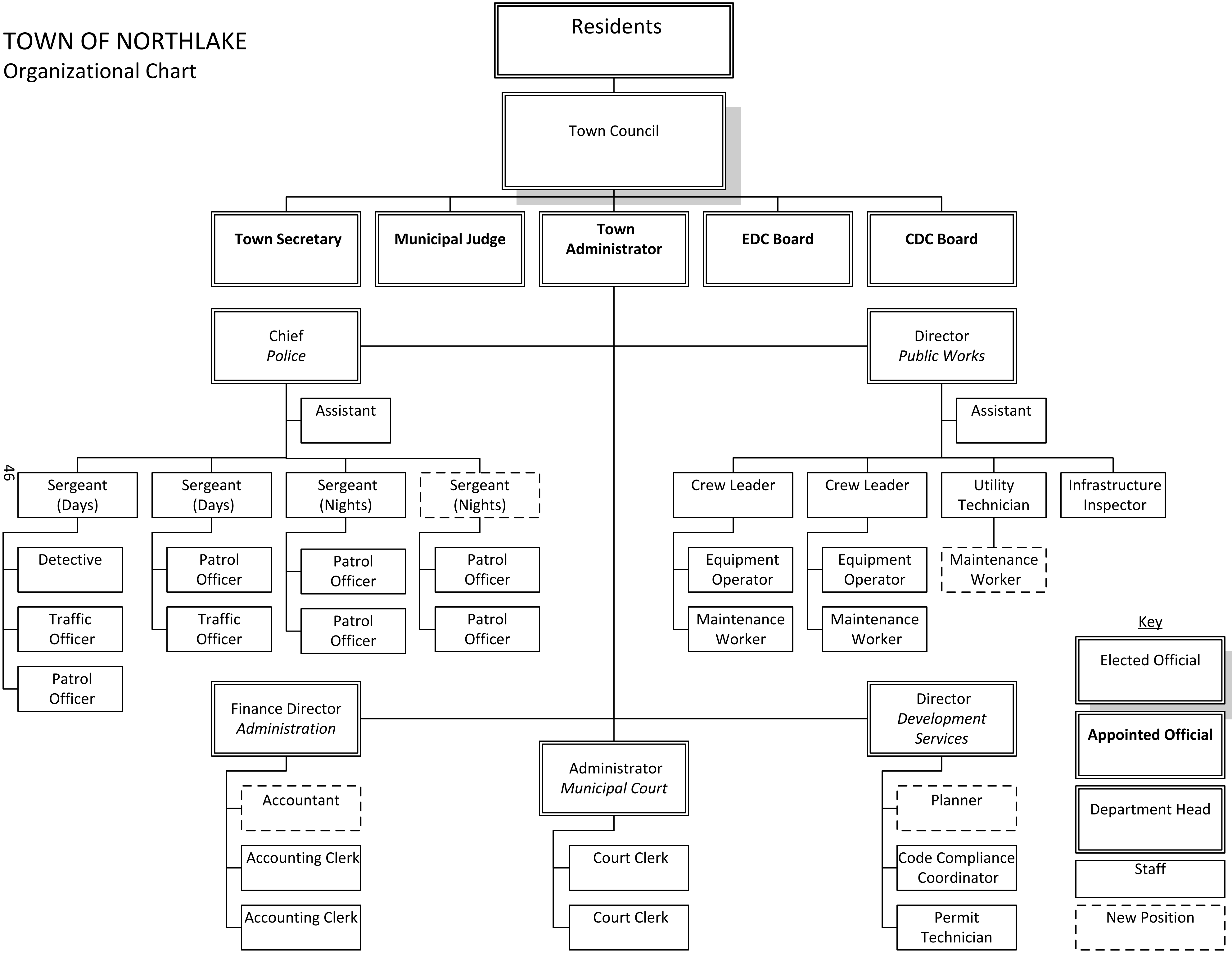
Town of Northlake

DEPARTMENT REPORT

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
PUBLIC WORKS - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	168,345	219,216	315,061	211,750	323,011	338,505
Supplies	20,635	32,751	97,095	21,496	41,595	47,050
Maintenance	104,670	106,183	136,200	64,946	106,700	105,700
Utilities	986,418	1,649,035	2,046,620	1,117,259	2,046,620	2,546,620
Services	72,170	38,649	41,800	30,189	46,800	41,800
Capital Outlay	-	-	210,000	113,074	184,000	184,000
Transfers	41,898	142,392	143,900	73,425	97,900	128,195
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,394,136	2,188,227	2,990,676	1,632,137	2,846,626	3,391,870

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Budget	FY 2018 Actual As of 06/30	FY 2018 Revised Budget	FY 2019 Proposed Budget
PUBLIC WORKS - NON-DEPARTMENTAL						
EXPENSES:						
Payroll & Benefits	25	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	17,774	28,865	25,085	15,673	25,085	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	17,799	28,865	25,085	15,673	25,085	-

TOWN OF NORTHLAKE
Organizational Chart



TOWN OF NORTHLAKE

Personnel Distribution

Full-Time Equivalents

	2016/17 Actual	2017/18 Adopted	2017/18 Amended	2017/18 Actual	2018/19 Requests	2018/19 Proposed
<u>**GENERAL FUND**</u>						
Administration						
Town Administrator	1.00	1.00		1.00		1.00
Town Secretary	1.00	1.00		1.00		1.00
Finance Director (75%)	0.75	0.75		0.75		0.75
Accountant (75%)	0.00	0.00		0.00	0.56	0.56
Accounting Clerk (75%)	0.75	0.75		0.75		0.75
Total	3.50	3.50	0.00	3.50	0.56	4.06
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Planner	0.00	0.00		0.00	0.75	0.75
Code Compliance Coordinator	0.00	0.00		0.75	0.25	1.00
Permit Technician	1.00	1.00		1.00		1.00
Total	1.25	1.25	0.00	2.00	1.00	3.00
Municipal Court						
Court Administrator	1.00	1.00		1.00		1.00
Court Clerk	2.00	2.00		2.00		2.00
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	2.75	3.00		3.00	0.75	3.75
Police Officer	8.00	8.00		8.00		8.00
Detective	0.75	1.00		1.00		1.00
Administrative Assistant	0.00	0.75		0.75	0.25	1.00
Total	12.50	13.75	0.00	13.75	1.00	14.75
Public Works						
Public Works Director (50%)	0.50	0.50		0.50		0.50
Crew Leader (50%)	0.87	1.00		1.00		1.00
Infrastructure Inspector (50%)	0.00	0.37		0.37	0.13	0.50
Equipment Operator (50%)	1.00	1.00		1.00		1.00
Maintenance Worker (50%)	1.00	1.00		1.00		1.00
Administative Assistant (50%)	0.00	0.37		0.37	0.13	0.50
Total	3.37	4.24	0.00	4.24	0.26	4.50
Total General Fund	**23.62**	**25.74**	**0.00**	**26.49**	**2.82**	**29.31**
<u>**ECONOMIC DEVELOPMENT CORP.**</u>						
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
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
Total	**0.25**	**0.25**	**0.00**	**0.25**	**0.00**	**0.25**

