1. Agenda

   Documents:

   9-12-2019 AGENDA.PDF

2. Meeting Materials

   Documents:

   COUNCIL PACKET 9-12-19.PDF

David A. Rettig, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

Brian Montini, Mayor Pro Tem, Council Place 3
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Town Council
Regular Meeting Agenda
Thursday, September 12, 2019 at 6:30 pm
Chamber Room - 1500 Commons Circle, Suite 300 – 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 12, 2019 at 6:30 pm at the Northlake Town Hall in the Chamber Room, 1500 Commons Circle, Suite 300, Northlake Texas. The items listed below are placed on the agenda for discussion and/or action

PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.127 MAYOR PRO TEM MONTINI INTENDS TO PARTICIPATE IN THE MEETING VIA VIDEOCONFERENCE CALL FROM ANOTHER LOCATION. A QUORUM OF THE TOWN COUNCIL AND MAYOR RETTIG, WHO WILL PRESIDE, WILL BE PRESENT AT THE TOWN COUNCIL CHAMBERS, 1500 COMMONS CIRCLE, SUITE 300, NORTHLAKE, TEXAS 76226 AS REQUIRED BY LAW.

1. Call Regular Work Session to Order
   Invocation, Pastor Justin Paulk, Fellowship of the Parks, Northlake-Justin Campus
   Pledge of Allegiance to the American Flag

2. Proclamation No. 19-5 United Way of Denton County Live United Way Month

3. Briefing Items
   A. FY 2019 3rd Quarter, Quarterly Investment Report
   B. FY 2019 Budget Report as of July 31, 2019
   C. Overview of Portable Toilet Regulations as requested by Councilor Lambert and Mayor Pro Tem Montini

4. Call Regular Meeting to Order

5. Public Input
   This item is available for citizens to address the Town Council on any matter. The presiding officer may ask the citizen to hold his or her comment on an agenda item until that agenda item is reached. By law, no deliberation or action may be taken on the topic if the topic is not posted on the agenda. 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

   D. Consider for approval the Town Council meeting minutes of August 22, 2019

E. Consider for approval the Town Council meeting minutes of August 29, 2019
F. Consider for approval the Standard Professional Services Agreement for Food Service and Temporary Event Inspections between Bureau Veritas North America, Inc. and the Town of Northlake, Texas
G. Consider for approval an Interlocal Cooperation Agreement for Police and Municipal Court Services between the Town of Northlake, Texas and City of Draper, Texas
H. Consider for approval an Agreement for Continuing Disclosure Services by and between Town of Northlake, Texas and HTS Continuing Disclosure Services a division of Hilltop Securities Inc.
I. Consider for approval a resolution designating the Denton Record Chronicle as the official newspaper for official publication for notices
    i. Resolution No. 19-18
J. Consider for approval a resolution of the Town Council of the Town of Northlake, Texas related to the issuance of bonds by Northlake Municipal Management District No. 1 a conservation and reclamation District located within the corporate boundaries of the Town
    i. Resolution No. 19-19
K. Consider for approval an ordinance 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 2019 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 ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a saving clause and effective date and requiring delivery of this ordnance to the Company and ACSC's legal counsel
    i. Ordinance 19-0912

7. Regular Items

L. 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 2019-20; 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. 19-0912A
M. Consider for approval an ordinance approving the Fiscal Year 2019-20 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. 19-0912B
N. Consider for approval an ordinance adopting a Fiscal Year 2020 Annual Budget for Tax Increment Reinvestment Zone No. 1, Town of Northlake, Texas
    i. Ordinance No. 19-0912C
O. 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, 2019 through September 30, 2020 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 effective date of October 1, 2019

   i. Ordinance No. 19-0912D

P. 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, 2019 and ending on September 30, 2020 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

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Q. Consider for approval a resolution of the Town Council of the Town of Northlake, Texas, authorizing the Town Administrator to contract with Quality Excavation, Ltd. For water line installation from future site of North Water Tower to Cleveland-Gibbs Road

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R. Consider for approval a resolution of the Town Council of the Town of Northlake, Texas, authorizing the Town Administrator to enter into an agreement for road base preparation as part of the Mulkey Road Improvements in The Highlands Phase II

   i. Resolution No. 19-21

S. Consider for approval a resolution of the Town Council of the Town of Northlake, Texas adopting the 2019 Northlake Purchasing Policy

   i. Resolution No. 19-22

T. Consider a Pioneer Grant Program incentive and performance agreement for the development of Bella Italia, a full-service restaurant to be located in the Northlake Commons retail center at FM 407 with total grant not to exceed $50,000 as recommended by the Northlake Economic and Community Development Corporation Boards

U. Consider a Sales Tax Grant and Reimbursement agreement for the development of Texas Roadhouse, a full-service restaurant to be located at 18400 block of IH-35W with grant not to exceed $50,000 and reimbursements not to exceed 1% of taxable sales for four years and construction sales at project completion as recommended by the Northlake Economic and Community Development Corporation Boards

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: 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; or
         (c) Case # FP 18-020 considered by the Town at the January 24, 2019 Town Council meeting; or
         (d) Potential litigation related to Eagleton and Applewood road failures; or
         (e) Potential litigation related to Dale Earnhardt Way road failures; or
         (f) Right-of-way acquisition related to Cleveland-Gibbs Road construction; or

(g) Interlocal agreement between Town and City of Fort Worth executed on August 6, 1997; or
(h) Performance evaluation criteria applicable to the Town Administrator

b. Section 551.072 deliberation regarding the purchase, exchange, lease, or value of real property to be acquired out of a certain 47.063-acre tract of land located in the B.B.B. & C.R.R. Co. Survey, Abstract No. 189 in Northlake, Denton County, Texas, for the construction and maintenance of a water tower and other public purposes permitted by law
c. Section 551.087 Economic Development negotiations for Hotel Conference Center Incentives

9. Open Session
   V. Consider authorizing purchase of approximately 1.15 acres of a certain 47.063 acre tract of land located in the B.B.B. & C.R.R. Co. Survey, Abstract No. 189 in Northlake, Denton County, Texas, as property necessary for the construction and maintenance of a water tower and for other public purposes permitted by law and authorizing the Town Administrator to negotiate and enter into an agreement for said purchase on behalf of the Town.
   W. Consider for approval an agreement between the Town of Northlake and Lodging Host Hotel Corp. concerning development of a Hotel Conference Center in the Town limits of Northlake and authorize the Town Administrator to negotiate and enter into said agreement on behalf of the Town
   X. Consider for approval a resolution of the Town Council of the Town of Northlake supporting the Denton County Commissioners' Court for the acquisition of right-of-way for the Cleveland-Gibbs Road construction project

10. Adjournment

CERTIFICATION

I hereby certify that the above agenda was posted on the bulletin board at Town Hall 1500 Commons Circle, Suite 300, Northlake Texas on the 5th day of September 2019 by 6:00 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)

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10. Adjournment

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Shirley Rogers

Shirley Rogers, Town Secretary

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NORTHLAKE
TEXAS

Work Session

Agenda Item 1

Proclamation

Agenda Item 2

UNITED WAY OF DENTON COUNTY
LIVE UNITED MONTH – SEPTEMBER 2019
PROCLAMATION NO. 19-5

WHEREAS, since 1953, United Way of Denton County has empowered 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 works with a network of nonprofits across Denton County to improve the quality of life for the most vulnerable among us; and

WHEREAS, the 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 continues to improve and transform lives across Denton County.

NOW, THEREFORE, we declare September 2019 **LIVE UNITED Month** and ask you to join United Way of Denton County board, donors, volunteers and partners in calling on all residents of Northlake to **LIVE UNITED.**

Given under my hand and Seal of the Town of Northlake, this the 12th day of September 2019

Town of Northlake, Texas

____

David Rettig, Mayor

SEAL:

Briefing Items

Agenda Item 3

1500 Commons Circle, Suite 300
Northlake, TX 76226
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: John Zagurski, Finance Director

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

Date: September 12, 2019

Re: Quarterly Investment Report – Third Quarter FY 2019

During the third quarter of FY 2019, the Town earned interest revenue of $138,081.69. When comparing the interest earnings to the prior quarter, the Town incurred a decrease in interest earnings of $930.90 or less than 1%.

Approximately 81% of the investments that the Town holds are in LOGIC. This entity allows local governments within Texas to "pool" their money together to earn increased returns over individual investment options. One advantage of the pooled system is same day access to funds should the need arise. The pool is maintained in accordance with the Public Funds Investment Act. The pool's interest yield is regularly compared to Treasury Bills because of the similarities in security. Treasury Bills are sold by the US Government and are considered the most conservative investment option, often having the lowest interest yield. The Treasury Bills return remains low, fueling low earnings in the pools.

The remainder of the Town's investments are held in an interest bearing account with Wells Fargo. The interest rate offered through Wells Fargo is comparable to that of investment pools and allows the Town to use the balance to earn credits to offset banking fees. The investments are partially covered from bank default by FDIC insurance with the remainder fully collateralized with the collateral held by a third party.

If you have any questions regarding this report or need further information please contact me at 940-242-5706.

NORTHLAKE TEXAS

Town of Northlake
Quarterly Investment Report
For the Quarter Ended June 30, 2019

30 Day Treasury Bill Yield: 2.18%
90 Day Treasury Bill Yield: 2.12%
1 Years Treasury Bill Yield: 1.93%

Wells Fargo Bank

Investment Description	Beginning Balance	Deposits	Withdrawals	Interest	Ending Balance
Wells Fargo - Investment Account	$ 2,139,631.62	$ -	$ -	$ 1,067.15	$ 2,140,698.77
Wells Fargo - General Account	$ 2,214,860.87	$ 4,113,170.55	$ (3,294,295.75)	$ -	$ 3,033,735.67
Wells Fargo - Payroll Account	$ -	$ 696,859.33	$ (696,859.33)	$ -	$ -
First Financial Totals	**$ 4,354,492.49**	**$ 4,810,029.88**	**$ (3,991,155.08)**	**$ 1,067.15**	**$ 5,174,434.44**

Avg Monthly Yield: 0.20%
Avg WAM* in Days : N/A

LOGIC

Investment Description	Beginning Balance	Deposits	Withdrawals	Interest	Ending Balance
LOGIC - 2016 Comb Tax Ltd. Surplus	$ 1,306,238.99	$ -	$ -	$ 8,286.23	$ 1,314,525.22
LOGIC - General Fund	$ 8,148,274.65	$ -	$ -	$ 51,689.27	$ 8,199,963.92
LOGIC - CO'S Series 2018	$ 12,144,410.83	$ -	$ -	$ 77,039.04	$ 12,221,449.87
LOGIC Totals	**$ 21,598,924.47**	**$ -**	**$ -**	**$ 137,014.54**	**$ 21,735,939.01**

Avg Monthly Yield: 2.4927%
Avg WAM* in Days : 53

Total Cash & Investments	**$ 25,953,416.96**	**$ 4,810,029.88**	**$ (3,991,155.08)**	**$ 138,081.69**	**$ 26,910,373.45**

***WAM (Weighted Average Maturity) is the mean average of the periods of time remaining until the securities held are (1) scheduled to be repaid or (2) would be repaid upon demand or (3) are scheduled to have their interest rate readjusted to reflect current market rates.**

The undersigned serves as the Investment Officer* for the Town of Northlake. I certify that all instruments held in the Town's investment portfolios for the period April 1, 2019 through June 30, 2019 (a) met the investment guidelines and complied with the investment strategies as authorized by the Town's Investment Policies, and (b) did not violate any applicable provisions of section 2256 of the Government Code of Texas.

~~* The Town Finance Director is the designated Investment Officer for the Town but due to a vacancy in the position the Acting Town Manager will be fulfilling these duties.~~

SIGNED: [signature] 9/5/2019

INVESTMENT OFFICER ____________ **DATE** ____________

1500 Commons Circle, Suite 300
Northlake, TX 76226
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: John Zagurski, Finance Director

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

Date: September 12, 2019

Re: Quarterly Financial Report–Third Quarter 2019

Due to the delay in quarterly reporting, staff is presenting the most current financial report by providing the report as of the July 31, 2019. The next quarterly report will be as of September 30, 2019.

By the end of the third quarter, General Fund revenues were tracking at 94% received. This is primarily due to the property taxes, building permits, development revenues, and interest earnings. General Fund expenditures have 24% remaining as of the end of July, which is on track for the year.

Hotel Occupancy Tax revenues are tracking higher than anticipated and will likely exceed even the revised budget. Total expenditures are tracking 11% below expectations primarily due to the budgeted conference center feasibility study not being initiated yet. Payroll expenses are tracking higher than anticipated due to Police Officers working special events at the Texas Motor Speedway, but the expenditures are offset by the reduced usage of outside services.

NEDC and NCDC revenues are higher than anticipated due to increased sales tax collections. Expenditures are lower than anticipated but are expected to meet budget before the end of the year when payments are made for development incentives.

Both the revenues and expenditures in the Water/Sewer fund are lower than anticipated due to the rainy weather. The past two months have been dryer, but it is likely that water and sewer revenues will fall short. This will have a negative impact on reserves. Next fiscal year a rate study is budget and that will evaluate the Town’s rates, to ensure our rate struct protects against future dry years.

If you have any questions or comments, please contact me at 940.648.3290.ext 223.

Town of Northlake
Monthly Financial Report
As of July 31, 2019

NORTHLAKE TEXAS

Town of Northlake

GENERAL FUND

Fund: 100	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Court Fines	500,000	500,000	430,223	69,777	14%
Sales/Beverage Tax	600,000	750,000	613,166	136,834	18%
Ad Valorem Taxes	939,707	1,013,350	1,014,656	(1,306)	0%
Permits and Registrations	19,550	41,050	48,910	(7,860)	-19%
Franchise Fees	380,000	370,000	296,114	73,886	20%
Building Permits	1,004,500	1,104,500	1,042,050	62,450	6%
Development	502,250	1,217,750	1,223,731	(5,981)	0%
Transfers	270,881	270,881	217,500	53,381	20%
Other Revenue:	208,260	215,760	286,832	(71,072)	-33%
TOTAL REVENUE:	4,425,148	5,483,291	5,173,181	310,110	6%
EXPENDITURES:					
Payroll & Benefits	2,717,790	2,498,166	1,992,004	506,162	20%
Supplies	171,513	156,718	102,443	54,275	35%
Maintenance	210,111	205,611	111,085	94,526	46%
Utilities	22,775	23,075	16,106	6,969	30%
Services	824,889	932,489	674,791	257,698	28%
Internal Services	449,180	449,180	336,885	112,295	25%
Capital Outlay	6,000	16,664	22,899	(6,235)	-37%
TOTAL EXPENDITURES:	4,402,258	4,281,903	3,256,214	1,025,689	24%

Town of Northlake

HOTEL OCCUPANCY TAX

Fund: 110	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Taxes / Fees & Fines	300,000	400,000	375,361	24,639	6%
Other Revenue:	10,805	10,805	948	9,857	91%
TOTAL REVENUE:	310,805	410,805	376,309	34,496	8%
EXPENDITURES:					
Payroll & Benefits	51,633	51,633	61,700	(10,067)	-19%
Services	55,600	55,600	3,880	51,720	93%
Internal Services	3,235	3,235	2,427	808	25%
TOTAL EXPENDITURES:	110,468	110,468	68,007	42,461	38%

Town of Northlake

COURT TECHNOLOGY SPECIAL REVENUE

Fund: 121	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Court Technology	16,000	16,000	11,261	4,739	30%
Interest	-	9,000	-	9,000	100%
TOTAL REVENUE:	16,000	25,000	11,261	13,739	55%
EXPENDITURES:					
Capital Outlay	5,000	5,000	-	5,000	100%
TOTAL EXPENDITURES:	5,000	5,000	-	5,000	100%

Town of Northlake

COURT SECURITY SPECIAL REVENUE

Fund: 120	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Court Security	12,000	12,000	8,446	3,554	30%
Interest	200	9,000	163	8,837	98%
TOTAL REVENUE:	12,200	21,000	8,609	12,391	59%
EXPENDITURES:					
Services	9,000	9,000	3,731	5,269	59%
TOTAL EXPENDITURES:	9,000	9,000	3,731	5,269	59%

Town of Northlake

ECONOMIC DEVELOPMENT CORPORATION

Fund: 130	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Taxes / Fees & Fines	300,000	360,000	305,569	54,431	15%
Other Revenue:	22,650	22,650	13,958	8,692	38%
TOTAL REVENUE:	322,650	382,650	319,528	63,122	16%
EXPENDITURES:					
Payroll & Benefits	38,883	38,883	27,572	11,311	29%
Supplies	1,700	1,700	440	1,260	74%
Maintenance	2,250	3,250	3,249	1	0%
Services	64,750	64,750	54,277	10,473	16%
Internal Services	3,235	3,235	2,427	808	25%
Incentives	432,500	432,500	55,500	377,000	87%
Transfers	30,000	30,000	22,500	7,500	25%
TOTAL EXPENDITURES:	573,318	574,318	165,965	408,353	71%

Town of Northlake

COMMUNITY DEVELOPMENT CORPORATION

Fund: 131	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Taxes / Fees & Fines	300,000	360,000	305,569	54,431	15%
Other Revenue:	22,650	22,650	13,926	8,724	39%
TOTAL REVENUE:	322,650	382,650	319,495	63,155	17%
EXPENDITURES:					
Payroll & Benefits	38,583	38,883	27,372	11,511	30%
Supplies	1,700	1,700	504	1,196	70%
Maintenance	2,250	3,250	2,459	791	24%
Services	64,750	66,250	52,503	13,747	21%
Internal Services	3,235	3,235	2,427	808	25%
Incentives	432,500	432,500	55,500	377,000	87%
Transfers	30,000	30,000	22,500	7,500	25%
TOTAL EXPENDITURES:	573,018	575,818	163,266	412,552	72%

Town of Northlake

CHILD SAFETY SPECIAL REVENUE

Fund: 152	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Seatbelt Fees	3,000	3,000	3,190	(190)	-6%
Child Safety	2,000	2,000	2,313	(313)	-16%
Interest	2,100	9,000	116	8,884	99%
TOTAL REVENUE:	7,100	14,000	5,619	8,381	60%
EXPENDITURES:					
Supplies	1,000	6,000	132	5,868	98%
Maintenance	6,500	1,500	1,500	-	0%
Services	1,000	1,000	1,071	(71)	-7%
TOTAL EXPENDITURES:	8,500	8,500	2,703	5,797	68%

Town of Northlake

COURT ONLINE ACCESS FEES

Fund: 153	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Online Access Fees	18,000	18,000	10,698	7,302	41%
Interest Revenue	-	9,000	-	9,000	100%
TOTAL REVENUE:	18,000	27,000	10,698	16,302	60%
EXPENDITURES:					
Supplies	-	-	235	(235)	NA
Maintenance	5,000	5,000	5,463	(463)	-9%
Services	11,500	11,500	7,709	3,791	33%
TOTAL EXPENDITURES:	16,500	16,500	13,408	3,092	19%

Town of Northlake

DEBT SERVICE

Fund: 160	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Taxes / Fees & Fines	779,292	803,800	827,295	(23,495)	-3%
Transfers	50,000	50,000	-	50,000	100%
Bond Proceeds	-	12,218,908	12,218,908	(0)	0%
Other Revenue	1,200	6,000	44	5,956	99%
TOTAL REVENUE:	830,492	13,078,708	13,046,247	32,461	0%
EXPENDITURES:					
Services	5,206	5,206	2,575	2,631	51%
Transfers	-	12,000,000	12,000,000	-	0%
Debt Service	1,325,828	1,325,828	440,926	884,902	67%
TOTAL EXPENDITURES:	1,331,034	13,331,034	12,443,501	887,533	7%

NORTHLAKE TEXAS

Town of Northlake

WATER & WASTEWATER

Fund: 200	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Water Sales	2,750,000	2,400,000	1,573,531	826,469	34%
Water Fees	250,250	250,250	196,150	54,100	22%
Sewer Sales	1,500,000	1,250,000	997,646	252,354	20%
Sewer Fees	20,000	40,000	30,650	9,350	23%
FWSD Reimbursement	-	-	-	-	NA
Transfers	-	-	-	-	NA
Other Revenue	75,050	125,000	115,869	9,131	7%
TOTAL REVENUE:	4,595,300	4,065,250	2,913,846	1,151,404	28%
EXPENSES:					
Payroll & Benefits	519,491	474,497	366,767	107,730	23%
Supplies	56,082	38,450	24,948	13,502	35%
Maintenance	110,185	104,685	66,246	38,439	37%
Wholesale Water	1,500,000	1,750,000	1,359,844	390,156	22%
Sewer Treatment	1,000,000	700,000	571,721	128,279	18%
Utilities	46,620	46,620	30,027	16,593	36%
Services	78,400	78,400	86,512	(8,112)	-10%
Internal Services	142,615	142,615	106,962	35,653	25%
Capital Outlay	428,100	428,100	207,890	220,210	51%
Transfers	230,000	230,000	172,500	57,500	25%
TOTAL EXPENSES:	4,111,493	3,993,367	2,993,418	999,949	25%

Town of Northlake

COST RECOVERY

Fund: 201	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Cost Recovery Fees	-	433,149	305,000	128,149	30%
Other Revenue:	-	-	313	(313)	NA
TOTAL REVENUE:	-	433,149	305,313	127,836	30%
EXPENSES:					
Services	-	-	810	(810)	NA
Capital Outlay	-	39,500	-	39,500	100%
TOTAL EXPENSES:	-	39,500	810	38,690	98%

Town of Northlake

WATER IMPACT FEES - NORTH

Fund: 202	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Water Impact Fees	250,000	300,000	385,097	(85,097)	-28%
Other Revenue:	1,700	1,700	64	1,636	96%
TOTAL REVENUE:	251,700	301,700	385,161	(83,461)	-28%
EXPENSES:					
Services	200,000	150,000	80,656	69,344	46%
Capital Outlay	-	-	1,077	(1,077)	NA
TOTAL EXPENSES:	200,000	150,000	81,733	68,267	46%

Town of Northlake

WATER CAPITAL PROJECTS

Fund: 203	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Transfers	10,000,000	12,000,000	12,000,000	-	0%
Other Revenue:	-	-	233,385	(233,385)	NA
TOTAL REVENUE:	10,000,000	12,000,000	12,233,385	(233,385)	-2%
EXPENSES:					
Services	5,300	505,300	109,300	396,000	78%
Capital Outlay	10,000,000	50,000	-	50,000	100%
Lease Purchase Debt Service	30,581	30,581	3,673	26,908	88%
TOTAL EXPENSES:	10,035,881	585,881	112,972	472,909	81%

Town of Northlake

WATER IMPACT FEES - SOUTH

Fund: 204	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Water Impact Fees	200,000	450,000	437,941	12,059	3%
Sewer Impact Fees	50,000	50,000	214,638	(164,638)	-329%
Other Revenue:	1,700	1,700	64	1,636	96%
TOTAL REVENUE:	251,700	501,700	652,643	(150,943)	-30%
EXPENSES:					
Services	512,000	198,000	189,919	8,081	4%
TOTAL EXPENSES:	512,000	198,000	189,919	8,081	4%

Town of Northlake

CAPITAL PROJECTS

Fund: 301	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Other Revenue:	-	420,000	461,859	(41,859)	-10%
TOTAL REVENUE:	-	420,000	461,859	(41,859)	-10%
EXPENDITURES:					
Services	-	125,000	133,522	(8,522)	-7%
Capital Outlay	3,550,000	1,500,000	1,417,969	82,031	5%
TOTAL EXPENDITURES:	3,550,000	1,625,000	1,551,492	73,508	5%

Town of Northlake

NORTHLAKE PID#1 - HARVEST COMMUNITY

Fund: 401	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Assessments	780,150	780,150	778,636	1,514	0%
TOTAL REVENUE:	780,150	780,150	778,636	1,514	0%
EXPENDITURES:					
Services	779,600	779,600	769,133	10,467	1%
TOTAL EXPENDITURES:	779,600	779,600	769,133	10,467	1%

Town of Northlake

NORTHLAKE PID#2 - THE HIGHLANDS

Fund: 402	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Assessments	317,902	317,902	316,247	1,655	1%
Other Revenue	10,000	10,000	-	10,000	100%
TOTAL REVENUE:	327,902	327,902	316,247	11,655	4%
EXPENDITURES:					
Maintenance	11,041	11,041	11,041	-	0%
Services	13,150	13,150	5,889	7,261	55%
Bond Debt Service	280,125	280,125	36,947	243,178	87%
TOTAL EXPENDITURES:	304,316	304,316	53,877	250,439	82%

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Ad Valorem Taxes	127,027	127,027	127,027	-	0%
TOTAL REVENUE:	127,027	127,027	127,027	-	0%
EXPENSES:					
Maintenance	97,027	97,027	-	97,027	100%
Services	30,000	30,000	4,741	25,259	84%
TOTAL EXPENSES:	127,027	127,027	4,741	122,286	96%

Town of Northlake

TECHNOLOGY SERVICES FUND

Fund: 504	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Mayor & Council	6,500	6,500	4,875	1,625	25%
Administration-GF	12,000	12,000	9,000	3,000	25%
Town Secretary	5,000	5,000	3,750	1,250	25%
Municipal Courts	16,000	16,000	12,000	4,000	25%
Development	6,500	6,500	4,875	1,625	25%
Police	47,000	47,000	35,250	11,750	25%
Public Works	13,000	13,000	9,750	3,250	25%
Administration-HOT	1,500	1,500	1,125	375	25%
Administration-EDC	1,500	1,500	1,125	375	25%
Administration-CDC	1,500	1,500	1,125	375	25%
Administration-WS Fund	4,000	4,000	3,000	1,000	25%
Utility Department	15,000	15,000	11,250	3,750	25%
TOTAL REVENUE:	129,500	129,500	97,125	32,375	25%
EXPENSES:					
Maintenance	16,000	16,000	6,979	9,021	56%
Utilities	31,000	31,000	20,441	10,559	34%
Services	111,000	141,000	150,882	(9,882)	-7%
Capital Outlay	-	-	7,500	(7,500)	NA
TOTAL EXPENSES:	158,000	188,000	185,803	2,197	1%

NORTHLAKE
TEXAS

Town of Northlake

EQUIPMENT SERVICES FUND

Fund: 505	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Equip. Service Revenue-PD	110,000	110,000	82,500	27,500	25%
Equip. Service Revenue-PW	25,000	25,000	18,750	6,250	25%
Equip. Service Revenue-Utilities	75,000	75,000	56,250	18,750	25%
Equip. Service Revenue-Dev	12,000	12,000	9,000	3,000	25%
Sale of Equipment Proceeds	11,000	11,000	-	11,000	100%
Insurance Proceeds	-	-	1,576	(1,576)	NA
Other Revenue	500	500	257	243	49%
TOTAL REVENUE:	233,500	233,500	168,333	65,167	28%
EXPENSES:					
Maintenance	7,000	7,000	2,076	4,924	70%
Capital Outlay	267,000	267,000	114,779	152,221	57%
TOTAL EXPENSES:	274,000	274,000	116,855	157,145	57%

Town of Northlake

BUILDING SERVICES FUND

Fund: 506	Original Budget	Revised Budget	Actual As of 7/31	Variance As of 7/31	Percent Remaining
REVENUES:					
Interest Income	-	-	64.00	(64.00)	NA
Mayor & Council	13,890	13,890	10,417.50	3,472.50	25%
Administration-GF	17,360	17,360	13,020.00	4,340.00	25%
Town Secretary	6,945	6,945	5,208.75	1,736.25	25%
Municipal Courts	20,830	20,830	15,622.50	5,207.50	25%
Development	8,680	8,680	6,510.00	2,170.00	25%
Police	97,225	97,225	72,918.75	24,306.25	25%
Public Works	31,250	31,250	23,437.50	7,812.50	25%
Administration-HOT	1,735	1,735	1,301.25	433.75	25%
Adminstration-EDC	1,735	1,735	1,301.25	433.75	25%
Administration-CDC	1,735	1,735	1,301.25	433.75	25%
Administration-WS Fund	10,420	10,420	7,815.00	2,605.00	25%
Utility Department	38,195	38,195	28,646.25	9,548.75	25%
TOTAL REVENUE:	250,000	250,000	187,564	62,436	25%
EXPENSES:					
Rent	146,660	146,660	93,261	53,399	36%
Supplies	3,100	3,100	8,017	(4,917)	-159%
Maintenance	8,000	8,000	29,058	(21,058)	-263%
Utilities	15,000	15,000	10,979	4,021	27%
Services	84,552	84,552	97,077	(12,525)	-15%
Capital Outlay	-	-	12,111	(12,111)	NA
TOTAL EXPENSES:	257,312	257,312	250,503	6,809	3%

1500 Commons Circle, Suite 300
Northlake, TX 76226
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Nathan Reddin, Development Director

Shirley Rogers, Town Secretary

Date: September 12, 2019

Re: Overview of Town of Northlake Portable Toilet Regulations

---

Councilor Lambert and Mayor Pro Tem Montini has requested a briefing on portable toilet regulations in the Town of Northlake with an opportunity for Town Council discussion. The important issue as understood is preventing portable toilets from tipping over and if the toilets do tip over some associated penalty and fine.

While the Town does not have any regulations that specifically mention portable toilets, I have found a few regulations in the Northlake Code of Ordinance that provide some enforcement authority. Section 7.02.003 of the Code mentions an "unsanitary matter" which a tipped over toilet could be considered. This ordinance gives the property owner seven days to correct the matter but provides no penalty or fine. Section 7.05.056 requires property owner's responsibility "keeping property clean" which could also be used. This section gives property owner ten days to correct but provides not penalty or fine.

Town staff has been proactive when dealing with the placement of portable toilets not allowing them to be place in the right-of-way. We have asked all contractors and service providers to stake their portable toilets and have observed that this is occurring. During high winds, Public Works crews and the Code Compliance Coordinator have monitored construction sites and have notified contractors when portable toilets have overturned and in many cases have up-righted the toilets.