TOWN OF NORTHLAKE

Personnel Distribution

Full-Time Equivalents

	2016/17 Actual	2017/18 Adopted	2017/18 Amended	2017/18 Actual	2018/19 Requests	2018/19 Proposed
HOTEL OCCUPANCY TAX FUND						
Development Services						
Development Director (25%)	0.25	0.25		0.25		0.25
Total	**0.25**	**0.25**	**0.00**	**0.25**	**0.00**	**0.25**
UTILITY FUND						
Administration						
Finance Director (25%)	0.35	0.25		0.25		0.25
Accountant (25%)	0.00	0.00		0.00	0.19	0.19
Accounting Clerk (25%)	0.35	0.25		0.25		0.25
Utility Billing Clerk	0.50	1.00		1.00		1.00
Total	1.20	1.50	0.00	1.50	0.19	1.69
Public Works						
Public Works Director (50%)	0.50	0.50		0.50		0.50
Crew Leader (50%)	0.87	1.00		1.00		1.00
Infrastructure Inspector (50%)	0.00	0.37		0.37	0.13	0.50
Equipment Operator (50%)	1.00	1.00		1.00		1.00
Utility Technician	0.75	1.00		1.00		1.00
Maintenance Worker (50%)	1.00	1.00		1.00		1.00
Maintenance Worker - Utility	0.00	0.00		0.00	0.75	0.75
Administrative Assistant (50%)	0.00	0.37		0.37	0.13	0.50
Total	4.12	5.24	0.00	5.24	1.01	6.25
Total Utility Fund	**5.32**	**6.74**	**0.00**	**6.74**	**1.20**	**7.94**
All Funds Total	**29.69**	**33.23**	**0.00**	**33.98**	**4.02**	**38.00**

TOWN OF NORTHLAKE

COMMUNITY PROFILE

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	$315,147

Area Fire Protection
Roanoke Fire Department
Argyle Fire Department

Police Protection

Number of Stations	1
Number of Sworn Personnel	11

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	$1.388
Denton County	$0.262
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	IESI

Major Area Employers
Alliance Texas
Amazon
Argyle ISD
BNSF
Clorox Distribution Center
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

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Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Karen Bolyard, Finance Director

Shirley Rogers, Town Secretary

Date: September 13, 2018

Re: Adopting Tax Rate for Tax Year 2018

The notice of effective tax rate for 2018 was published in the Denton Record Chronicle newspaper on August 2, 2018. Because the proposed tax rate of 29.5¢ per $100 of valuation is below both the effective tax rate of 29.61¢ per $100 of valuation and the rollback tax rate of 32.66¢ per $100 of valuation, tax rate hearings were not necessary.

The proposed tax rate of 29.5¢ per $100 of valuation is distributed as follows:

17.05¢ for maintenance and operations
12.45¢ for payment of principal and interest

Council action is required to approve the tax rate. Because there is not overall tax increase no special motion is required.

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

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 18-0913E

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE TOWN OF NORTHLAKE, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019 AT THE RATE OF $0.295000 PER ONE HUNDRED DOLLARS ($100.00), AND FOR DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR A DATE ON WHICH SUCH TAXES BECOME DUE AND DELINQUENT TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE TOWN COUNCIL; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Town Council hereby finds that the tax for the fiscal year beginning October 1, 2018 and ending September 30, 2019, thereinafter levied for current expenses of the Town and the general improvements of the Town and its property must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the Town Council approved on September 13, 2018 a separate budget ordinance for the fiscal year beginning October 1, 2018 and the 2018 Appraisal Roll of the Town of Northlake as approved by the Appraisal Review Board of the Denton Central Appraisal District; and

WHEREAS, pursuant to Section 26.05 of the Texas Tax Code, the Town Council held a public hearing concerning the proposed tax rate on August 9, 2018 and all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been completed in due and correct time.

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

Section 1. **Findings Incorporated.** The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

Section 2. **Tax Levied.** That**, t**here is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2018 and ending on September 30, 2019, and for each fiscal year thereafter until it be otherwise provided and ordained, on all taxable property, real, personal and mixed, situated within the corporate limits of the Town of Northlake, Texas, and not exempt from taxation by the constitution of the State of Texas and valid law, an ad valorem tax rate of $0.295000 on each One Hundred Dollar ($100.00) valuation of such property assessed value of taxable property, which tax rate is apportioned and distributed as follows:

a. For the purpose of defraying the current maintenance and operation expenses of the Town (General Fund): $0.170500 on each One Hundred Dollars ($100.00) assessed value of taxable property

b. For the purposed of creating a Debt Service Fund to pay the interest and principle on all outstanding indebtedness which shall be applied to the payment of such interest and maturities of all outstanding bonded indebtedness: $0.124500 on each One Hundred Dollars ($100.00) assess value of all taxable property

Total tax rate $0.295000

Section 3. THAT, THIS TAX RATE WILL RAISE LESS TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL DECREASE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $7.10.

Section 4. THAT, THIS TAX RATE WILL RAISE MORE TAXES FOR DEBT SERVICE THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL RAISE TAXES FOR DEBT SERVICE ON A $100,000 HOME BY APPROXIMATELY $7.10.

Section 5. THAT, there shall be exempted from the valuation of all residential homesteads for which proper application shall have been made, an amount equal to the greater of five thousand dollars ($5,000) or five percent (5%) of the appraised value of the residence homestead, subject to the limitations set forth in Texas law, including Section 11.13(n) of the Texas Tax Code, as it exists or may be amended.

Section 6. THAT, there shall be exempted the sum of Fifteen Thousand Dollars ($15,000) of the assessed value of residence homesteads of the Town of Northlake, Texas who are sixty-five (65) years of age or older, from all ad valorem taxes levied by the Town of Northlake, Texas.

Section 7. THAT, there shall be exempted the sum of Fifteen Thousand Dollars ($15,000) of the assessed value of residence homesteads of residents of the Town of Northlake, Texas meeting the definition of a "disabled" individual, as defined by the Texas Tax Code.

Section 8. **Due Date of Taxes.** The taxes assessed and levied hereby are payable any time after the approval and publication of this Ordinance and not later than January 31 of the year following the year in which the taxes are assessed. The penalties and interest provided for herein shall accrue after January 31 of the year following the year in which the taxes are assessed. However, if the entire taxes due as provided herein are paid in full by January 31 of the year following the year in which the taxes are assessed, no penalty or interest shall be due.

Section 9. **Penalties and Interest.** A delinquent tax shall incur the maximum penalty and interest authorized by Section 33.01, Texas Property Tax Code, to-wit: a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1st of the year in which it becomes delinquent.

Provided, however, a tax that is delinquent on July 1st of the year in which it becomes delinquent shall incur a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1 of the year in which they become delinquent shall incur an additional penalty of fifteen percent (15%) of the amount of taxes, penalty and interest due; such additional penalty is to defray the costs of collection as authorized by Section 6.30, Texas Property Tax Code.

Section 10. **Place of Payment/Collection**. Taxes are payable at the office of the Tax Assessor/Collector. The Town shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

Section 11. **Tax Roll**. The real and personal property tax appraisal rolls as certified by the Chief Appraiser of the Denton Central Appraisal District, as presented to the Town Council, together with any supplement thereto, are hereby accepted.