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

Regular Session

Agenda Item 4

Public Input

Agenda Item 5

Consent Items

Agenda Item 6

David A. Rettig, 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

Town Council
Regular Meeting Minutes
Thursday, August 22, 2019
Chamber Room - 1500 Commons Circle, Suite 300 - Northlake, Texas 76226

1. Mayor David Rettig called the regular work session to order at 6:30 pm, quorum present

Council Members present:	David Rettig, Rena Hardeman, Jimmy Lambert, Brian Montini, Roger Sessions, Danny Simpson
Staff present:	Drew Corn, Town Administrator; Nathan Reddin, Development Director; Robert Crawford, Chief of Police; Eric Tamayo, Public Works Director; John Zagurski, Finance Director; Kyle Garcia, Planner; Chris Byrd, Intern; and Shirley Rogers, Town Secretary
Consultants present:	Ashley Dierker, Legal Counsel; Ben McGahey, PE, Town Engineer; Andy Messer, Legal Counsel

Invocation given by Pastor Travis Hartjen, The Grove Church
Pledge of Allegiance to the US Flag led by Mayor Rettig

2. Briefing Items
   John Zagurski gave an update on Northlake's Purchasing Policy. After a review of the policy, needs to be updated to meet complexity of Town's organizational structure as well as increase operational efficiency. Suggested a few major changes along with minor changes. Will bring back to council for approval

3. Mayor Rettig called the regular meeting to order at 6:46 pm, quorum present

4. Public Input
   At the request of Council Member Hardeman, Mayor Rettig allowed up to four (4) minutes per each speaker

   - Joel McGregor, resident, commented on the budget and tax incentives. Believes tax rate is incentive enough for businesses to locate to the town; give homeowners a break on taxes, maybe give up to 20% in homestead exemption
   - Laura McGregor, resident, asked the council to redirect CDC funds to pay off debt, does not believe Northlake should be giving out tax incentives, Northlake low tax rate is enough incentive, ask council to be fiscal responsible

   Mayor Rettig did clarify the CDC and EDC cannot redirect sales tax funds to pay off debt

5. Consent Items
   A. Council Member Sessions made the motion to approve the Town Council meeting minutes of August 1, 2019. 2nd by Council Member Simpson
      Vote: motion passed unanimous
      For: Sessions, Simpson, Montini, Lambert, Hardeman

Against: none

6. Regular Items

By general consent, Item B-C-D were discussed and considered with one motion

Mayor Pro Tem Montini made the motion to approve Items B-C-D. 2nd by Council Member Lambert

Vote: motion passed unanimous

For: Montini, Lambert, Hardeman, Sessions, Simpson

Against: none

Rep - Brent Kline, Jacobs & Associates present

B. Site Plan of Northlake Commons Phase 4, a proposed two-building, 18,136 square-foot commercial development on 1.568 acres situated in the Patrick Rock Survey, Abstract No. 1063, to be platted as Lot 2, Town Commons, generally located on the north side of FM 407 approximately 400 feet east of Cleveland-Gibbs Road, and zoned Mixed-Use Planned Development (MPD). Harvest FM 407 LTD is the owner. Office Equity Solutions is the applicant/developer. Baird, Hampton & Brown Inc. is the engineer/surveyor. Case # SP-19-001

C. Site Plan of Northlake Commons Phase 5, a proposed two-building, 17,770 square-foot commercial development on 1.654 acres situated in the Patrick Rock Survey, Abstract No. 1063, to be platted as Lot 3, Town Commons, generally located on the north side of FM 407 approximately 600 feet west of Harvest Way, and zoned Mixed-Use Planned Development (MPD). Harvest FM 407 LTD is the owner. Office Equity Solutions is the applicant/developer. Baird, Hampton & Brown Inc. is the engineer/surveyor. Case # SP-19-002

D. Site Plan of Northlake Commons Phase 6, a proposed two-building, 16,300 square-foot commercial development on 1.605 acres situated in the Patrick Rock Survey, Abstract No. 1063, to be platted as Lot 7, Town Commons, generally located on the north side of FM 407 approximately 400 feet west of Harvest Way, and zoned Mixed-Use Planned Development (MPD). Northlake Development LTD is the owner. Office Equity Solutions is the applicant/developer. Baird, Hampton & Brown Inc. is the engineer/surveyor. Case # SP-19-003

E. Ordinance of the Town of Northlake, Texas designating a certain area as a Reinvestment Zone for Commercial/Industrial Tax Abatement in the Town of Northlake, to be known as Reinvestment Zone No. 4, Town of Northlake, Texas; establishing the boundaries thereof; providing a savings clause; and an effective date

  i. Mayor Rettig opened the public hearing at 7:15 pm to hear comments for or against the Reinvestment Zone No. 4

  - Joel McGregor, resident of Northlake, against giving tax abatements to businesses, money could be used in other ways for the citizens

  Mayor Rettig closed the Public Hearing at 7:20 pm

  ii. Council Member Simpson made the motion to approve Ordinance No. 19-0822A. 2nd by Mayor Pro Tem Montini

Vote:	Motion passed
For:	Simpson, Montini, Sessions, Lambert
Against:	Hardeman

F. Mayor Pro Tem Montini made the motion to approve Resolution No. 19-16 of the Town of Northlake, Texas establishing the Schluter 2019 Program and approving a Tax Abatement & Chapter 380 Economic Development Agreement with Schluter Systems, L.P. pursuant to the Town's Incentive Policy to promote economic development and stimulate business and commercial activity in the Town; providing for required notices; and providing for an effective date. 2nd by Council Member Lambert

Vote:	Motion passed
For:	Montini, Lambert, Sessions, Simpson
Against:	Hardeman

G. Council Member Simpson made the motion to approve a Final Plat of The Highlands Phase II, a subdivision consisting of 76 residential lots on a 96.29-acre tract of land in the A. McDonald Survey, Abstract No. 785, generally located south of Northwest Crossing in The Highlands Phase I between Mulkey Lane and Sutherland Crescent, and zoned Rural Estate (RE). RCM Highlands, LP is the owner/applicant/developer. Barron-Stark Engineers, LP is the engineer/surveyor. Case # FP-19-010. 2nd by Council Member Sessions

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

H. Council Member Simpson made the motion to approve Final Plat of The Ridge at Northlake Phase 1, a subdivision consisting of 267 residential lots and 20 common area lots on an 86.072-acre tract of land in the Patrick Rock Survey, Abstract No. 1063, generally located on the south side of Robson Ranch Road, approximately 1,600 feet east of Ed Robson Blvd, and zoned Mixed-Use Planned Development (MPD). TMRY Ridge, LP is the owner/applicant/developer. JBI Partners is the engineer/surveyor. Case # FP-19-011. 2nd by Mayor Pro Tem Montini

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

I. Ordinance to amend the Mixed-Use Planned Development (MPD) zoning district for The Ridge at Northlake by adding a provision for a temporary manufactured home. TMRY Ridge, LP is the owner/applicant. JBI Partners is the engineer/surveyor. Case # PD-19-003

   i. Mayor Rettig opened the public hearing at 7:44 pm to hear comments for or against proposed amendment

      - No one came forward

Mayor Rettig closed the public hearing at 7:44 pm

ii. Council Member Simpson made the motion to approve Ordinance 19-0822B. 2nd by Council Member Lambert

Vote:	Motion passed
For:	Simpson, Lambert, Montini, Hardeman
Against:	Sessions

J. Mayor Rettig opened the first Public Hearing on a proposed property tax rate for Fiscal Year 2019-2020 of $0.295 per $100 assessed valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 12, 2019 meeting at 7:52 pm to hear comments for or against the proposed property tax rate

- Joel McGregor, resident of Northlake would like to offset the property tax adding additional amount to homestead exemption

Mayor Rettig closed the Public Hearing at 7:57 pm

K. Mayor Rettig opened the Public Hearing on the Proposed Budget for Fiscal year 2019-20 beginning on October 1, 2019 and ending on September 30, 2020 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) at 7:58 pm to hear comments for or against the proposed budgets

- No one came forward for or against the proposed budget

Mayor Rettig closed the Public Hearing at 8:01 pm

Council Member Sessions made the motion to adopt the Proposed FY 2019-2020 Budget at the September 12, 2019 meeting. 2nd by Council Member Hardeman

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

L. Council Member Hardeman made the motion to approve Resolution 19-17 nominating the following citizens for the Denton Central Appraisal District Board of Directors: Michael Savoie, Carla Hardeman, Joel McGregor, Laura McGregor, and Brian Montini. 2nd by Council Member Sessions

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

7. Council Member Hardeman made the motion to convene into Executive Session at 8:05 pm. 2nd by Mayor Pro Tem Montini

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

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: 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; or
      (c) Case # FP 18-020 considered by the Town at the January 24, 2019 Town Council meeting; or
      (d) Eminent domain actions to obtain right-of-way out of a certain 3.05-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; or
      (e) Eminent domain actions to obtain property out of a certain 47.063-acre tract of land located in the B.B.B. & C.R.R. Co. Survey, Abstract No. 189 in Northlake, Denton County, Texas, for the construction and maintenance of a water tower and other public purposes permitted by law; or
      (f) Potential litigation related to Eagleton and Applewood road failures; or
      (g) Potential litigation related to Dale Earnhardt Way road failures; or
      (h) Contract provisions applicable to the Town Administrator; or
      (i) Interlocal agreement between Town and City of Fort Worth executed on August 6, 1997

b. 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 3.05-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 out of a certain 47.063-acre tract of land located in the B.B.B. & C.R.R. Co. Survey, Abstract No. 189 in Northlake, Denton County, Texas, for the construction and maintenance of a water tower and other public purposes permitted by law

d. Section 551.087 Economic Development negotiations for Hotel Conference Center Incentives

e. Section 551.087 Economic Development negotiations for Business Expansion

8. Mayor Rettig reconvened the Council into Open Session at 10:05 pm
   No action taken while in closed session

   M. No action on 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 .2707 acres of a certain 3.05 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

N. No action on 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 1.15 acres of a certain 47.063 acre tract of land located in the B.B.B. & C.R.R. Co. Survey, Abstract No. 189 in Northlake, Denton County, Texas, as property necessary for the construction and maintenance of a water tower and for other public purposes permitted by law by resolution

O. No action taken on approval of an agreement between the Town of Northlake and Lodging Host Hotel Corp. concerning development of a Hotel Conference Center in the Town limits of Northlake and authorize the Town Administrator to negotiate and enter into said agreement on behalf of the Town

9. Mayor Rettig adjourned the meeting at 10:05 pm

Passed and approved on this the 12th day of September 2019

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

David A. Rettig, Mayor
Rena Hardeman, Council Place 1
Jimmy Lambert, Council Place 2

Brian Montini, Mayor Pro Tem, Council Place 3
Roger Sessions, Council Place 4
Danny Simpson, Council Place 5

Town Council
Special Meeting Minutes
Thursday, August 29, 2019
Chamber Room - 1500 Commons Circle, Suite 300 –Northlake, Texas 76226

1. Mayor David Rettig called the special meeting to order at 6:31, quorum present

Council Members present:	David Rettig, Rena Hardeman, Jimmy Lambert, Brian Montini, Roger Sessions, Danny Simpson
Staff present:	Drew Corn, Town Administrator; John Zagurski, Finance Director; and Shirley Rogers, Town Secretary
Consultant present:	Ashley Dierker, Legal Counsel

2. Public Input
   - Joel McGregor, resident of Northlake, stated if council adopts the proposed tax rate, would like for them to consider additional homestead exemptions for residents
3. Regular Item
   A. Mayor Rettig opened the second public hearing on a proposed Property Tax Rate for Fiscal Year 2019-2020 of $0.2950 per $100 valuation to be considered for adoption by the governing body of the Town of Northlake, Texas at the September 12, 2019 meeting at 6:33 pm

   - Joel McGregor, resident of Northlake, commented he believed if having a larger homestead exemption would discourage people from buying property for rental

   Mayor Rettig closed the public hearing at 6:34 pm

4. By general consent, Mayor Rettig convened the council into Executive Session at 6:34 pm to discuss the items listed below: Pursuant to Texas Government Code, annotated, Chapter 551 Subchapter D:
   a. Section 551.071 authorizes a governmental body to consult with its attorney in an executive session to seek his or her advice on a legal matter. It provides as follows: A governmental body may not conduct a private consultation with its attorney except: 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.
      i. Pending or contemplated litigation; or
      ii. Supreme Court of Texas - Town of Northlake vs City of Justin. No. 18-0651; or
      iii. Case # FP 18-020 considered by the Town at the January 24, 2019 Town Council meeting; or
      iv. Potential litigation related to the water tower site; or

v. Potential litigation related to Eagleton and Applewood road failures; or
vi. Potential litigation related to Dale Earnhardt Way road failures; or
vii. Contract provisions applicable to the Town Administrator; or
viii. Interlocal agreement between Town and City of Fort Worth executed on August 6, 1997

b. Section 551.087 Economic Development negotiations for Hotel Conference Center Incentives
c. Section 551.087 Economic Development negotiations for Business Expansion

5. Mayor Rettig reconvene the council into Open Session at 9:35 pm
   No action taken from the result of the closed session
   B. No action taken on an agreement between the Town of Northlake and Lodging Host Hotel Corp. concerning development of a Hotel Conference Center in the Town limits of Northlake and authorize the Town Administrator to negotiate and enter into said agreement on behalf of the Town

6. Mayor Rettig adjourned the meeting at 9:35 pm

Passed and approved on this the 12th day of September 2019

Town of Northlake, Texas

____
David Rettig

Attest:

____
Shirley Rogers, Town Secretary

1500 Commons Circle, Suite 300
Northlake, TX 76226
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 12, 2019

Re: Agreement with Bureau Veritas for Health Inspection services

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The Town requires health permits and inspections for all food establishments and public pools. Food establishments include such things as restaurants, convenience stores, hotel breakfast bars, and even kitchens within schools or childcare centers. Public pools include pools at hotels, apartment complexes, and community amenity centers. The health inspections profession is highly specialized, so the Town has used a third-party contractor to perform all health inspections up to the hiring of our first Code Compliance Coordinator, Doug Patrick, in January 2018 who happened to be a Registered Sanitarian certified to perform health inspections. Doug Patrick resigned from his position with the Town in July. Since then we have contracted with Bureau Veritas to conduct any necessary health inspections on an as needed basis. Bureau Veritas is a leader in the inspections industry and contracts with several other cities in the area as shown on the attached list of references. The attached agreement is for Bureau Veritas to provide on-going health inspection services for the Town.

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

STANDARD PROFESSIONAL SERVICES AGREEMENT

This STANDARD PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this__________ day of ____________________, 2019, by and between Bureau Veritas North America, Inc., (herein called "BVNA"), and the Town of Northlake, Texas, (herein called "Client").

RECITALS

WHEREAS, the Client desires that BVNA provide independent professional services for Client under the terms of a Standard Professional Services Agreement;

WHEREAS, BVNA represents that it is a professional independent consulting firm and is willing and able to perform such services upon terms and conditions hereinafter set forth;

WHEREAS, all services will be conducted in accordance with these terms and conditions and the agreed upon Scope of Services and Fee Schedule the forms of which are attached as Attachments "A" and "B" respectively.

NOW, THEREFORE, in consideration of the foregoing and of the benefits to each of the parties accruing, the parties hereto do mutually agree as follows:

AGREEMENT

1. **Scope of Services.** During the term of this Agreement, Client may call upon BVNA to perform specific work from the scope to be defined per project in accordance with the agreed upon fees. Individual projects may be delineated via a specific proposal in accordance with the terms and conditions set forth in this Agreement. BVNA agrees to furnish services in conformity with the terms hereof and the following documents which are incorporated by reference and made a part hereof. No subsequent amendment to this Agreement shall be binding on either BVNA or Client unless reduced to writing and signed by an authorized Representative of BVNA and Client. Any pre-printed forms including, but not limited to: purchase orders, shipping instructions, or sales acknowledgment forms of either party containing terms or conditions at variance with or in addition to those set forth herein shall not in any event be deemed to modify or vary the terms of this Standard Professional Services Agreement.

2. **Term.** This Agreement shall remain in effect from the effective date of the Agreement unless terminated by written notice to the other party at least thirty (30) days prior to termination.