Section 12. **Savings/Repealing Clause**. All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed Ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the Ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

Section 13. **Severability**. Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The Town hereby declares that it would have passed this Ordinance, and each section, subsection, sentence, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

Section 14. **Effective Date**. This Ordinance shall become effective from and after its adoption.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS this the 13th day of September 2018

Town of Northlake, Texas

____
Peter Dewing, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

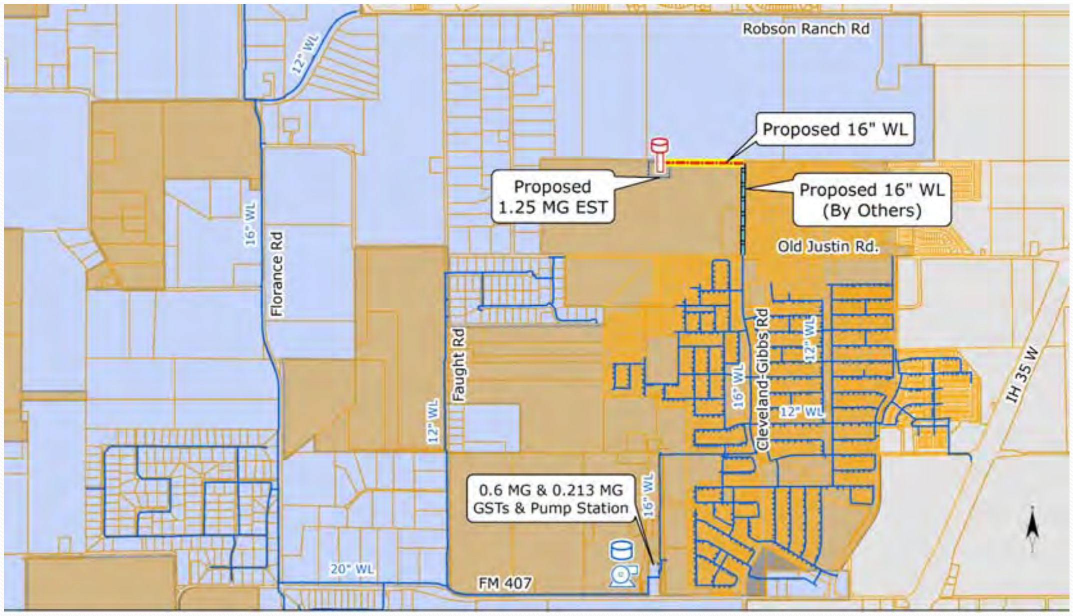
Series 2018 Certificates of Obligation

September 13, 2018 Presentation

Project Costs – North Phase III

Component	Description	Amount
Transmission Line	Segment A 16” from POD to pump station	$250,000
Tank	1.25 MG composite elevated storage tank	$3,350,000
Total		$3,600,000

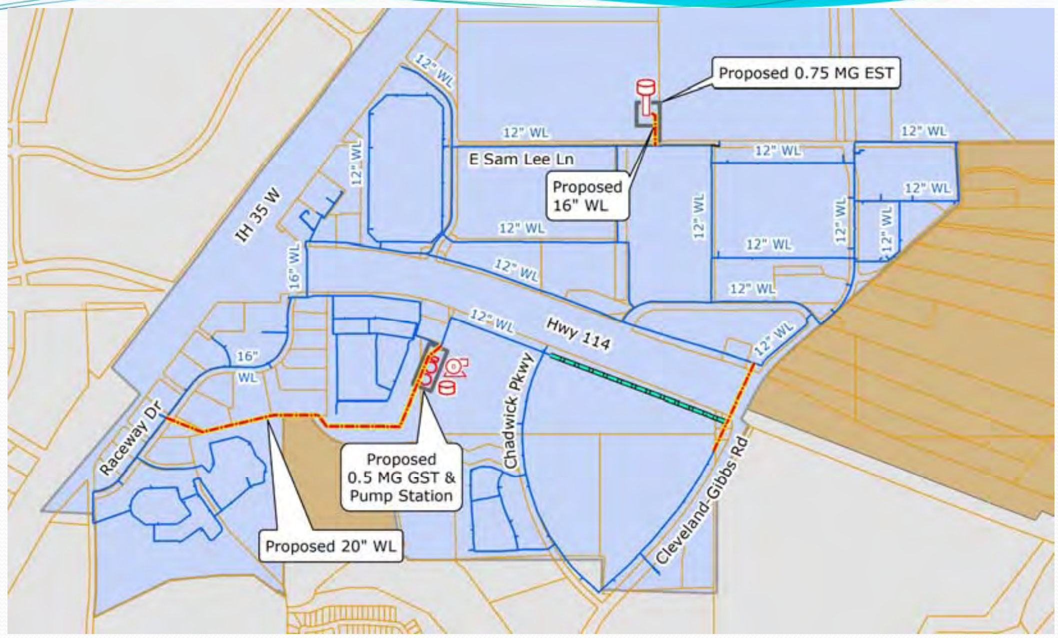
North Phase III



Project Costs – South Phase II

Component	Description	Amount
Transmission Line	Segment A 20" from POD to pump station Segment B 12" second SH 114 crossing	$1,250,000
Tank	0.75 MG composite elevated storage tank	$2,750,000
Pump Station and Ground Storage	0.5 MG ground storage tank Building with pumps, electrical, SCADA	$3,500,000
Total		$7,500,000

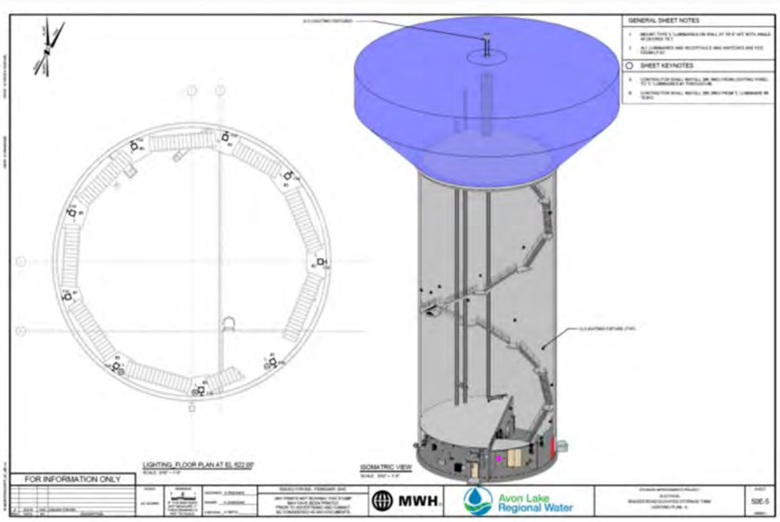
South Phase II



Local Composite Elevated Storage Tanks

Architectural Treatments

Circular Stairwell Access



Pump Station

Ground Storage Tank

Master Plans Storage Comparison

Component	2004*	2012	2018	Proposed
South EST	1.0/0.75/0.75 MG	0.75/0.75 MG	0.75 MG	0.75 MG
North EST	1.0/0.75 MG	0.75/0.6 MG	1.25 MG	1.25 MG
Central EST	n/a	n/a	1.25 MG	n/a
South GST	0.75/0.75 MG	2.5/3.0 MG	2.25/1.0 MG	0.5 MG
North GST	2.0/2.0 MG	3.0/5.5 MG	2.25/2.6 MG	n/a
Total	9.75 MG	16.85 MG	11.35 MG	2.5 MG

* 10 year plan only, not buildout

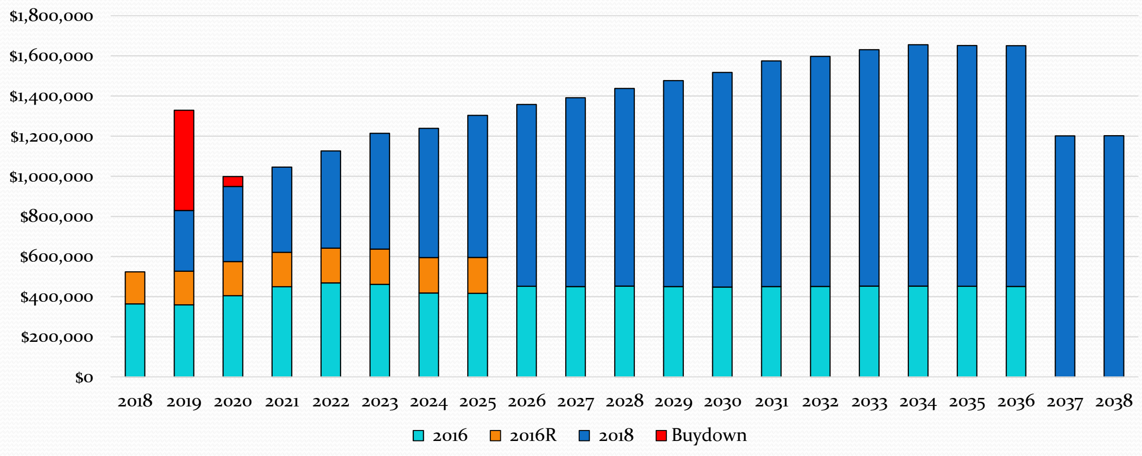
Debt Capacity

Fiscal Year	New Value	Total Value	Debt Service	Coverage
2015	$5,929,028	$241,142,050	$215,212	1,120
2016	$10,970,807	$278,963,233	$245,305	1,137
2017	$81,860,617	$382,188,447	$399,975	956
2018	$131,916,301	$500,185,509	$524,113	954
2019	$77,575,814	$625,771,541	$829,190	754
2020	$100,000,000	$725,000,000	$948,718	764

S&P's Rating

- Series 1997 COs – no rating, private placement
- Series 2005 COs – no rating, private placement
- Series 2014 COs – A+, public sale
- Series 2016 COs – A+, public sale
- Series 2018 COs – AA-, public sale

Debt Schedule



Anticipated Water Impact Fees

- North Pressure Plain
  - The Ridge - $1,500,000
  - Harvest - $1,000,000
  - Canyon Falls - $675,000
  - Pecan Square - $2,700,000
- South Pressure Plain
  - Alliance Northport - $250,000
  - Chadwick Commons - $150,000

Fort Worth Contract

- Section 2.1 Delivery
  - "… sell to Customer treated water … delivered under normal operating pressure … without guarantee of a specific minimum pressure."
- Section 2.2 Acceptance and Payment
  - "Customer understands and acknowledges that Customer is responsible for maintaining water pressure …"
- Section 2.3 Operations
  - "In an emergency, FW may take necessary action (including reduction or cessation of water service to Customer) … to allow FW … to maintain a minimum pressure at all retail service locations directly served by FW …"

Bond Election?

- Must be held on official election date
  - November or May
- Failure causes two year waiting period
- Typically for discretionary projects
  - Street repaving, sidewalks, parks, buildings
- Used to justify a tax rate increase
  - No tax increase proposed or planned

Benefits of Improvements

- Improved level of water service, fewer outages
- Emergency storage for fire protection and during power outages
- Pressure and fire protection independent of supplier disruption
- Ultimate two source system
- Decreases amount of peak water use
- Built according to master plan, no wasted effort

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Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Shirley Rogers, Town Secretary

Karen Bolyard, Finance Director

Date: September 13, 2018

Re: Issuance of $12.19 M in Certificates of Obligation for Water System Improvements

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To fund the improvements related to the Proposed FY 2018-2019 Capital Projects, the Town intends to issue Certificates of Obligation. The issue will be a principal amount of $12,190,000 plus interest and closing costs for public improvements financed by general debt service with water impact fees and water operating revenues to supplement payments.

The proposed improvements are a 1.25-million-gallon elevated water storage tank and related 16-inch water transmission line for Phase III improvements in the North Pressure Plain, and a 0.75-million-gallon elevated water storage tank, 0.5-million-gallon ground water storage tank, pump station including pumps and structure, and related 20-inch and 12-inch water transmission lines for Phase II improvements in the South Pressure Plain.

At the July 26, 2018 meeting, Council gave notice of intent to issue debt. Per State law, the Town published two notices of intent for the combined issuance in the Denton Record Chronicle on August 6th and August 13th.

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

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
COUNTY OF DENTON
TOWN OF NORTHLAKE

We, the undersigned officers of the Town of Northlake, Texas (the "Town"), hereby certify as follows:

1. The Town Council (the "Council") of the Town convened in a regular meeting on September 13, 2018, at the designated meeting place, and the roll was called of the duly constituted officers and members of the Council, to wit:

Peter Dewing, Mayor
Brian Montini, Mayor Pro Tem
Rena Hardeman, Council Member
Jimmy Lambert, Council Member
Roger Sessions, Council Member
Danny Simpson, Council Member

Shirley Rogers, Town Secretary

and all of said persons were present except ________________________________, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF NORTHLAKE, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried with all members present voting "AYE" except the following:

NOES: _______ ABSTAIN: _______

2. A true, full and correct copy of the aforesaid Ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in the Council's minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Council's minutes of said meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Council as indicated therein; that each of the officers and members of the Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that said Ordinance would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose, and that said meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. The Council has approved and hereby approves the aforesaid Ordinance; and the Mayor and the Town Secretary of the Town hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON SEPTEMBER 13, 2018.

______________________________	______________________________
Town Secretary	Mayor

(Town Seal)

ORDINANCE NO. 19-_____

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF NORTHLAKE, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Town Council (the "Council") of the Town of Northlake, Texas (the "Town" or "Issuer"), deems it advisable to issue Certificates of Obligation in the amount of $_____ for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code; and Chapter 1502 Texas Government Code; and

WHEREAS, the Council has heretofore passed a resolution authorizing and directing the Town Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in the Town, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code; and

WHEREAS, the Town received no petition from the qualified electors of the Town protesting the issuance of such Certificates of Obligation; and

WHEREAS, during the preceding three years, the Issuer has not submitted a bond proposition to authorize the issuance of bonds for the same purpose for which the Certificates are hereby being issued and which proposition was disapproved by voters; and

WHEREAS, it is considered to be to the best interest of the Town that said interest-bearing Certificates of Obligation be issued; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Texas Government Code, Chapter 551;

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the Town are hereby authorized to be issued and delivered in the aggregate principal amount of $_____ for paying all or a portion of the Issuer's contractual obligations incurred in connection with: (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system (the "System") and (ii) paying legal, fiscal and engineering fees in connection with such projects and to pay costs of issuance of the Certificates (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES; REDEMPTION PROVISIONS.