3. **Compensation.** Client shall pay, and BVNA shall accept in full consideration for the performance of the Services, the sum of the reimbursable costs submitted per proposal in accordance with the agreed upon fee schedule per project.

4. **Terms of Payment.** BVNA shall invoice Client and Client shall pay to BVNA for its consulting services as follows:

(a) Fees and all other charges will be billed to Client monthly.

(b) If the invoice is not paid within such period, Client shall be liable to BVNA for a late charge accruing from the date of such invoice to the date of payment at the lower of eighteen (18) percent per annum or the maximum rate allowed by law.

(c) If Client fails to pay any invoice fully within thirty (30) days after invoice date, BVNA may, at any time, and without waiving any other rights or claims against Client and without thereby incurring any liability to Client, elect to terminate performance of services immediately following written notice from BVNA to Client. Notwithstanding any such termination of services, Client shall pay BVNA for all services rendered by BVNA up to the date of termination of services.

5. **Responsibilities of Client.** Client shall, at such times as may be reasonably required by BVNA for the successful and continuous prosecution of the services set forth in Attachment A (referred to as "Services"), do the following:

(a) Where the performance of the Services require BVNA's presence on the Client's premises, provide adequate space on or in the immediate vicinity of where the Services are to be performed ("Site") to accommodate BVNA's needs;

(b) Provide and maintain suitable access to the Site for BVNA's personnel, equipment and materials;

(c) Supply permits and licenses required to be taken out in Client's name which are necessary to the completion of the Services;

(d) Appoint an individual hereafter referred to as "Client's Project Manager" who shall be authorized to act on behalf of Client and with whom BVNA may consult at reasonable times.

6. **Ownership of Documents.** All plans, studies, documents and other writings prepared by BVNA, its officers, Employees, agents and subcontractors in the course of implementing this Agreement shall remain the property of BVNA. The Client acknowledges that all intellectual property rights related to the performance of the Agreement, including but not limited to the names, service marks, trademarks, inventions, logos and copyrights of BVNA and its affiliates, (collectively, the "**Rights**") are and shall remain the sole property of BVNA or its affiliates and shall not be used by the Client, except solely to the extent that the Client obtains the prior written approval of BVNA and then only in the manner prescribed by BVNA. If BVNA terminates the Agreement in accordance with the provisions of Article 19 below, any such license granted by BVNA to the Client shall automatically terminate.

7. **Use of Data or Services.** BVNA shall not be responsible for any loss, liability, damage, expense or cost arising from any use of BVNA's analyses, reports, certifications, advice or reliance upon BVNA's services, which is contrary to, or inconsistent with, or beyond the provisions and purposes set forth therein or included in these Terms and Conditions. Client understands and agrees that BVNA's analyses, reports, certifications and services shall be and remain the property of BVNA and shall be used solely by the Client, and only the Client is allowed to rely on such work product. If the Client re-uses or modifies the services, analyses, reports or certifications without BVNA's written permission, then Client agrees, to the extent permitted by law, to defend and indemnify BVNA from any claims or actions that are brought and any costs, damages, expenses or liabilities, including reasonable attorneys' fees, arising out of or related to such reliance or such re-use or modification. The Client recognizes that data, documents, or other information recorded on or transmitted as electronic media are subject to undetectable alteration, either intentional or unintentional due to, among other causes, transmission, conversion, media degradation, software error, or human alteration. Accordingly, any electronic documents provided to the Client are for informational purposes only and are not intended as an end-product. BVNA makes no warranties, either expressed or implied, regarding the fitness or suitability of the electronic documents. Accordingly, the Client agrees to waive any and all claims against BVNA and BVNA's Consultants relating in any way to the unauthorized use, reuse or alteration of the electronic documents. BVNA acknowledges, understands, and agrees that Client is a governmental entity and as such Client is required to comply with certain records retention and open records laws applicable to Texas governmental entities. To the extent any applicable law requires Client to maintain copies of BVNA's analyses, reports, certifications, or documented services, such copies shall be considered property of the Client for such purposes. In no event will Client be liable for any third party's use of or reliance on copies of BVNA's analyses, reports, certifications, or documented services regardless of how the third party came to be in possession of such information.

8. **Relationship of Parties.** BVNA is an independent contractor, and nothing contained herein shall be construed as constituting any other relationship with Client, nor shall it be construed as creating any relationship whatsoever between Client and BVNA's employees. BVNA shall not be entitled, under this contract or otherwise, to any of the benefits under any employee benefit plan which Client or its affiliates or subsidiaries presently has in effect or may put into effect; nor will BVNA be considered an employee for purposes of any tax or contribution levied by any federal, state or local government. BVNA has sole authority and responsibility to hire, fire and otherwise control its employees, and neither BVNA nor any of its employees are employees of Client. BVNA agrees to comply with laws, rules, regulations and ordinances applicable to it as an employer.

9. **Standard of Care. BVNA REPRESENTS THAT THE SERVICES, FINDINGS, RECOMMENDATIONS AND/OR ADVICE PROVIDED TO CLIENT WILL BE PREPARED, PERFORMED, AND RENDERED IN ACCORDANCE WITH PROCEDURES, PROTOCOLS AND PRACTICES ORDINARILY EXERCISED BY PROFESSIONALS IN BVNA'S PROFESSION FOR USE IN SIMILAR ASSIGNMENTS, AND PREPARED UNDER SIMILAR CONDITIONS AT THE SAME TIME AND LOCALITY. CLIENT ACKNOWLEDGES**

AND AGREES THAT BVNA HAS MADE NO OTHER IMPLIED OR EXPRESSED REPRESENTATION, WARRANTY OR CONDITION WITH RESPECT TO THE SERVICES, FINDINGS, RECOMMENDATIONS OR ADVICE TO BE PROVIDED BY BVNA PURSUANT TO THIS AGREEMENT.

10. **Indemnity.** Subject to the Limitation of Liability included in this Agreement, BVNA shall defend indemnify and hold harmless Client from and against losses, liabilities, and reasonable costs and expenses (for property damage and bodily injury, including reasonable attorney's fees), to the extent directly and proximately arising from BVNA's negligent performance of services or material breach under this Agreement.

11. **Limitation of Liability.** To the fullest extent permitted by law and notwithstanding anything else in this Agreement to the contrary, the total aggregate liability of BVNA and its affiliates and subcontractors and their employees, officers, directors and agents (collectively referred to in this paragraph as "BVNA") for all claims for negligent professional acts, or errors or omissions arising out of this Agreement for services is limited to $50,000 or, if greater, the compensation received by BVNA under this Agreement.

12. **Consequential and Punitive Damages.** Neither BVNA nor Client shall be liable under any circumstances for loss of profits, loss of product, consequential damages of any kind, indirect damages of any kind or special damages of any kind to the other party, or to any third party. No punitive or exemplary damages of any kind shall be recoverable against either party under any circumstances.

13. **Insurance.** BVNA, at BVNA's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance Policies with insurers possessing a Best's rating of no less than A:VII:

(a) **Workers' Compensation Coverage:** BVNA shall maintain Workers' Compensation and Employer's Liability Insurance for its employees in accordance with the laws of the state where the services are being performed. Any notice of cancellation or non-renewal of all Workers' Compensation policies will be sent to the Client in accordance with the policy provisions.

(b) **General Liability Coverage:** BVNA shall maintain Commercial General Liability insurance in an amount not less than one million dollars ($1,000,000) per occurrence for bodily injury, personal injury and property damage.

(c) **Automobile Liability Coverage:** BVNA shall maintain Automobile Liability insurance covering bodily injury and property damage for activities of BVNA employee arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount not less than one million dollars ($1,000,000) combined single limit for each occurrence.

(d) **Professional Liability Coverage:** BVNA shall maintain Professional Errors and Omissions Liability for protection against claims alleging negligent acts, errors or omissions which may arise from BVNA's services under this Agreement. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis.

BVNA shall name Client as additional insured and other parties that it deems appropriate to be additionally insured under BVNA's Commercial General Liability policy and Automobile Liability policy. The Client, on its own behalf and on the behalf of any others that are named as additionally insured, agrees that providing such insurance or the additional insured endorsement shall in no way be construed as an assumption by BVNA of any liability for the negligence or willful misconduct or any wrongful behavior on the part of Client or others that are named additionally insured.

14. **Attorney's Fees.** In the event any party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable costs and attorney's fees (including its reasonable costs and attorney's fees on any appeal). Nothing herein shall constitute a waiver of any claim or defense that could be asserted in any litigation related to this Agreement.

15. **Compliance with Laws.** BVNA shall use the standard of care in its profession to comply with all applicable Federal, State and local laws, codes, ordinances, and regulations in effect as of the date services are provided.

16. **Resolution of Disputes.** All claims, disputes, controversies or matters in question arising out of, or relating to,

this Agreement or any breach thereof, including but not limited to disputes arising out of alleged design defects, breaches of contract, errors, omissions, or acts of professional negligence, except those disputes which arise out of or are related to collection matters or fees alone under this Agreement, (collectively "Disputes") shall be submitted to non-binding mediation before and as a condition precedent to the initiation of legal proceedings. In no event shall any Disputes be subject to binding arbitration. Upon written request by either party to this Agreement for mediation of any dispute, Client and BVNA shall select a neutral mediator by mutual agreement. Such selection shall be made within ten (10) calendar days of the date of receipt by the other party of the written request for mediation. In the event of failure to reach such agreement or in any instance when the selected mediator is unable or unwilling to serve and a replacement mediator cannot be agreed upon by Client and BVNA within ten (10) calendar days, a mediator shall be chosen as specified in the Mediation Rules of the American Arbitration Association then in effect, or any other appropriate rules upon which the parties may agree.

17. **Choice of Forum.** This Agreement is performable in Denton County, Texas and shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any action arising out of or related to this Agreement shall be in Denton County, Texas.

18. **Releases.** All lien releases will be limited to payment issues; no additional terms and conditions may be added to a release of lien.

19. a. **Termination for Convenience.** Either party may terminate the Services under this Agreement other than by reason of default, at any time, by sending written notice thereof thirty (30) days in advance of the termination date. Upon such termination, Client shall pay BVNA for the Services performed to and including the date of termination. In addition, Client shall pay BVNA for any materials, supplies or equipment which are in transit or under commitment.

b. **Termination for Cause.** BVNA may suspend or terminate the Services under this Agreement for cause upon thirty (30) days written notice to Client in the event Client fails to substantially perform Client's obligations under this Agreement. Such failure by Client shall include, but is not limited to, the failure to make payments to BVNA in accordance with the requirements of this Agreement. Client may suspend or terminate the Services under this Agreement for cause upon thirty (30) days written notice to BVNA in the event BVNA fails to substantially perform BVNA's obligations under this Agreement. Such failure shall include, but is not limited to, BVNA's failure to perform the Services under this Agreement in accordance with the standard of care set forth in this Agreement. Upon receipt of written notice, the receiving party shall have thirty (30) days to cure the failure. In the event either party terminates this Agreement for cause and it is later determined or agreed that the non-terminating party had not failed to substantially perform its obligations under the Agreement, the termination shall be treated as a termination for convenience.

c. **Termination by Client.** If the Client terminates this agreement without cause, the Client shall have two options concerning work and assignments that are in-progress. The Client shall select from: (1) Allowing BVNA the opportunity to complete all work and assignments in-progress that may be completed by another provider after the effective date of BVNA's termination; or (2) Providing BVNA with a complete and unconditional release from any and all liability and indemnification requirements regarding all work and assignments that remain in-progress upon BVNA's termination effective date. In the event that Client is silent on termination or does not make an affirmative selection, option (2) providing BVNA with a complete and unconditional release from any and all liability and indemnification (to the extent permitted by law) requirements will be the default and active selection.

d. **Termination by BVNA.** If BVNA terminates without cause, BVNA will provide client with a thirty (30) day transition period from the notice of termination to allow Client sufficient time to secure a new Service Provider. During this transition period, BVNA and Client's responsibilities under this agreement will remain in full force and effect. At the end of the thirty (30) day transition period BVNA will cease all activities. In the event Client shall request BVNA to continue to provide any Services beyond the expiration of the transition period, including any extensions, then BVNA and Client may negotiate in good faith terms of any such extension, including the pricing of Services

20. **Force Majeure.** A delay in, or failure of, performance of either party hereto shall not constitute a default hereunder or give rise to any claim for damage if and to the extent such delay or failure is caused by (an) occurrence(s) beyond the reasonable control of the party affected, including, but not limited to, act(s) of God, or the public enemy, expropriation or confiscation of facilities or compliance with any order or request of governmental authority or person(s) purporting to act therefore affecting to a degree not presently existing the supply, availability, or use of

engineering personnel or equipment, act(s) of war, public disorder(s), insurrection(s), rebellion(s), or sabotage, flood(s), riot(s), strike(s), or any cause(s), whether or not of the class or kind of those specifically named above, not within the reasonable control of the party affected, and which, by the exercise of reasonable diligence, said party is unable to prevent. A party who is prevented from performing for any reason shall immediately notify the other party in writing of the cause of such non-performance and the anticipated extent of the delay.

21. **Audit.** Client shall have the right during the course of the Work and until one (1) year after acceptance of the Services to audit BVNA's books and records relating to the costs to be reimbursed pursuant to Article 3. BVNA shall, during the progress of the Services, provide Client with evidence of payment for and records of receipt of materials, supplies and equipment as they become available and are presented for payment, together with such other data as Client may reasonably request.

22. **Remedies.** The obligations and remedies provided herein are exclusive and in lieu of any other rights or remedies available at law or in equity.

23. **Waiver.** No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

24. **Written Notification.** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class mail. Any such notice, demand, etc., shall be addressed to the other party at the address set forth herein below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to Client:	______________________________________ ______________________________________ ______________________________________ ______________________________________
If to BVNA:	Bureau Veritas North America, Inc. Attn: Contract Processing 1000 Jupiter Road, Suite 800 Plano, TX 75074
With cc to:	Bureau Veritas North America, Inc. Attention: Legal Department 1601 Sawgrass Corporate Parkway, Suite 400 Fort Lauderdale, FL 33323

25. **Confidential Information.** Neither party shall disclose information identified as confidential to anyone except those individuals who need such information to perform the Services; nor should either party use such confidential information, except in connection with the Work, the performance of the Services or as authorized by the other party in writing. Regardless of the term of this Agreement, each party shall be bound by this obligation until such time as the confidential information shall become part of the public domain. Confidential information shall not include information which is either: (i) known to the public; (ii) was known to the receiving party prior to its disclosure; or (iii) received in good faith from a third party. If either party is required to produce information by any applicable statute (including, but not limited to, the Texas Public Information Act), valid subpoena or Court order, parties agree to first provide prompt notice to other party in order to allow the party to seek a protective order or other appropriate remedy. This shall not prevent either party from disclosing information to the extent reasonably necessary to substantiate a claim or defense in any adjudicatory proceeding. Client agrees that BVNA shall be permitted to use Client's name and logos in BVNA’s marketing materials unless advised or prohibited against it by the Client in writing. The technical and pricing information contained in any proposal or other documents submitted to Client by BVNA is to be considered confidential and proprietary and shall not be released or disclosed to a third party without BVNA’s written consent to the extent permitted by any applicable law.