(a) Each certificate issued pursuant to this Ordinance shall be designated: "TOWN OF NORTHLAKE, TEXAS, COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated October 9, 2018, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable serially on the dates and in the principal amounts, respectively, and shall bear interest from the date set forth in the FORM OF CERTIFICATE set forth in **Exhibit A** of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the schedule included in the FORM OF CERTIFICATE set forth in **Exhibit A** hereto.

(b) The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

(c) The Certificates shall be subject to redemption prior to maturity as set forth in the FORM OF CERTIFICATE attached hereto as **Exhibit A**.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) <u>Registration, Transfer, Conversion and Exchange; Authentication</u>. The Issuer shall keep or cause to be kept at the principal corporate trust office of ZB, National Association, dba Amegy Bank, _____, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar Agreement in the form presented at the meeting at which this Ordinance is adopted is hereby approved. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(b) Except as provided in Section 3(d) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said

Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(e) The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(f) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(g) Book-Entry Only System. The Certificates issued in exchange for the Certificate initially issued to the Purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this

Ordinance shall refer to such new nominee of DTC. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(h) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(i) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representations letter of the Issuer to DTC.

(j) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and Town Secretary of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

(k) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge of $1,000 of the revenues of the Issuer's waterworks and sewer system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and sewer system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. If Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208 of the Texas Government Code applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section, and is therefore valid, effective and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9 of the Texas Business and Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 of the Texas Business and Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Sec. 1206.022, Government Code, this Section shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor and Mayor Pro Tem of the Issuer are hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. In addition, if bond insurance is obtained, the payment of the insurance premium is hereby approved and the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Purchaser to accept delivery of the Certificates is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire

investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the Mayor Pro Tem, the Town Administrator, the Finance Director and the Town Secretary to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Project on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of the Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Certificates are hereby sold and shall be delivered to __________ (the "Purchaser") for the purchase price of $_____ (representing the aggregate principal amount of the Certificates, plus a[n] [net] reoffering premium of $_____, less the Purchaser's discount of $_____). The Certificates shall initially be registered in the name of the Purchaser or its designee. It is hereby officially found, determined and declared that the terms of this sale are the most advantageous reasonably obtainable.

(b) It is hereby officially found, determined and declared that the Certificates have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Bidding Instructions. It is further officially found, determined and declared that the Certificates have been offered pursuant to a Preliminary Official Statement prepared and distributed in connection with the sale of the Certificates. Said Preliminary Official Statement, the Official Statement, and any addenda, supplement or amendment thereto, have been and are hereby approved by the governing body of the Issuer, and its use in the offer and sale of the Certificates is hereby approved. It is further officially found, determined and declared that the statements and representations contained in said Official Statement are true and correct in all material respects, to the best knowledge and belief of the Council.

(c) The Mayor, the Mayor Pro Tem, the Town Administrator, the Finance Director and the Town Secretary, individually or jointly, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer such documents, certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Letter of Representations, the Certificates and the sale of the Certificates. In addition, prior to the delivery of the Certificates, the Mayor, the Mayor Pro Tem, the Town Administrator, the Finance Director and the Town Secretary are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in this Ordinance or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Certificates by the Attorney General. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other Certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2018 Certificate of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates in the amount of $_____ (representing the par amount of the Certificates plus premium in the amount of $_____) shall be deposited into the Construction Fund. The remaining amounts of Certificate proceeds shall be used to pay the costs of issuance of the Certificates. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) <u>Definitions</u>. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB certain updated financial information and operating data pertaining to the Issuer, being the following: (i) the Issuer's annual financial audit report; and (ii) the information found in Tables 1 through 6 and 8 through 16.in the Official Statement. The Issuer will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2018 and, if not submitted as part of such annual financial information, the Issuer will provide its audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2018. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the Issuer will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

(ii) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided.

(iii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
7. Modifications to rights of Certificateholders, if material;
8. Certificate calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Certificates, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under

the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized 1 counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating a majority in principal amount of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;

(2) Reduce the rate of interest borne by any of the outstanding Certificates;

(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;

(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or

(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of at least a majority in principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the registered owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Town.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Town or the Council.

Section 16. APPLICATION OF PREMIUM FROM SALE OF CERTIFICATES.

The Certificates have a[n] [net] premium of $_____ which shall be allocated as follows:

(i) the amount of $_____ shall be applied to pay costs of issuance of the Certificates;

(ii) the amount of $_____ shall be applied to pay the Purchaser's discount; and

(iii) the amount of $_____ shall be deposited to the Construction Fund.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 19. APPROPRIATION. To pay the debt service coming due on the Certificates, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

[Section 20. BOND INSURANCE. The Certificates shall be insured by a municipal bond insurance policy issued by ___________.]

EXHIBIT A

FORM OF CERTIFICATES.

(a) The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS TOWN OF NORTHLAKE, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2018	PRINCIPAL AMOUNT $________

Interest Rate	Issuance Date	Maturity Date	CUSIP No.
_____%	October 9, 2018	August 15, 20__	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the Town of Northlake, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Issuance Date above at the Interest Rate per annum specified above. Interest is payable on February 15, 2019 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of ZB, National Association, dba Amegy Bank, _____, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated October 9, 2018, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $_____ for paying all or a portion of the Issuer's contractual obligations incurred in connection with (i) acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the Town's waterworks and sewer system (the "System") and (ii) paying legal, fiscal and engineering fees in connection with such projects and to pay costs of issuance of the Certificates (collectively, the "Project").

ON [AUGUST 15, 2028], or any date thereafter, the Certificates may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by the Certificate Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Issuer will not redeem such Certificates, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the principal denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange any Certificates during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limits prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge of the Surplus Revenues of the Issuer's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from all or part of said Surplus Revenues of the Issuer's waterworks and sewer system, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor (or in the Mayor's absence, of the Mayor Pro Tem) of the Issuer and countersigned with the manual or facsimile signature of the Town Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)	(signature)
Town Secretary	Mayor

(Town Seal)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration
Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _______________.

ZB, NATIONAL ASSOCIATION, DBA AMEGY BANK, _____, Texas
Paying Agent/Registrar

By: _________________________________
Authorized Representative

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto:

____
Please insert Social Security or Taxpayer Identification Number of Transferee

____
Please print or type name and address, including zip code of Transferee

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints: ____________________________________, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________.

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

____

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _______________

I hereby certify that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _______________.

____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(b) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE TOWN OF NORTHLAKE, TEXAS, in Denton County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), the Principal Amounts below on the Maturity Dates below and bearing interest at the per annum Interest Rates set forth in the following schedule:

Maturity Date (August 15)	Principal Amount	Interest Rate
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Issuance Date above, at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2019 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

1400 FM 407
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Nathan Reddin, Development Director

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

Date: September 13, 2018

Re: Text amendments to Article 5 of the Unified Development Code (UDC)

Staff presented some issues and recommended revisions to the Unified Development Code (UDC) related to agricultural uses and related zoning at the August 9th Town Council meeting and was directed to move forward with amendments as recommended. All revisions are included in Article 5. The primary purpose of the revisions is to add a new Agricultural (AG) zoning district and to eliminate the Conservation Residential Overlay (CRO) to better implement the Comprehensive Plan. Several revisions throughout the Article were necessary to accomplish this. These included adding and/or removing relevant dimensional and development standards as well as permitted uses. A few minor revisions to such standards were also made to the Rural Residential (RR) district to further differentiate it from the new Agricultural (AG) district.

While reviewing Article staff has included a few additional recommendations to correct mistakes, address potential issues, and provide better clarity and consistency. A summary of the major changes is provided below:

- Changed the initial zoning upon annexation to AG from RR because the intention is to establish a “holding zone”, such as the AG zoning is intended to be, for newly annexed property.
- Increased the maximum height allowed in the Commercial district from 40 feet to 65 feet. Staff believes this was the original intent because a note in the key associated with the dimensional requirements provides for additional setbacks for buildings above 40 feet in height. The Industrial district has the same note and allows for a maximum height of 65 feet. 65 feet should accommodate a typical 5 story building. Permitted uses in the Commercial zoning district such as hotels are often 4-5 stories tall but would not meet the max. height requirement as currently stated. 5 stories are likely to be needed for any new high-quality hotels to develop in Northlake. This height will also allow for mid-rise office buildings as office use is also permitted in the Commercial district.
- More clearly defined maximum coverage and floor area ratio.

- Increased the floor area ratio (FAR) in the Commercial district from 0.5 to 1.0 in order to better accommodate 4-5 story buildings on a site. Setback, landscape buffer, and parking requirements will still apply and help keep massive buildings from covering an entire site. Current 4-story hotels which have been developed in planned development districts and do not have to meet the UDC FAR have FAR's of up to 0.8. Similar to the height issue, a high-quality hotel is likely to need a much greater FAR than the existing 0.5 in order to be developed in the Commercial zoning district. A greater FAR will also allow for more substantial office development in the Commercial district.
- Added "Model Home" as a permitted use in residential districts. While this has been allowed by practice, it not clearly permitted and has even been specifically added to the permitted use list of planned developments for clarity.
- Changed Pawn Shop from being permitted with approval of an SUP in the Commercial and Industrial districts to being permitted by right in only the Industrial district to comply with state law which requires that at least one zoning district allow the use by right and that SUP's not be required for such a use.
- Differentiated between how Veterinarian Clinics and/or Kennels are permitted, whether fully indoors or including outside pens. The original UDC included both uses in the permitted use table, but they all required Specific Use Permits (SUP) without any differentiation. Staff recommends making "Veterinarian Clinics and/or Kennels, Indoor" a permitted use by right in the Commercial and Industrial districts and continuing to require an SUP for such a use with any outdoor pens. This change will assist a new veterinarian clinic planning to occupy a space in the Town Commons development. While the zoning for the site is Mixed-Use Planned Development (MPD), the commercial area of the MPD defers to the permitted uses for the Commercial district in the UDC which would currently require an SUP for such use, delaying their project considerably and potentially jeopardizing it if an SUP is not approved. The planned clinic is completely enclosed with no outside pens and plans call for building and insulating shared walls to the roof deck for sound protection.
- Added reference to Sec. 5.12, Temporary Use Permits, for Asphalt/concrete batching (temporary) use which is allowed by Temporary Use Permit if certain standards are met. SUP is only required if the Temporary Use Permit standards cannot be met.

A draft ordinance to amend the UDC is attached along with a redline version of the Article to provide context for the revisions.

A public hearing will be held prior to taking action on the ordinance. Notice of the public hearing was published in the Denton Record Chronicle 15 days prior to the hearing, and notice has also been posted on the Town's website. No comments have been received by staff as of September 6th.

Please contact me at 940.242.5703 if you have any questions or comments.

ORDINANCE NO. 18-0614G

AN ORDINANCE AMENDING ARTICLE 5, "ZONING DISTRICTS," OF THE UNIFIED DEVELOPMENT CODE OF THE TOWN OF NORTHLAKE BY ESTABLISHING AN AGRICULTURAL "AG" ZONING DISTRICT; BY ELIMINATING THE CONSERVATION RESIDENTIAL OVERLAY "CRO" ZONING DISTRICT; BY REVISING SECTION 5.6, "DIMENSIONAL AND DEVELOPMENT STANDARDS SUMMARY," AND SECTION 5.7, "PERMITTED USE TABLE," TO PROVIDE FOR AND AMEND CERTAIN DEVELOPMENT STANDARDS AND OTHER REGULATIONS APPLICABLE TO CERTAIN ZONING DISTRICTS WITHIN THE TOWN; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING THAT THIS ORDINANCE IS CUMULATIVE; PROVIDING A PENALTY FOR VIOLATION; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE:

WHEREAS, the Town of Northlake, Texas is a Type A general law municipality located in Denton County, Texas created in accordance with the provisions of Chapter 6 of the Texas Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, the Town previously adopted the Unified Development Code ("UDC") on January 24, 2013 which includes regulations governing zoning districts; and

WHEREAS, the UDC provides for text amendments in certain situations; and

WHEREAS, the Northlake Town Council initiated a review of zoning districts and related dimensional and development standards and permitted uses contained in the UDC; and

WHEREAS, upon review, the Town Council determined that certain amendments to the provisions governing zoning districts in the Town were needed, including establishing a new Agricultural "AG" Zoning District and eliminating the Conservation Residential Overlay "CRO" Zoning District; and

WHEREAS, the Town Council held a public hearing on September 13, 2018 after proper notification thereof with respect to the adoption of the proposed UDC text amendments in accordance with the UDC and the Texas Local Government Code; and

WHEREAS, the Town Council has determined that the amendments as outlined herein are in the best interest of the health, safety, and general welfare of the citizens of the Town of Northlake and the public.

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

SECTION 1. The findings set forth above are incorporated into the body of this ordinance as if fully set forth herein.

SECTION 2. Article 5, Zoning Districts, of the Unified Development Code, Code of Ordinances, Town of Northlake, Texas, shall be amended as shown on Exhibit "A" attached hereto and incorporated herein for all purposes.

SECTION 3. Any person, firm or corporation violating any of the provisions of this Ordinance shall be guilty of a misdemeanor and upon conviction, shall be fined a sum not to exceed $2,000.00 for each offense, and each and every violation or day such violation shall continue to exist, shall be deemed a separate offense.

SECTION 4. With the exception of those Ordinances expressly repealed herein, this Ordinance shall be cumulative of all provisions of Ordinances of the Town of Northlake, except where the provisions of this Ordinance are in direct conflict with the provisions of such Ordinances, in which event the more stringent provision shall apply and the less stringent provision, whether contained within this Ordinance or in any prior Ordinance of the Town, whether codified or un-codified, is hereby repealed to the extent of the conflict, but all other provisions of the Ordinances of the Town, whether codified or un-codified, which are not in conflict with the provisions of the Ordinance, shall remain in full force and effect.

SECTION 5. It is hereby declared to be the intention of the Town Council that the phrases, clauses, sentences, paragraph section of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court or competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this ordinance, since same would have been enacted by the Town Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6. All rights and remedies of the Town are expressly saved as to any and all violations of the provisions of this Ordinance, or any other Ordinances affecting the matters addressed herein, which have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by the Ordinance but may be prosecuted until final disposition by the courts.

SECTION 7. The Town Secretary of the Town of Northlake is hereby directed to publish the caption, penalty clause, publication clause, and effective date clause of this Ordinance.

SECTION 8. This Ordinance shall be in full force and effect from and after its passage and publication as required by law.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, ON THIS THE 13th DAY OF SEPTEMBER, 2018.