26. **Miscellaneous.** This Agreement constitutes the entire agreement between the parties and shall supersede other agreements and representations made prior to the date hereof. No amendments to this contract or changes in the Scope of the Services shall be valid unless made in writing and signed by the parties. Pre-printed terms and conditions (including, but not limited to, waivers of rights and remedies, and variations from any of the warranty, guarantee, standard of care, indemnity, and liability provisions) contained in purchase orders, work orders, invoices or other documents issued by Client with respect to any Services shall have no force or effect and shall be superseded by the terms and conditions herein. The captions in this Agreement are for purposes of convenience only and form no part of this Agreement. In no event shall they be deemed to limit or modify the text of this Agreement. The invalidity or unenforceability of any portion(s) or provision(s) of this Agreement shall in no way affect the validity or enforceability of any other portion(s) or provision(s) hereof. Any invalid or unenforceable provision(s) shall be severed from the Agreement and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain a particular portion(s) or provision(s) held to be invalid or unenforceable. In the event the terms and conditions of this Standard Professional Services Agreement conflict with the terms and conditions of any other agreement, this Agreement shall govern and control over any such conflicts.

27. **Expert Witnesses.** BVNA's employees shall not be retained as expert witnesses except by separate written agreement. Client agrees to pay BVNA's legal expenses, administrative costs and fees pursuant to BVNA's then current fee schedule for BVNA to respond to any subpoena.

28. **Prevailing Wage.** This Agreement and any proposals hereunder specifically exclude compliance with any project labor agreement or other union or apprenticeship requirements. In addition, unless explicitly agreed to in the body of the proposal, this Agreement and any proposals hereunder specifically exclude compliance with any State or Federal prevailing wage law or associated requirements, including the Davis Bacon Act. Due to the professional nature of its services, BVNA is generally exempt from the Davis Bacon Act and other prevailing wage schemes. It is agreed that no applicable prevailing wage classification or wage rate has been provided to BVNA, and that all wages and cost estimates contained herein are based solely upon standard, no-prevailing wage rates. Should it later be determined by the Client or any applicable agency that in fact prevailing wage applies, then it is agreed that the contract value of this agreement shall be equitably adjusted to account for such changed circumstance. These exclusions shall survive the completion of the project and shall be merged into any subsequently executed documents between the parties, regardless of the terms of such agreement.

29. **Interpretation of Agreement.** This Agreement shall be interpreted as though prepared by all parties and shall not be construed unfavorably against either party.

30. **Waiver of Jury Trial.** Each party waives its right to a jury trial in any court action arising between the parties, whether under this Agreement or otherwise related to the work being performed under this Agreement.

31. **Third Party Beneficiary.** It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to the Client and BVNA. Nothing contained in the agreement shall give or allow any claim or right of action whatsoever by any third person. It is the express intent of the Client and BVNA that any such person or entity, other than Client or BVNA, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary.

32. **Assignment.** Neither party may assign this Agreement or any right or obligation hereunder without the prior written consent of the other party, which shall not be unreasonably withheld or delayed; provided, however, that no consent shall be necessary in the event of an assignment to a successor entity resulting from a merger, acquisition or consolidation by BVNA or an assignment to an Affiliate of BVNA if such successor or Affiliate assumes all obligations under this Agreement. Any attempted assignment, which requires consent hereunder, shall be void and shall constitute a material breach of this Agreement if such consent is not obtained.

CLIENT	**BVNA**
By:_________________________	By:_________________________
Print Name:__________________	Print Name:__________________

Title:________________________________ Title:________________________________

Date:________________________________ Date:________________________________

DTQRR:_____________________________

Date:________________________________

Attachments:
Scope of Services
Fee Schedule

ATTACHMENT A
SCOPE OF SERVICES

BVNA will have an exclusive agreement with Client to ensure compliance with the provisions of the Jurisdiction's Adopted Food Establishment Ordinance. In absence of said ordinance, the provisions of Title 25 Texas Administrative Code Chapter 228, regarding the regulation of food establishments, known as the Texas Food Establishment Rules (TFER), will be enforced. The Texas Administrative Code (TAC), Standards for Public Pools and Spas, Section 265.181 - 265.200 will be enforced for public swimming pools and spas.

BVNA services include the following per permitted installation:

- Review plans for compliance with the applicable laws and rules required.
- Perform inspections to determine compliance with the applicable laws and rules required.
- Inspections will be performed by a Texas Registered Sanitarian
- Update or create the required Health forms.
- Web-based project tracking of Health permits.
- Provide written report of any deficiencies.
- Investigation of complaints on permitted facilities.

The Client will have final interpretive authority over all plans, specifications and inspections and is charged with the issuance of all permits and certificates of occupancy.

ATTACHMENT B

FEE SCHEDULE

FULL SERVICE:

Cost of Service for Permanent Food Establishment permit (2 TFER inspections) (No fee for one re-inspection, per permit year, if required)	$400.00
Cost of Service for Mobile Food Vendor (Hot and Cold Truck) and Seasonal Vendor permits (1 TFER inspection) (No fee for one re-inspection, per permit year, if required)	$200.00
Cost of Service for Public Swimming Pool inspections (1 inspection per year) (No fee for one re-inspection, per permit year, if required)	$200.00
Cost of Service for each Temporary Event Vendor permit (1 TFER inspection)	$100.00
Cost of Service for each Complaint Investigation (1 TFER inspection)	$150.00
Consultation outside of the aforementioned scope of services: Health Plan review, Health Final and CO inspections and/or for more than one re-inspection. ∗ Minimum one hour.	$150.00 per hour

Health & Safety Client References

City of Alvarado
*Full Service
Debbie Thomas, City Secretary
104 W College
Alvarado, Texas 76009
thomasd@cityofalvarado.org|817.790.3351

Town of Argyle
*Full Service
300 Denton St
Argyle, TX 76226
www.argyletx.com|940.464.7273

City of Arlington
*Inspections Only
Bill O'Toole, Health Services Analyst
101 West Abram Street
Arlington, Texas 76004
Bill.o'toole@arlingtontx.gov|817.459.6682

City of Aubrey
*Full Service
Mike Stephenson
107 S Main
Aubrey, Texas 76227
mstephenson@aubreytx.gov

City of Blue Ridge
*Full Service
Edie Sims, City Secretary
200 S Main
Blue Ridge, Texas 75424
esims@blueridgecity.com|972.752.5791

City of Brookshire
*Full Service
Claudia Harrison, City Secretary
4029 Fifth
Brookshire, Teas 77243
citysecretary@cityofbrookshire.org|281.375.5050

City of Bulverde
*Inspections Only
Patsy McWilliams, Code Compliance Specialist
30360 Cougar Bend
Bulverde, Texas 798163
pmcwilliams@bulverdetx.gov|830.438.3612

City of Dripping Springs
*Swimming Pools only
Sarah Holden, Utility Building Coordinator
511 Mercer Street
Dripping Springs, Texas 78620
sholden@cityofdrippingsprings.com|512.858.4725

Health & Safety References, Continued

City of Forney
*Full Service
Victoria Martin
101 E Aimee
Forney, Texas 75126
vmartin@cityofforney.org|972.564.7385

City of Hudson Oaks
*Full Service
Patrick Lawler, City Manager
210 N Lakeshore
Hudson Oaks, Texas 76087
Patrick.lawler@hudsonoaks.com|682.229.2408

City of Krum
*Full Service
Tom Elgin, City Planner
102 West McCart
Krum, Texas 76249
telgin@ci.krum.tx.us|940.482.3491

City of Lewisville
*Swimming Pools Only
Chris McGinn, Health & Animal Services Manager
151 W Church Street
Lewisville, TX 75057
cmcginn@cityoflewisville.com|972.219.3484

Town of Little Elm
*Inspections Only
Nathan Abato, Community Integrity Supervisor
100 W Eldorado Pkwy.
Little Elm, Texas 75068
nabato@littleelm.org|214.975.0453

City of Live Oak
*Full Service
Ken Steiner, Building Official
8001 Shin Oak
Live Oak, Texas 78233
ksteiner@liveoakTX.net|210.653.9140

City of Lucas
*Full Service
Donna Bradshaw, Planning Coordinator
665 Country Club Road
Lucas, Texas 75002
dbradshaw@lucastexas.us|972.727.8999

City of Midlothian
*Inspections Only
Debbie Lubke, Code Enforcement Officer
1150 North Highway 67
Midlothian, Texas 76065
Debbie.lubke@midlothian.tx.us|682.203.7954

City of Plano
*Inspections Only
Jim Dingman, Environmental Health Manager
1520 K Avenue Suite 210
Plano, Texas 75074
jimdi@plano.gov|972.941.7143

City of Pflugerville
*Full Service
Vicky Lorea
201-B East Pecan Street
Pflugerville, Texas 78691
vickyl@pflugervilletx.gov|512.252.8469

Health & Safety References, Continued

City of Red Oak
*Full Service
Deannie Blake, Administration Assistant
411 W. Red Oak Road
Red Oak, Texas 75154
dblake@redoaktx.org|972.576.3414

City of Richardson
*Inspections Only
Janice Tower, Assistant Director of Health
411 W Arapaho
Richardson, Texas 75080
Janice.tower@cor.gov|972.744.4080

City of Roanoke
*Full Service
Cody Petree, Director of Development Services
265 Marshall Creek Road
Roanoke, Texas 76262
cpetree@roanoketexas.com|817.491.6099

City of The Colony
*Inspections Only
Iris Browder, Development Service Manager
6800 Main Street
The Colony, Texas 75056
ibrowder@thecolonytx.gov|972.624.3151

City of Rhome
*Full Service
Shannon Montgomery, City Secretary
105 W First Street
Rhome, Texas 76078
cityofrhome@earthlink.net|817.636.2462

City of Venus
*Full Service
Marla King
105 E Hwy 67
Venus, Texas 76084
Mking-ct@cityofvenus.org|972.366.3348

City of Weatherford
*Inspections Only
Craig Farmer, Director of Development
119 Palo Pinto
Weatherford, Texas 76086
cfarmer@weatherfordtx.gov|817.598.4338

INTERLOCAL COOPERATION AGREEMENT FOR POLICE AND MUNICIPAL COURT SERVICES

STATE OF TEXAS §

COUNTY OF DENTON §

THIS INTERLOCAL COOPERATION AGREEMENT ("Agreement") is made and entered into by and between the Town of Northlake, Texas ("Northlake") and the City of Draper, Texas ("Draper") (individually a "Party;" together the "Parties"), political subdivisions duly incorporated pursuant to the general laws of the State of Texas, each acting by and through its duly authorized individuals:

WHEREAS, Northlake and Draper are authorized and empowered pursuant to the Texas Interlocal Cooperation Act, Chapter 791, Texas Gov. Code (Vernon) to agree with one another to perform governmental functions and services, including law enforcement and municipal court services; and

WHEREAS, because both Northlake and Draper desire to improve the efficiency and effectiveness of law enforcement and municipal court services provided to the citizens of both entities, the Parties now enter into this agreement as specified herein; and

WHEREAS, Northlake and Draper desire to enter into this Agreement agree that this Agreement is in the best interest of and serves the public health, safety and welfare of both municipalities.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein made, the benefits flowing each of the parties hereto, and other good and valuable consideration, Northlake and Draper do hereby CONTRACT AND AGREE as follows:

1. Effective Date. This Agreement shall be in effect beginning the 1st day of October 2019.

2. Term. This Agreement shall be in force and effect for a period of two (2) years from the effective date and ending on the 30th day of September 2021.

3. Definitions. When used in this Agreement, the following words and phrases shall have the respective meanings ascribed to them:

   A. "Police Officer" shall mean all full time, part time, reserve, paid and non-paid sworn police personnel of the Town of Northlake.

   B. "Service Area" means the corporate limits of the City of Draper, Texas as of the date of this Agreement or as may be amended or changed during the term of this Agreement.

4. Patrol Services. Northlake shall provide to Draper patrol services. During these patrols, the Officers will address any violations of Federal or State Law which they observe. This will include traffic law enforcement and motor vehicle accident investigation and reporting. The Northlake Police Department will also take reports of criminal offenses occurring in Draper, investigate those reports, and file cases with the Denton County District Attorney. The Chief of the Northlake Police Department (or his/her designee) will provide to Draper a report of police activities on a monthly basis, no later than the 10th day of each month. For purposes of providing services under the Agreement, Northlake police officers shall constitute police officers of the City of Draper while such officers are acting within the Service Area and shall have full authority as peace officers within the Service Area. Notwithstanding any other provision of this Agreement, patrol services within Northlake shall have priority over the patrol services within the Service Area.

5. Independent Contractor Relationship. Parties mutually agree that Northlake is an independent contractor, and shall have exclusive control of performance hereunder, and that employees of Northlake in no way are to be considered employees of Draper.

6. Municipal Court. The Town of Northlake, by and through its Municipal Court, will provide to Drape Municipal Court services including but not limited to:

   The adjudication of Class C misdemeanor crimes, issuing arrest warrants, collecting and receipting fines and court costs, filing the required monthly Office of Court Administration reports, remitting the quarterly payment to the Office of the State Comptroller, preparing and submitting reports on all moving traffic violation convictions to the Department of Public Safety, and any other necessary functions. The Northlake Municipal Court Administration will serve in a like capacity for Draper. Each complaint shall be processed in the same manner as a complaint filed for a violation of a law within the corporate limits of Northlake.

7. Compensation. Draper will compensate Northlake for Police and Municipal Court services, as set forth herein, in the amount of **One thousand dollars ($1,000.00) per month,** due and payable by the first Tuesday of each month. Furthermore, any and all fines and fees collected by and through the Municipal Court (less that amount paid to the State as required by law) shall be the sole property of Northlake. If not paid by the second Tuesday of any month, Northlake may immediately terminate the Agreement and its obligations hereunder without any further notice to Draper. All costs incurred hereunder shall be paid from current revenues legally available to the paying Party.

Notwithstanding anything to the contrary herein, Northlake, in its sole discretion, may increase the amount owed by Draper to accommodate for increased demand on police or municipal court services should such an increase become necessary during the term of this Agreement. Northlake shall provide notice of the increase to Draper at least thirty (30) days before the increase will take effect.

8. Termination. This Agreement may be terminated at any time by either Party hereto giving at least thirty (30) days written notice to the other Party of such termination, except the Town of Northlake may immediately terminate the Agreement in accordance with Section 6. In the event of such termination, Northlake shall be compensated by Draper for all services performed up to and including the date of termination.

9. Liability. Pursuant to Texas Government Code Section 791.006(b), Draper shall be solely responsible for any civil liability that arises from the furnishing of services requested by Draper and agreed to by Northlake under this Agreement.

DRAPER HEREBY AGREES TO INDEMNIFY AND OTHERWISE HOLD HARMLESS NORTHLAKE, ITS OFFICERS, AGENTS AND EMPLOYEES IN BOTH PUBLIC AND PRIVATE CAPACITY AGAINST All LIABILITY, CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, ATTORNEY'S FEES, INCLUDING ALL EXPENSES OF LITIGATION OR SETTLEMENT, FOR CAUSES OF ACTION OF ANY KIND WHICH MAY ARISE FOR ANY REASON IN ANY WAY CONNECTED TO NORTHLAKE'S PERFORMANCE UNDER THIS AGREEMENT, INCLUDING BY REASON OF INJURY TO, OR DEATH OF, ANY PERSON OR FOR A LOSS OF, OR DAMAGE TO, OR LOSS OF THE USE OF ANY PROPERTY ARISING OUT OF OR IN ANY WAY CONNECTED TO NORTHLAKE'S PERFORMANCE UNDER THIS AGREEMENT FOR ANY INTENTIONAL ACTS OR OMISSIONS BY SUCH NORTHLAKE OFFICIALS, OFFICERS, AGENTS OR EMPLOYEES RELATING TO OR ARISING OUT OF PERFORMANCE OF THE SERVICES PROVIDED FOR UNDER THIS AGREEMENT.