Town of Northlake, Texas

____

Peter Dewing, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

Exhibit A

Article 5 Zoning Districts

1. The table under Sec. 5.2, Zoning Districts Established, shall be replaced in its entirety with the following table:

Symbol	District Name
AG	Agricultural
RR	Rural Residential
RE	Rural Estate
MH	Manufactured Homes
MU	Mixed Use
C	Commercial
I	Industrial

2. Subsection A. of Sec. 5.3, Initial Zoning Upon Annexation, shall be replaced in its entirety with the following language:

   As soon as practical following annexation, but in no event more than one hundred (180) calendar days thereafter, the Town Council shall, on its own motion or by request of the property owners of the annexed area, initiate proceedings to establish the zoning on the newly annexed territory. Unless otherwise requested by application of the property owner, the zoning of newly annexed territory shall initially be Agricultural (AG).

3. Subsection A. of Sec. 5.5, Statement of Purpose and Intent for Zoning Districts, shall be replaced in its entirety with the following language:

   A. Agricultural District (AG)

   The agricultural district is characterized by large undeveloped open spaces with ranch and farm use as the primary use. The district is intended to help preserve agricultural uses and maintain the existing rural character of Northlake within the Ranch Preservation character area identified on the Future Land Use Map of the Comprehensive Plan. The agricultural district also serves as a temporary holding zone for other character areas until they are ready to develop in accordance with the Comprehensive Plan. Minimum lot sizes are twenty acres.

4. Subsection B. of Sec. 5.5, Statement of Purpose and Intent for Zoning Districts, shall be replaced in its entirety with the following language:

   B. Rural Residential District (RR)

   The rural residential district is characterized by large lot, single family residential development typically with asphalt roads with bar ditch drainage. Rural residential areas retain some visual aspects of rural character and may have secondary agricultural uses but are primarily residential in nature. Minimum lot sizes are five acres.

5. Subsection C. of Sec. 5.5, Statement of Purpose and Intent for Zoning Districts, shall be replaced in its entirety with the following language:

C. Rural Estates District (RE)

The rural estate district is intended to be utilized as a single-family district with densities of approximately one (1) unit per acre which would serve as buffer areas between agricultural or rural residential areas and areas of higher intensity such as mixed use areas and industrial areas. The rural estate district is intended to be utilized specifically where natural features such as streams and floodplains are not available to be utilized as buffer areas.

6. Table 5.1, Dimensional Requirements, with key shall be replaced in its entirety with the following table and key:

Table 5.1 – Dimensional Requirements

Requirements		Zoning Districts						
		AG	RR	RE	MH	MU	C	I
		Agricultural	Rural Residential	Rural Estates	Manufactured Homes	Mixed Use	Commercial	Industrial
Minimum Lot Size and Dimensions	Area	20 acres	5 acres	1 acre	7,500 sq. ft.	Per PD	None	None
	Width at BL	150 ft.	150 ft.	100 ft.	60 ft.	Per PD	None	None
	Depth	200 ft.	200 ft.	200 ft.	100 ft.	Per PD	None	None
Minimum Yard Setbacks	Front	100 ft.	50 ft.	25 ft.	25 ft.	Per PD	30 ft.	20 ft.
	Side	25 ft.	25 ft.	10 ft.	15 ft.	Per PD	10 ft.	10 ft.
	Side Adj. to Street	100 ft.	25 ft.	15 ft.	10 ft.	Per PD	10 ft.	10 ft.
	Rear	40 ft.	40 ft.	25 ft.	25 ft.	Per PD	10 ft.	10 ft.
Miscellaneous Lot Requirements	Minimum Dwelling Unit Area	1,200 sf	1,500 sf	1,500 sf	None	Per PD	None	None
	Maximum Height	35 ft.	35 ft.	35 ft.	35 ft.	Per PD	65 ft.	65 ft.
	Maximum Coverage	10%	25%	35%	25%	Per PD	FAR 1.0	FAR 0.5
	Key	a, b, c, f	a, b, c, f	a, b, c, f	a, f	a, b	a, d, g	a, d, e, g

Key:

a. Refer to Article 9 for additional design requirements
b. All single-family residential dwelling units constructed within this district shall be constructed with an enclosed garage.
c. 50 ft. maximum height for agricultural structures such as barns and silos. Height may be increased upon approval of a Specific Use Permit.
d. Minimum 20 ft. side or rear yard plus 1 foot for each foot of building height above 40 ft. when adjacent to a single-family use or zoning district.
e. All uses must be in compliance with performance standards as listed in Section 8.8.
f. Maximum coverage is the maximum portion of a lot which may be occupied by buildings or structures, including accessory buildings or structures which are thirty inches (30") above ground level.
g. Maximum coverage is expressed as a Floor Area Ratio (FAR), the floor area of a building or buildings on a lot divided by the lot area.

7. Subsection B. 4. of Sec. 5.6, Dimensional and Development Standards Summary, shall be replaced in its entirety with the following language:

Platted subdivisions established by a duly approved plat filed with the County prior to adoption of this UDC shall be exempt from meeting any new lot width, depth, and/or area requirements.

8. Table 5.2, Permitted Use Table, shall be replaced in its entirety with the following table:

Table 5.2 – Permitted Use Table

USES	DISTRICTS						
	Agricultural	Rural Residential	Rural Estate	Manufactured Homes	Mixed Use	Commercial	Industrial
	AG	RR	RE	MH	MU	C	I
AGRICULTURAL USES	**AG**	**RR**	**RE**	**MH**	**MU**	**C**	**I**
Farm, ranch, or orchard	P	P	P		P	P	P
Livestock auction	S						P
Recreational ranch or farm (Dude Ranch)	S						
Stables, Commercial	P						
Stables, Private	P	P					
RESIDENTIAL USES	**AG**	**RR**	**RE**	**MH**	**MU**	**C**	**I**
Assisted Care or Living Facility					P	P	

HUD-Code manufactured home				P			
Family or Group Home	S	S			S		
Multi-family dwelling					P		
Recreational Vehicle (includes RV parks)				P			
Single-family attached dwelling (Townhouse)					P		
Single-family detached dwelling	P	P	P	P	P		
Two family dwelling (Duplex)					P		
Vacation / Short Term Rental	S	S	S		S		
Model Home		P	P	P	P		
Table 5.2 – Permitted Use Table							
EDUCATIONAL AND INSTITUTIONAL USES	**AG**	**RR**	**RE**	**MH**	**MU**	**C**	**I**
Cemetery or mausoleum	S	S					
Church / Place of Worship		S	S		P	P	
Community Service					P	P	
Hospital, Sanitarium, nursing or convalescent home					P	P	P
Museum					P	P	
Parks and Playgrounds	P	P	P	P	P	P	P
School, College or Trade (Private)					S	S	S
School, College or Trade (Public)					P	P	P
School, primary and secondary (Private)		S	S		P	P	
School, primary and secondary (Public)		P	P		P	P	P
Semi-public Halls, Clubs and Lodges		S			P	P	P
Transit Facility					P	P	P
COMMERCIAL, OFFICE AND SERVICE USES	**AG**	**RR**	**RE**	**MH**	**MU**	**C**	**I**
Alternative Financial Services					S	S	

Amusement / Gaming Devices (Arcade)					S	S	
Amusement / Recreation (Indoor)					P	P	P
Amusement / Recreation (Outdoor)					S	S	S
Auto Repair and Service					S	P	P
Auto Sales					S	S	S
Bank					P	P	
Bed and Breakfast	S	S			S		
Car wash					S	P	P
Day Care		S			S	P	S
Fueling Station (Automobiles)					S	P	P
Fueling Station (Trucks)					S	S	P
Greenhouse or nursery	S					S	P
Heavy Equipment Sales, Service or Rental						S	P
Hotel or motel					P	P	
Laundry/dry cleaning; (Pick-up/Self Service)					P	P	
Office / Professional Service					P	P	P
Pawn Shop							P
Personal Services					P	P	P
Restaurant					P	P	
Retail / Commercial					P	P	
Sexually Oriented Business							S
Tattoo Parlor						S	S
Truck Stop							S
Veterinarian Clinic and/or Kennel, Indoor						P	P
Veterinarian Clinic and/or Kennel, Outdoor Pens	S					S	S

Table 5.2 – Permitted Use Table

MANUFACTURING AND INDUSTRIAL USES	AG	RR	RE	MH	MU	C	I
Asphalt/concrete batching plant							S
Asphalt/concrete batching (temporary)	See Sec. 5.12						
Aviation Facility	S						P
Gas Drilling/Production	S	S			S	S	S
Heavy Manufacturing							S
Laundry or Dyeing Plant							S
Light Manufacturing or Assembly							P
Outdoor Storage						S	S
Research Facility							P
Warehousing / Distribution Center							P
Self-Storage / Mini warehouses						S	P
UTILITY, ACCESSORY & INCIDENTAL USES	**AG**	**RR**	**RE**	**MH**	**MU**	**C**	**I**
Accessory Building	P	P	P	P	P	P	P
Accessory Dwelling	See Sec. 8.3						
Basic Utilities	P	P	P	P	P	P	P
Home Occupation	P	P	P	P	P		
Outdoor Recreation Area	P	P	P	P	P	P	P
Outdoor Recreation Area (lighted)	S	S	S	S	S	S	S
Satellite Transmit Station	S	S	S	S	S	S	S
Telecommunications Antennas	See Sec. 8.6						
Wind Energy Conversion Systems	See Sec. 8.7						

9. Sec. 5.8, Conservation Residential Overlay District Permitted Uses and Development Standards, shall be deleted in its entirety with the section reserved for future use.

MARY HORN
Denton County Judge

September 1, 2018

RECEIVED
SEP 06 2018
BY: A. Rogers

Honorable Peter Dewing
1400 FM 407
Northlake, Texas 76247

Re: ***Designation of Representative to Serve on the Board of Directors of the DCTA***

Dear Mayor Dewing,

In 2001, the Texas Legislature authorized the creation of the Denton County Transportation Authority (DCTA). Denton County Commissioners Court approved a resolution creating the DCTA, with the citizens of Denton County confirming the DCTA in November 2002. Since its creation, the Authority has been and remains an active member of our public community.

As a Coordinated County Transportation Authority, all citizens of Denton County are represented on the Board of Directors. Pursuant to §460.054(b)(3) TEX. TRANSPORTATION CODE, municipalities with a population of more than 500, but less than 17,000, located in the County, have three board representatives. The current terms of these directors will expire on **November 30, 2018**.

The nomination and election of small city representatives is a two-step process. First, cities shall nominate one person to the Board of Directors for the general geographic area; to be eligible for nomination for election and appointment to the Board of Directors for the DCTA, a person must have professional experience in the field of transportation, business, government, engineering or law. The nomination form must be received by the Denton County Commissioners Court on or before **October 1, 2018**, for each properly nominated individual to be placed on the ballot. Second, cities cast one vote for an individual on the ballot. The three individuals receiving the highest plurality vote, as a result of the ballots cast, will be designated to serve on the Board of Directors of the DCTA.

The responsibility of the Board of Directors is critical to the future of transportation options in Denton County. I encourage you to separately or in conjunction with other qualified cities nominate an individual who can articulate the needs and requirements of your city and area.

Should you have any questions about the nomination and election process to the DCTA, please feel free to contact me.

Sincerely,

Mary Horn

Mary Horn
Denton County Judge

Courthouse-on-the-Square • 110 West Hickory • Denton, Texas 76201
(940) 349-2820 • Fax (940) 349-2821 • www.dentoncounty.com

Denton County Transportation Authority Nomination Form

Date: ____________________

City: ___________________________ Population: ______________

Commissioner Precinct: __________

Mayor: ______________________ City Manager/ Administrator: ________________

Designee Name: ______________________ **Title:** ________________________

Home Address: ____ Zip Code: _________

Home Phone: ______________ Home Fax:______________

Home E-Mail: _________________________

Profession/Type of Work: ____

Office Address: ____ Zip Code: ________

Office Phone: ______________ Office Fax: ____________

Office E-Mail: _________________________

Special experience, knowledge or skills you will bring to this position: ______________

____

____

Signature: ___________________________________ Date: __________________

Return to: Denton County Commissioners Court
Courthouse-on-the-Square
110 West Hickory, Suite 219
Denton, Texas 76201

Attach Resume/Bio

MUST BE RETURNED ON OR BEFORE OCTOBER 1, 2018

*Pursuant to §460.054(c) Tex. Transportation Code, please nominate one person to have their name placed on a ballot to select three representatives to the Interim Executive Committee, Denton County Transportation Authority.

BOARD OF DIRECTORS

LARGE CITIES (>17,000)

RICHARD HUCKABY
DENTON
VICE CHAIRMAN

EMAIL

CHARLES EMERY
LEWISVILLE
CHAIRMAN

EMAIL

ALLEN HARRIS
THE COLONY

EMAIL

CARTER WILSON
FRISCO

EMAIL

TOM WINTERBURN
CORINTH

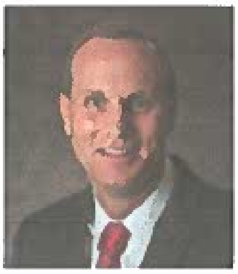
EMAIL

DIANNE COSTA

HIGHLAND VILLAGE

SECRETARY

EMAIL



MARK MILLER

FLOWER MOUND

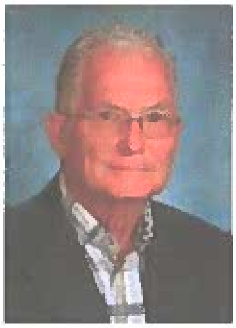
EMAIL

RON TREES

LITTLE ELM

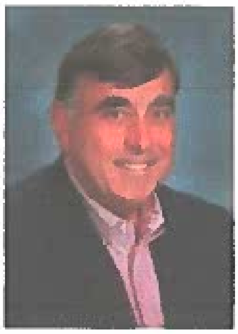
EMAIL

DENTON COUNTY UNINCORPORATED



GEORGE A. CAMPBELL

EMAIL



DON HARTMAN

EMAIL

DENTON COUNTY AT LARGE

DAVE KOVATCH
TREASURER

EMAIL

SMALL CITIES (500-17,000)

SKIP KALB

EMAIL

CONNIE WHITE

EMAIL

ALTERNATES

MIKE LEAVITT
HIGHLAND VILLAGE

JOSHUA GRAHAM
FRISCO

Executive Session

Agenda Item 8