10. Immunity. It is expressly agreed and understood that, in the execution of this Agreement, the Parties do not waive nor shall be deemed hereby to waive any immunity or defense that would otherwise be available to or against claims arising in the exercise of governmental functions relating hereto or otherwise. By entering into this Agreement, the Parties do not create any obligation, express or implied, other than those set forth herein and this Agreement shall not create any rights in any parties not signatory hereto.

11. Entire Agreement. This Agreement represents the entire and integrated agreement between Northlake and Draper and supersedes all other prior negotiations, representations, and/or agreements, whether written or oral. The Agreement may be amended only by written instrument signed by both Northlake and Draper

12. Applicable Law. The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. This Agreement shall be performable and all compensation payable in Denton County, Texas. Venue under this Agreement lies in Denton County, Texas.

13. Severability. If any clause, paragraph, section, or portion of this Agreement shall be found to be illegal, unlawful, unconstitutional or void for any reason, the balance of the Agreement shall remain in full force and effect and the parties shall be deemed to have contracted as if said clause, section, paragraph, or portions had not been in the Agreement initially.

14. Authority to Execute. The undersigned officers or agents of the Parties hereto are properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto, and each Party hereby certifies to the other that any necessary resolutions extending said authority have been fully passed and are now in full force and effect.

Executed in duplication original at Denton County, Texas on the date and year first written below.

TOWN OF NORTHLAKE, TEXAS

Date: ________________

By: ________________
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

Approved as to form:

____

CITY OF DRAPER, TEXAS

Date: 08/11/19

By: Mayor Jamie Harris
Jamie Harris - Mayor

Attest:

Kyla Norman
Kyla Norman - Town Secretary

Approved as to form:

____

1500 Commons Circle, Suite 300
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: John Zagurski, Finance Director

Shirley Rogers, Town Secretary

Date: September 12, 2019

Re: Continuing Disclosure Contract with Town's Finance Advisor, Hilltop Securities

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Hilltop Securities has been the Town's financial advisor since the Series 2005 Certificates of Obligation were issued. Per provisions of Securities and Exchange Commission (SEC) Rule 15c2-12, municipal obligations must be reporting to the investing public on a periodic and continuing basis. Hilltop Securities provides this service on behalf of the Town and can do so more efficiently than Town staff at a cost of $3,500 annually. This cost cannot be including in closing costs associated with issuances since it is cumulative of all outstanding debt and is annual rather than per issuance.

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

AGREEMENT
FOR
CONTINUING DISCLOSURE SERVICES
BY AND BETWEEN

TOWN OF NORTHLAKE, TEXAS
(HEREINAFTER REFERRED TO AS THE "ISSUER")

AND
HTS CONTINUING DISCLOSURE SERVICES,
A DIVISION OF HILLTOP SECURITIES INC.

In connection with the sale and delivery of certain bonds, notes, certificates, or other municipal obligations (the "Bonds"), the Issuer has made certain undertakings to disclose to the investing public, on a periodic and continuing basis, certain information, as more fully set forth in such undertakings and as contemplated by the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule").

The Issuer has agreed to engage HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. ("Continuing Disclosure Services"), to assist it with these continuing disclosure obligations, for the consideration and on the terms and conditions set forth herein, including the preparation and submission of annual reports (the "Annual Reports") and the reporting of certain specified events (the "Events"), which are set forth in the Issuer's undertakings, the Rule and in Subsection 2c. below.

This agreement (the "Agreement") between the Issuer and the Continuing Disclosure Services shall become effective as of the date of its acceptance as provided for below.

The parties agree as follows:

1. This Agreement shall apply to all issues of Bonds delivered subsequent to the effective date of the continuing disclosure requirements as specified in the Rule, to the extent that any particular issue does not qualify for exceptions to the continuing disclosure requirements of the Rule.

2. Continuing Disclosure Services agrees to perform the following in connection with providing services relating to the Issuer's continuing disclosure obligations:

a. assist the Issuer in compiling data determined or selected by the Issuer to be disclosed;

b. assist the Issuer in identifying other information to be considered by Issuer for continuing disclosure reporting purposes;

c. assist the Issuer in preparing the presentation of such information, to include Annual Reports containing financial information and operating data of the type provided in the final official statement of applicable issues, and Material Event Notices concerning the occurrence of the specified Events and other items listed below:

1) Principal and interest payment delinquencies
2) Non-payment related defaults
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 events affecting the tax-exempt status of the security
7) Modifications to rights of security holders
8) Bond calls and tender offers
9) Defeasances
10) Release, substitution, or sale of property securing repayment of the securities
11) Rating changes
12) Bankruptcy, insolvency, receivership or similar proceeding
13) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated person or their termination
14) Appointment of a successor or additional trustee or the change of the name of a trustee
15) Incurrence of a financial obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders
16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties
17) Noncompliance with the Rule

d. assist the Issuer in distributing or filing, in the Issuer's name, the above mentioned Annual Reports, notices and audited annual financial statements to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA"), appropriate State Information Depository ("SID"), rating agencies, and other entities, as required by the Issuer's continuing disclosure obligations.

e. provide to the Issuer confirmation of distribution or dissemination of reports and notices.

3. Issuer acknowledges and agrees to the following:

a. Continuing Disclosure Services will be compensated for the performance of services with respect to assisting the Issuer with preparation and submission of continuing disclosure reports in accordance with the schedule as set forth below:

1. $3,500 per year for assistance in preparation and distribution of each Annual Report and assistance in distribution of audited annual financial statements, if Issuer is not exempt from filing reports with EMMA, and Material Event Notice Filings. "Preparation" and "distribution" as used herein means that Continuing Disclosure Services will prepare, submit, and file any and all Annual Reports as may be required by law, based on Continue Disclosure Services' reliance on the information provided by the Issuer.

b. Issuer will provide to Continuing Disclosure Services, and Continuing Disclosure Services shall be entitled to rely upon, all information regarding the issuance of the Bonds, including the final official statement and the Issuer's commitment or undertaking regarding continuing disclosure as contained in the resolution authorizing issuance of the Bonds or separate contract or agreement; annual financial information and operating data of the type provided in the final official statement; information concerning the occurrence of an Event or noncompliance with the Rule; and any other information necessary to prepare continuing disclosure reports.

c. Issuer will provide to Continuing Disclosure Services, and Continuing Disclosure Services shall be entitled to rely upon, annual written confirmation of all outstanding Bond issues for which the Issuer has a continuing disclosure obligation.

d. Issuer will provide to Continuing Disclosure Services all information required for preparation of each Annual Report, including financial information and operating data of the type provided in the final official statement and other information deemed necessary by Issuer, no later than 45 days prior to the date on which each Annual Report is due.

e. Issuer will provide full and complete copies of the audited annual financial statement no later than ten (10) days prior to the date on which it is due.

f. Issuer will notify Continuing Disclosure Services immediately upon the occurrence or immediately upon the Issuer's knowledge of the occurrence of each Event or noncompliance with the Rule, and the Issuer will immediately provide all information necessary for preparation of the notice of occurrence of each such Event or noncompliance with the Rule.

g. Upon Issuer's receipt of advice from and consultation with Continuing Disclosure Services provided pursuant to this Agreement, Issuer shall have the sole responsibility for determining the disclosure to be made in all cases. The Issuer shall review and provide approval of the content and form of all continuing disclosure reports and notices, with the exception of the following, which will be filed automatically on the Issuer's behalf, unless the Issuer has notified Continuing Disclosure Services otherwise in writing: bond calls, defeasances, and rating changes. In the event of a disagreement between the Issuer and Continuing Disclosure Services regarding the disclosure to be made, either the Issuer or Continuing Disclosure Services may, but neither is obligated to, terminate this Agreement by written notice to the other party.

h. A separate Annual Report will be prepared and distributed for each type of security pledge in effect for outstanding financing issues or Bonds of the Issuer.

i. Issuer will inform Continuing Disclosure Services of the retirement of any Bonds included under the scope of this Agreement within 30 days of such retirement.

4. In the event that Continuing Disclosure Services and the Issuer determine that advice of counsel is appropriate with respect to any question concerning disclosure, then (i) the Issuer may consult with its counsel, or (ii) the Issuer may authorize Continuing Disclosure Services to seek legal advice from independent counsel regarding the disclosure. The Issuer agrees that it shall be responsible for the fees and expenses of its own counsel. The Issuer agrees to reimburse Continuing Disclosure Services the fees and expenses of independent counsel, if paid by Continuing Disclosure Services, for advice rendered pursuant to authorization by the Issuer, provided however, that Issuer approves the engagement of independent counsel in advance based on the receipt of an estimate of such fees and expenses that is reasonably foreseeable at the time.

5. To the extent permitted by law, the Issuer agrees to hold harmless and to indemnify Continuing Disclosure Services and its employees, affiliates, officers, directors, and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever, including attorneys' fees and expenses ("Losses and Expenses") that Continuing Disclosure Services may incur by reason of or in connection with the distribution of information in the disclosure reports in accordance with this Agreement, except to the extent such Losses and

Expenses result directly from Continuing Disclosure Services' willful misconduct or gross negligence in the distribution of such information.

In the event that such Losses and Expenses are attributable to the concurrent negligence or other fault of both the Issuer and Continuing Disclosure Services, each party shall bear proportionate responsibility for the degree of negligence or other fault attributable to each. Notwithstanding the foregoing, Continuing Disclosure Services, shall not be obligated to contribute any amount hereunder that exceeds five (5) times the amount of fees previously received by Continuing Disclosure Services pursuant to this Agreement.

6. The fees and expenses due to Continuing Disclosure Services in providing Continuing Disclosure Services shall be calculated in accordance with Section 3a. of this Agreement. The fees will be invoiced each year during the term of the Agreement, unless terminated earlier, and fees will be payable within 30 days of receipt of invoice, except that the fees for the first year's service will be invoiced and be payable upon acceptance of this Agreement.

In addition, the Issuer agrees to reimburse Continuing Disclosure Services for the following expenses: (i) legal fees and expenses of counsel incurred by Continuing Disclosure Services pursuant to the terms of Section 4. above, and (ii) other out-of-pocket expenses reasonably incurred by Continuing Disclosure Services in performing its obligations hereunder. The Issuer shall remit payment for expenses to Continuing Disclosure Services within 30 days of receipt of invoice.

7. **Bonds Issued Subsequent to Agreement:** The provisions of this Agreement will include additional municipal bonds and financings (including financing lease obligations) issued during the stated term of this Agreement, if such bonds are subject to the continuing disclosure requirements. In this connection, the Issuer agrees that the Issuer will notify Continuing Disclosure Services of any municipal bonds and financing (including financing lease obligations) issued by the Issuer during any fiscal year of the Issuer during the term of this Agreement, and will provide Continuing Disclosure Services with such information as shall be necessary in order for Continuing Disclosure Services to perform the services contracted for hereunder.

8. **Effective Dates of Agreement:** This Agreement shall become effective as of the date of acceptance by the Issuer as set out below and remain in effect thereafter for a period of five (5) years from the date of acceptance. Unless Continuing Disclosure Services or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will be automatically renewed on the fifth anniversary of the date hereof for an additional one (1) year period and thereafter will be automatically renewed on each anniversary date for successive one (1) year periods. This agreement may be terminated with or without cause by the Issuer or Continuing Disclosure Services upon thirty (30) days' written notice to the other party. In the event of such termination, it is understood and agreed that only the amounts due to Continuing Disclosure Services for services provided and expenses incurred to and including the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. In the event this Agreement is terminated prior to its stated term, all records provided to Continuing Disclosure Services by the Issuer shall be returned to the Issuer as soon as practicable. In addition, the parties hereto agree that upon termination of this Agreement Continuing Disclosure Services shall have no continuing obligation to the Issuer regarding any service contemplated herein. Notwithstanding the foregoing, all contribution obligations pursuant to Section 5 of this Agreement shall survive any termination, regardless of whether the termination occurs as a result of the expiration of the term hereof or the Agreement is terminated sooner by either the Issuer or Continuing Disclosure Services under this Section 8, pursuant to Subsection 3.g., or otherwise.

9. Provision of Notices

Provision of information, delivery of certification and notices of Events and noncompliance with the Rule, unless directed otherwise in writing, shall be sent to:

Town of Northlake
1500 Commons Circle, Suite 300
Northlake, TX 76226-1598
Mr. Drew Corn
Town Administrator
Phone: (940) 648-3290
Fax: (940) 648-0363
Email: dcorn@town.northlake.tx.us

HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.

1201 Elm Street, 35th Floor
Dallas, Texas 75270
Attention: Tanya Calvit
Director for Continuing Disclosure
Phone: (214) 953-4037
Fax: (214) 953-4050
Email: tanya.calvit@hilltopsecurities.com

10. Choice of Law: This Agreement is performable in Denton County, Texas and shall be construed and given effect in accordance with the laws of the State of Texas. Venue for any proceeding brought pursuant to this Agreement shall be in Denton County, Texas.

11. Acceptance of Agreement

This Agreement is submitted in triplicate originals. When accepted by the Issuer, it will constitute the entire Agreement between the Issuer and Continuing Disclosure Services for the purposes and the consideration specified above.

Acceptance will be indicated on all copies and returned to Continuing Disclosure Services. An executed original will be returned for your files.

Respectfully submitted,

HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc.

By ___________________________________
Lou Ann Heath
Director

By ___________________________________
Tanya Calvit
Director

Date _________________________________

ACCEPTANCE CLAUSE

The above and foregoing is hereby in all things accepted and approved by the Issuer, on this the _______ day of ___________, **2019**.

By ___________________________________
Authorized Representative

____
Title

1500 Commons Circle, Suite 300
Northlake, TX 76226
940-648-3290

Town of Northlake

Memo

To: Honorable Mayor and Councilmembers

From: Shirley Rogers, Town Secretary

cc: Drew Corn, Town Administrator

Date: September 12, 2019

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 22 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. 19-18

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 2019.

AND IT IS SO RESOLVED.

PASSED AND APPROVED ON THIS THE 12 TH DAY OF SEPTEMBER 2019

TOWN OF NORTHLAKE, TEXAS

____
David A. Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

COATS | ROSE

A PROFESSIONAL CORPORATION

MINDY L. KOEHNE
DIRECTOR

MKOEHNE@COATSROSE.COM
DIRECT: (972) 982-8461
FAX: (713) 890-3979

September 04, 2019

Mr. Drew Corn, Town Administrator
1400 FM 407
Northlake, Texas 76247

Re: Northlake Municipal Management District No. 1 Unlimited Tax Utility Bonds, Series 2020 (the "Bonds") in an amount not to exceed $9,800,000.00

Mr. Corn:

Pursuant to the terms of that certain Development Agreement between HP Gibbs, LP (the "Developer") and the Town of Northlake, Texas (the "Town"), Developer has agreed to construct a waterworks system, a sanitary sewer system, a storm water drainage system and a roadway system (collectively, the "Public Infrastructure").

Northlake Municipal Utility District No. 1 (the "District") desires to proceed with the issuance of the Bonds to reimburse the Developer for the costs of such Public Infrastructure. Enclosed please find a proposed form of resolution consenting to the issuance of the Bonds for the Town's review. If you have any questions or concerns on the matter, feel free to contact me at (972) 982-8461.

Very truly yours,

Mindy L. Koehne

Enclosure

TOWN OF NORTHLAKE, TEXAS
RESOLUTION NO. 19-19

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS RELATED TO THE ISSUANCE OF BONDS BY THE NORTHLAKE MUNICIPAL MANAGEMENT DISTRICT NO. 1, A CONSERVATION AND RECLAMATION DISTRICT LOCATED WITHIN THE CORPORATE BOUNDARIES OF THE TOWN.

WHEREAS, the Town of Northlake, Texas (the "Town") is a Texas municipal corporation as defined by the Texas Local Government Code; and

WHEREAS, Northlake Municipal Management District No. 1 (the "District") is a conservation and reclamation district operating pursuant to Chapter 49 of the Texas Water Code and Chapter 375 of the Texas Local Government Code, and is located within the corporate boundaries of the Town; and

WHEREAS, the District desires to proceed with the issuance of certain Northlake Municipal Management District No. 1 tax utility bonds, Series 2020 (the "Bonds") in an amount not to exceed $9,800,000.00; and

WHEREAS, the District desires that the Town give its written consent to the issuance of the Bonds.

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

SECTION 1. That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as part of this Resolution.

SECTION 2. That the Town Council of the Town hereby gives its written consent to the issuance of the Bonds in an amount not to exceed $9,800,000.00.

PASSED AND APPROVED by the Town Council of the Town of Northlake, Texas on this 12th day of September 2019

____
David Rettig, Mayor
Town of Northlake, Texas

ATTEST:

____
Shirley Rogers, Town Secretary

1500 Commons Circle, Suite 300
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

Date: September 12, 2019

Re: Negotiated Natural Gas Rate Settlement with Atmos Energy Corporation by the Atmos Cities Steering Committee

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Atmos Cities Steering Committee (ACSC) is a coalition of 170 cities that unite in common purpose to address gas utility rate and franchise issues related to Atmos Energy Corporation (ATMOS). (The ACSC is not an arm, subsidiary or part of ATMOS.) The ACSC recently negotiated a rate less than the rate proposed by ATMOS. ATMOS requested rates which would have charged $54 million to ACSC cities. The ACSC through negotiations was able the reach a settlement were charges will total $35.4 million. The ordinance before Council will ensure that ATMOS charges the lower rate with the Town of Northlake.

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

August 16, 2019 **STAFF REPORT**

BACKGROUND AND SUMMARY

The Town, 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 in 2018. On or about April 1, 2019, 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, 2018, entitled it to additional system-wide revenues of $70 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to $54 million, $39.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $38.7 million instead of the claimed $54 million. The amount of the $38.7 million deficiency applicable to ACSC members would be $28.2 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of $35.4 million from ACSC Cities.

The Executive Committee recommends a settlement at this amount. The Effective Date for new rates is October 1, 2019. ACSC members should take action approving the Ordinance before the end of September.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Ordinance will generate $35.4 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

The impact of the settlement on average residential rates is an increase of $2.05 on a monthly basis, or 3.7 percent. The increase for average commercial usage will be $6.18 or 2.31 percent. 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.

RRM SAVINGS OVER GRIP

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2019, ACSC residents will have a slight economic monthly advantage over comparable GRIP and comparable DARR rates (see Attachment 3).

EXPLANATION OF "BE IT ORDAINED" PARAGRAPHS:

1. This section approves all findings in the Ordinance.
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 $35.4 million from ACSC Cities.
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 Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Ordinance.
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 Ordinance. This section further directs that the remaining provisions of the Ordinance 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 Ordinance 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 $70 million in additional system-wide revenues, or $54 million from ACSC Cities, the RRM settlement at $35.4 million for ACSC Cities reflects substantial savings to ACSC Cities in the amount of $18.6 million. ACSC's consultants produced a report indicating that Atmos had justified increased revenues for ACSC Cities of at least $32.7 million. Settlement at $35.4 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Ordinance before September 30, 2019. New rates become effective October 1, 2019.

ORDINANCE NO. 19-0912

AN ORDINANCE 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 2019 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN 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 ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL

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 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 current RRM tariff was adopted by the Town in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2019, Atmos Mid-Tex filed its 2019 RRM rate request with ACSC Cities based on a test year ending December 31, 2018; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2019 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 $35.4 million applicable to ACSC Cities; 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 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 ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS:

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

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the Town Council finds that the settled amount of an increase in revenues of $35.4 million for ACSC Cities 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 2019 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 $35.4 million from customers in ACSC Cities, 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 2019 RRM filing.

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

Section 8. That the meeting at which this Ordinance 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 Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance 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 Ordinance 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, 2019.

Section 11. That a copy of this Ordinance 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 ___________ day of ____________________, 2019

David Rettig, Mayor

ATTEST:

Shirley Rogers, Town Secretary

APPROVED AS TO FORM:

Ashley Dierker, Town Attorney

Exhibit A

Rate Tariffs Effective October 1, 2019

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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	$ 19.55 per month
Rider CEE Surcharge	$ 0.05 per month[1]
Total Customer Charge	$ 19.60 per month
Commodity Charge – All Ccf	$0.17423 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, 2019.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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	$ 46.50 per month
Rider CEE Surcharge	$ 0.02 per month[2]
Total Customer Charge	$ 46.52 per month
Commodity Charge – All Ccf	$ 0.09924 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, 2019.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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	$ 845.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3572 per MMBtu
Next 3,500 MMBtu	$ 0.2616 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0561 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 UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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.

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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	$ 845.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.3572 per MMBtu
Next 3,500 MMBtu	$ 0.2616 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.0561 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 UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 10/01/2019	PAGE:

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.

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 11/01/2019	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:

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

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:

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

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

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 11/01/2019	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	0.1487	88.49	0.7036
Austin	9.04	0.1537	201.48	1.0000
Dallas	13.07	0.2202	184.64	1.1385
Waco	8.77	0.1470	135.70	0.7744
Wichita Falls	11.40	0.1468	117.90	0.5943

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 thatDivision.

Exhibit B

2019 Benchmark for Pensions and Retiree Medical Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2018

		Shared Services		Mid-Tex Direct			
Line No.	Description	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	Proposed Benefits Benchmark - Fiscal Year 2019 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 2,744,088	$ 2,267,927	$ 4,724,119	$ 193,211	$ 2,621,842	
2	Allocation to Mid-Tex	43.48%	43.48%	73.88%	100.00%	73.88%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 1,193,029	$ 986,012	$ 3,490,241	$ 193,211	$ 1,937,051	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	$ 1,193,029	$ 986,012	$ 3,490,241	$ 193,211	$ 1,937,051	$ 7,799,544
6							
7							
8	Summary of Costs to Approve (1):						
9							
10	O&M Expense Factor (WP_F-2.3, Ln 2)	81.35%	81.35%	38.28%	16.24%	38.28%	
11							
12							
13	Total Pension Account Plan	$ 970,514		$ 1,336,038			$ 2,306,553
14	Total Post-Employment Benefit Plan		$ 802,108			$ 741,489	1,543,597
15	Total Supplemental Executive Benefit Plan				$ 31,377		31,377
16	Total (Ln 13 + Ln 14 + Ln 15)	$ 970,514	$ 802,108	$ 1,336,038	$ 31,377	$ 741,489	$ 3,881,527
17							

18 Notes:

19 1. Studies not applicable to Mid-Tex or Shared Services are omitted.

20 2. The Company is requesting that the benchmark amount approved by the RRM Cities for future periods include only the expense amount.

21 The amount attributable to capital would continue to be recorded to utility plant through the overhead process as described in the CAM.

22 3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

Exhibit C

2019 Amortization Schedule for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2018
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount (1)	Annual Amortization (2)	End of Year Rate Base Adjustment Amount
	(a)	(b)	(c)	(d)
1	2018	$ 290,043,948	$ -	290,043,948
2	2019	290,043,948	12,085,165	277,958,784
3	2020	277,958,784	12,085,165	265,873,619
4	2021	265,873,619	12,085,165	253,788,455
5	2022	253,788,455	12,085,165	241,703,290
6	2023	241,703,290	12,085,165	229,618,126
7	2024	229,618,126	12,085,165	217,532,961
8	2025	217,532,961	12,085,165	205,447,797
9	2026	205,447,797	12,085,165	193,362,632
10	2027	193,362,632	12,085,165	181,277,468
11	2028	181,277,468	12,085,165	169,192,303
12	2029	169,192,303	12,085,165	157,107,139
13	2030	157,107,139	12,085,165	145,021,974
14	2031	145,021,974	12,085,165	132,936,810
15	2032	132,936,810	12,085,165	120,851,645
16	2033	120,851,645	12,085,165	108,766,481
17	2034	108,766,481	12,085,165	96,681,316
18	2035	96,681,316	12,085,165	84,596,152
19	2036	84,596,152	12,085,165	72,510,987
20	2037	72,510,987	12,085,165	60,425,823
21	2038	60,425,823	12,085,165	48,340,658
22	2039	48,340,658	12,085,165	36,255,494
23	2040	36,255,494	12,085,165	24,170,329
24	2041	24,170,329	12,085,165	12,085,165

25	2042	12,085,165	12,085,165		(0)
27					
28					
29	Revenue Related Tax Factor		6.71%	See WP_F-5.1	
30	Revenue Related Taxes on Annual Amortization (see WP_B-6.3)		$ 810,653	Amortization * Tax Factor	
31	Related Taxes (see WP_B-6.3)		$ 12,905,421	Amortization + Taxes	
32					

33 Notes:

34 1. The beginning 2018 balance is the September, 2018 balance. The regulatory
35 liability for excess deferred taxes is an estimate. This estimate will be
36 finalized when the Company files its federal tax return in July, 2019. To the
37 extent that this estimate changes with the filing of the Company's tax return,
38 the Company will 'true-up' the amount in the 2020 RRM filing.
39 2. The annual amortization of a 24 year recovery period is based on the
40 Reverse South Georgia Method.
41 3. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909.

Attachment 1

Proof of Revenues

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - SYSTEMWIDE
TEST YEAR ENDING DECEMBER 31, 2018

Line No.	Customer Class	Current	Proposed	Bills	Ccf/MmBtu
	(a)	(b)	(c)	(d)	(e)
1	**Residential**				
2	Customer Charge	$ 18.85	$ 19.55	18,572,400	
3	Consumption Charge	0.14846	0.17423		876,575,629
4	Revenue Related Taxes				
5	Total Class Revenue				
6					
7	**Commercial**				
8	Customer Charge	$ 43.50	$ 46.50	1,492,740	
9	Consumption Charge	0.09165	0.09924		576,758,305
10	Revenue Related Taxes				
11	Total Class Revenue				
12					
13	**Industrial & Transportation**				
14	Customer Charge	$ 784.00	$ 845.50	9,804	
15	Consumption Charge Tier 1	$ 0.3312	$ 0.3572		10,724,328
16	Consumption Charge Tier 2	$ 0.2425	$ 0.2616		12,346,302
17	Consumption Charge Tier 3	$ 0.0520	$ 0.0561		22,335,700
18	Revenue Related Taxes				
19	Total Class Revenue				
20					
21	**Total Excluding Other Revenue**				
22					
23					
24	**Revenue Related Tax Factor**	6.7078%			

Current Revenues	Proposed Revenues	Increase
(f)	(g)	(h)
$ 350,089,740	$ 363,090,420	
130,136,418	152,725,772	
32,212,790	34,600,111	
$ 512,438,948	$ 550,416,303	$ 37,977,356
$ 64,934,190	$ 69,412,410	
52,859,899	57,237,494	
7,901,436	8,495,470	
$ 125,695,525	$ 135,145,374	$ 9,449,849
$ 7,686,336	$ 8,289,282	
3,551,897	3,830,730	
2,993,978	3,229,793	
1,161,456	1,253,033	
1,032,582	1,113,691	
$ 16,426,250	$ 17,716,529	$ 1,290,278
$ 654,560,722	$ 703,278,206	$ 48,717,483

Attachment 2

Bill Impact

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2018

Line							CURRENT	PROPOSED	CHANGE
1	Rate R @ 47.5 Ccf						CURRENT	PROPOSED	CHANGE
2	Customer charge						$ 18.85		
3	Consumption charge	47.5	CCF		X $ 0.14846	=	7.05		
4	Rider GCR Part A	47.5	CCF		X $ 0.27375	=	13.00		
5	Rider GCR Part B	47.5	CCF		X $ 0.27485	=	13.06		
6	Subtotal						$ 51.96		
7	Rider FF & Rider TAX			$ 51.96	X 0.06708	=	3.49		
8	Total						$ 55.45		
9									
10	Customer charge							$ 19.55	
11	Consumption charge	47.5	CCF		X $ 0.17423	=		8.28	
12	Rider GCR Part A	47.5	CCF		X $ 0.27375	=		13.00	
13	Rider GCR Part B	47.5	CCF		X $ 0.27485	=		13.06	
14	Subtotal							$ 53.89	
15	Rider FF & Rider TAX			$ 53.89	X 0.06708	=		3.61	
16	Total							$ 57.50	$ 2.05
17									3.70%
18									
19	Rate C @ 367.6 Ccf						CURRENT	PROPOSED	CHANGE
20	Customer charge						$ 43.50		
21	Consumption charge	367.6	CCF		X $ 0.09165	=	33.69		
22	Rider GCR Part A	367.6	CCF		X $ 0.27375	=	100.62		
23	Rider GCR Part B	367.6	CCF		X $ 0.19927	=	73.25		
24	Subtotal						$ 251.06		
25	Rider FF & Rider TAX			$ 251.06	X 0.06708	=	16.84		
26	Total						$ 267.90		
27									
28	Customer charge							$ 46.50	
29	Consumption charge	367.6	CCF		X $ 0.09924	=		36.48	
30	Rider GCR Part A	367.6	CCF		X $ 0.27375	=		100.62	
31	Rider GCR Part B	367.6	CCF		X $ 0.19927	=		73.25	
32	Subtotal							$ 256.85	
33	Rider FF & Rider TAX			$ 256.85	X 0.06708	=		17.23	
34	Total							$ 274.08	$ 6.18
35									2.31%

Attachment 3

RRM Monthly Savings Over GRIP and DARR Rates

ACSC Margin Advantage Over GRIP and DARR Residential Customers
Effective October 1, 2019

Group	Average Monthly Consumption	Customer Charge	Consumption Charge	Average Bill	Average Monthly Savings
ACSC/RRM	47.5 CCF	$19.55	$0.17423	$27.83	X
Environs GRIP	47.5 CCF	$19.84	$0.18653	$28.70	$0.87
ATM GRIP	47.5 CCF	$21.69	$0.14846	$28.74	$0.92
DARR	47.5 CCF	$21.25	$0.14924	$28.34	$0.51

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2018

Line						CURRENT	PROPOSED	CHANGE
36	**Rate I @ 4066 MMBTU**							
37	Customer charge					$ 784.00		
38	Consumption charge	1,500	MMBTU	X $ 0.3312	=	496.80		
39	Consumption charge	2,566	MMBTU	X $ 0.2425	=	622.14		
40	Consumption charge	0	MMBTU	X $ 0.0520	=	-		
41	Rider GCR Part A	4,066	MMBTU	X $ 2.6733	=	10,868.51		
42	Rider GCR Part B	4,066	MMBTU	X $ 0.4491	=	1,825.85		
43	Subtotal					$ 14,597.30		
44	Rider FF & Rider TAX		$ 14,597.30	X 0.06708	=	979.16		
45	Total					$ 15,576.46		
46								
47	Customer charge						$ 845.50	
48	Consumption charge	1,500	MMBTU	X $ 0.3572	=		535.80	
49	Consumption charge	2,566	MMBTU	X $ 0.2616	=		671.14	
50	Consumption charge	0	MMBTU	X $ 0.0561	=		-	
51	Rider GCR Part A	4,066	MMBTU	X $ 2.6733	=		10,868.51	
52	Rider GCR Part B	4,066	MMBTU	X $ 0.4491	=		1,825.85	
53	Subtotal						$ 14,746.80	
54	Rider FF & Rider TAX		$ 14,746.80	X 0.06708	=		989.19	
55	Total						$ 15,735.99	$ 159.53
56								1.02%
57	**Rate T @ 4066 MMBTU**					CURRENT	PROPOSED	CHANGE
58	Customer charge					$ 784.00		
59	Consumption charge	1,500	MMBTU	X $ 0.3312	=	496.80		
60	Consumption charge	2,566	MMBTU	X $ 0.2425	=	622.14		
61	Consumption charge	0	MMBTU	X $ 0.0520	=	-		
62	Rider GCR Part B	4,066	MMBTU	X $ 0.4491	=	1,825.85		
63	Subtotal					$ 3,728.79		
64	Rider FF & Rider TAX		$ 3,728.79	X 0.06708	=	250.12		
65	Total					$ 3,978.91		
66								
67	Customer charge						$ 845.50	
68	Consumption charge	1,500	MMBTU	X $ 0.3572	=		535.80	
69	Consumption charge	2,566	MMBTU	X $ 0.2616	=		671.14	
70	Consumption charge	0	MMBTU	X $ 0.0561	=		-	
71	Rider GCR Part B	4,066	MMBTU	X $ 0.4491	=		1,825.85	
72	Subtotal						$ 3,878.29	
73	Rider FF & Rider TAX		$ 3,878.29	X 0.06708	=		260.15	
74	Total						$ 4,138.44	$ 159.53
75								4.01%

August 20, 2019

FREQUENTLY ASKED QUESTIONS REGARDING ACSC HISTORY AND THE RRM RATEMAKING PROCESS

What is the role of Cities in ratemaking?

Cities have historically exercised original jurisdiction over the level of gas rates charged within their boundaries. Generally, gas distribution utilities have filed rate cases at the City level and have only gone to the Railroad Commission of Texas ("RCT" or "Commission") with an appeal of City action or when they could not reach a settlement with Cities. If a utility and Cities reach an agreement, the utility may then file a case at the RCT to implement the same rates approved by Cities in areas outside municipal boundaries.

Once a case is at the RCT, the Commission Staff generally expects Cities to intervene and do most of the discovery, cross-examination, briefing, and sponsor opposing witnesses. There is no consumer advocate at the RCT. If Cities do not participate in hearings at the RCT, the request of a regulated utility is likely to be rubber-stamped.

How and why was the Atmos Cities Steering Committee created?

The Atmos pipeline and distribution systems were built, owned, and operated by Lone Star Gas ("LSG"), which maintained over 200 rate jurisdictions until it sold its assets to Texas Utilities ("TXU") in the late 1990's. That meant that many Cities had their own unique distribution rates and that individual Cities had to process rate cases at the local level. LSG-Pipeline served all 200-plus distribution systems, and pipeline rates were set by the RCT.

From the early 1980's through the late 1990's, LSG filed no pipeline or system-wide rate cases at the RCT. When LSG was finally brought before the RCT to show cause why its rates should not be reduced, approximately 80 Cities intervened and created an *ad hoc* group known as the Steering Committee of Cities Served by Lone Star. In Gas Utilities Division ("GUD") docket number 8664, three separate groups of Cities and a number of independent Cities (jointly the "Aligned Cities") participated and coordinated their efforts to oppose the rate increase.

TXU purchased the LSG assets in the late 1990's and immediately commenced consolidating 200-plus ratemaking jurisdictions into regions. As regional cases were filed, Cities within each region created an *ad hoc* committee to form a common strategy and negotiating position. Once TXU had aggregated the Cities into five or six jurisdictions, each with a different rate, Texas Utilities Gas Company filed a system-wide case to bring all of the old LSG territory under one common rate. The different City regional committees then united and formed the Allied Coalition of Cities ("ACC"). While the gas utility assets were owned and controlled by TXU, the coalition transformed itself from an *ad hoc* group that came together only in response to rate filings by the utility into a permanent standing coalition.

In Gas Utilities Docket ("GUD") No. 9400 in 2004, TXU's request for a $61.6 million system-wide increase was aggressively opposed by ACC. Cities achieved disallowances of $42.9 million of a regulatory asset and $87.8 million of capitalized gas utility plant. The company received only a $2.01 million increase. Unhappy with that result, TXU decided that owning a gas system was neither as fun nor as profitable as the deregulated electric system, and they sold the system to Atmos Energy Corporation ("Atmos" or "Company"). ACC was then transformed into the Steering Committee of

Cities Served by Atmos and then renamed Atmos Cities Steering Committee to obtain an easy to remember acronym, "ACSC."

<u>What is the Atmos Cities Steering Committee?</u>

ACSC is a coalition of 170 Cities that unite in common purpose to address gas utility rate and franchise issues related to Atmos Energy Corporation. Its objectives are to: (1) ensure that gas utility rates charged to Cities and their residents are fair and reasonable; (2) maintain reasonable franchise fee revenues for Cities; (3) protect Cities' original jurisdiction over rates and services; (4) be a voice for consumers where no state agency assumes such a role; and (5) promote sound ratemaking policies in the public interest.

Cities join the permanent standing committee by passing a resolution and agreeing to support the work of ACSC through modest occasional *per capita* assessments that support ongoing administrative and legislative advocacy and all expenses where Cities are not entitled to reimbursement. Each member City designates a representative to ACSC. Member representatives may volunteer to serve on the ACSC Executive Committee. The Executive Committee sets policy, hires legal counsel and consultants, directs litigation, establishes a legislative agenda, sets assessments on members as needed, and meets quarterly with Atmos executives. The Settlement Committee is directly involved in negotiating resolution of contested matters with Atmos executives. The list of current members is attached.

<u>What is the benefit of membership in ACSC?</u>

One hundred seventy Cities speaking as one voice is much more effective in advocacy before the Railroad Commission and legislature than any one City or multiple small groups of Cities.

The legislature has given gas utilities a right to an annual increase in rates. Resources (both financial and human) of individual Cities are conserved by membership in ACSC. Additionally, membership enhances institutional memory of ratemaking issues, public policy debates, and right-of-way and franchise fee battles.

<u>What has ACSC accomplished?</u>

Going into the 82nd Legislative Session, in December 2010, ACSC released a 48-page report, "Natural Gas Consumers and the Texas Railroad Commission." More than 200 television, newspaper and radio news sites posted information on, and a link to, the report that may be found on ACSC's website, <u>TexasGasConsumers.org</u>.

ACSC has also been instrumental in ongoing Sunset Commission reviews of the RCT. The agency has undergone three Sunset reviews since 2010, and in each case ACSC has maintained a watchful eye on the process to ensure that provisions that could harm the interest of gas utility ratepayers are excluded from the legislation. ACSC representatives also visited on several occasions with the Sunset Commission Staff, and several ACSC recommendations for reform were included in Sunset Commission Reports on the agency. Several ACSC member representatives testified before the legislature regarding the Sunset review of the Railroad Commission.

During the 2011 legislative session, lobbying efforts by ACSC were critical in killing two gas utility bills that would have undermined traditional regulation, deprived Cities of certain rights, and led to even greater rate increases.

ACSC has also resolved a major issue involving franchise fees. In 2010, Atmos unilaterally, without notice, ceased inclusion of franchise fees in the calculations of gross receipts regardless of whether specific franchises included such payments. Several Cities were willing to pursue the matter through litigation. However, counsel for ACSC was able to negotiate a resolution that allowed each member City to determine whether it desired an increase in franchise fee payments based on inclusion of franchise fees in the calculation of gross receipts. If a City opted for inclusion of fee-on-fee revenues, it had the further option of retroactive payments back to the point in time that Atmos decided to curtail fee-on-fee payments. Each member had these options regardless of the wording of the then-valid franchise agreement. This resolution spared significant litigation costs and anxiety and was only possible because of the clout of the ACSC membership.

One of the most significant accomplishments of ACSC occurred in 2007 via a settlement of the then-pending, system-wide rate case. Approximately 50 ACSC City representatives showed up in Arlington for a meeting with Atmos executives who were shocked at the vocal opposition to Atmos' practices, the unfairness of annual Gas Reliability Infrastructure Program ("GRIP") rate filings that precluded City and citizen review, and the Company's lack of coordination with Cities. That meeting led to the creation of the Rate Review Mechanism ("RRM") process and improved ongoing communications between the Company and ACSC.

In 2010, these improved communications between ACSC and the Company led to a workable solution to the need to replace steel service lines in a manner that accommodated Cities' needs to control their rights-of-way, while moderating the rate impact and focusing first on the riskiest service lines based on leak repair histories. This compromise precluded a more onerous (from a City and consumer perspective) program threatened by the RCT.

What is an RRM case?

The concept of an RRM proceeding emerged as a three-year experimental substitute for GRIP cases as part of the settlement of Atmos Mid-Tex's 2007 system-wide rate case. In 2003, the Texas Legislature added Section 104.301, Interim Adjustment for Changes in Investment, to the Gas Utility Regulatory Act. While not identified as such in the law, § 104.301 was referred to as the Gas Reliability Infrastructure Program or GRIP. The GRIP adjustments allowed gas companies to recover changes to invested capital without a review of whether increased revenues or declining expenses offset the invested capital costs. Both Atmos Pipeline and Atmos Mid-Tex filed GRIP cases as soon as the RCT adopted rules to implement the interim adjustments. As explained below, it quickly became apparent that the GRIP adjustments were terrible public policy.

As an alternative to GRIP, ACSC entered into a negotiated agreement with Atmos in 2007 to establish the RRM process. Unlike GRIP, the RRM provided for an annual review of all portions of Mid-Tex's cost of service. It fixed an authorized rate of return on equity for the three-year period at 9.6% (which was less than what the RCT would have authorized) and set caps on the extent to which expenses or investments could increase from one year to the next. More importantly, it allowed Cities to make a comprehensive evaluation of all aspects of the utility's business—investment, operation and maintenance expenses, and revenues—unlike GRIP that only allows consideration of changes to invested capital.

Why is RRM superior to GRIP?

GRIP cases guarantee a one-sided, rubber-stamp approval of the utility's rate request. ACSC attempted to participate in the first two GRIP proceedings filed by both Atmos Pipeline and Atmos Mid-Tex at the RCT. Not only were Cities' motions to intervene denied, but also, ACSC's comments were ignored. At the City level, ACSC consultants determined that Atmos was not only including items such as artwork, chairs, computers, and meals in interim rate adjustments that were allegedly intended to promote pipeline safety, but the Company was also over-earning its previously authorized rate of return. ACSC attacked the Commission's rule in court because it denied City participation, denied a hearing on a contested matter, and denied Cities' recovery of any expenses associated with resisting GRIP rate increases. The courts were not helpful to Cities. In 2011, the Texas Supreme Court upheld the Commission's rule implementing the GRIP statute.

Cities have contended that the GRIP process is terrible public policy since it authorizes what would, from the perspective of a history of public interest regulation, be regarded as unlawful—piecemeal ratemaking. GRIP allows rates to increase if the utility's invested capital net of depreciation increases year-over-year. An increase in rates is mandated under GRIP if investment increases, even if increasing revenues and declining expenses more than offset the costs associated with increased investment.

The RRM process negotiated by ACSC solves the piecemeal ratemaking problem by providing for a comprehensive review of Atmos' expenses and revenues. Furthermore, the RRM process benefitted ACSC by: (1) allowing Cities' participation that would be denied under GRIP; (2) allowing Cities to recover, at utility shareholders' expense, all their ratemaking costs; and (3) avoiding both litigation and RCT jurisdiction.

The legislature has functionally authorized annual increases in gas utility rates through the GRIP process. Since consumers are otherwise stuck with annual rate increases, it is better to have Cities participate in the comprehensive RRM process than be unable to participate in a piecemeal process.

What has been the history of the RRM efforts?

A total of eleven RRM filings have been made by the Company. These filings all resulted in settlements at the City level, except for the 2014 filing, which the ACSC Cities denied. The Company appealed the denial to the RCT, and ACSC was ultimately able to settle that proceeding before it reached the stage of a final RCT order. The results of these filings from a system-wide perspective are as follows (continued on next page):

RRM Filing	Year	Atmos Request	ACSC Settlement
#1	2008	$33.5 million	$20 million
#2	2009	$20.2 million	$2.6 million
#3	2010	$70.2 million	$27 million
#4	2011	$15.7 million	$6.6 million
#5	2013	$22.7 million	$16.6 million
#6	2014	$45.7 million	$43.8 million
#7	2015	$28.8 million	$22.8 million
#8	2016	$35.4 million	$29.6 million
#9	2017	57.4 million	$48 million

RRM Filing	Year	Atmos Request	ACSC Settlement
#10	2018	$27.4 million	$24.9 million
#11	2019	$54 million	$35.4 million

Unable to reach agreement to perpetuate the original RRM terms, Atmos filed a traditional rate case with Cities in 2012 (GUD No. 10170), which was then appealed to the Railroad Commission. A final order in that case was entered in December 2012. The ratemaking decisions of the Commission then became the basis of renewal negotiations on the RRM process. The renewed RRM included some modifications that enhanced the original RRM process. Among these modifications were:

- A limit on the percentage of increase to be included in the monthly customer charge;
- A prohibition against capital post-test year adjustments;
- A time limit for known and measurable adjustments to operating and maintenance expenses;
- A guaranteed reduction in the Company's requested increase of at least $3 million annually; and
- A limitation on the amount of equity in the Company's capital structure.

Changes to the RRM process

As noted in a communication to ACSC in May 2017, the rate of return on equity ("ROE") embedded in the RRM process between 2013 and 2017 of 10.5% is excessive by at least 100 basis points, based upon a reasonable rate of return that reflects the market conditions in which the Company, and its parent Atmos Energy, operates. Because this ROE cannot be altered except by (1) changing the terms of the RRM tariff, or (2) a Commission order coming out of a new rate case, ACSC informed the Company that the 2017 RRM will be the last filing by the Company under the current tariff. Atmos agreed to renegotiate the terms and conditions of a revised RRM tariff in 2017.

In February and March 2018, ACSC adopted a new RRM tariff ordinance that implemented new procedures and criteria for the RRM process. The revised RRM tariff reduced the allowed ROE from 10.5% to 9.8% and captured the reduced federal income tax rate of 21%. The new tariff expanded Cities' review period from three months to five months. It also required Atmos Mid-Tex to accept ACSC's position regarding incentive compensation related to Atmos' Shared Services Unit. The 2019 RRM filing is the second under the new tariff.

When must Cities approve new rates?

ACSC's Tariff Ordinance adopted around March 2018 declares that new rates become effective October 1st of each year. While it is preferable that ordinances or resolutions adopting new tariffs are passed before the end of September, there is no adverse consequence if final action cannot take place until sometime in October. The only thing that will frustrate new rates becoming effective on October 1, 2019 is City action that specifically denies the increase.

<u>What would happen if a City Council denies the RRM rate increase?</u>

Atmos would either appeal the denial to the Railroad Commission or initiate imposition of GRIP rates or both. Rates for residents of that City would be higher than rates of other ACSC member residents. Rate case expenses (both the City and Company) associated with litigation at the Railroad Commission would likely be surcharged back to the City that denied the increase.

If you have other questions please contact me at (512) 322-5875 and/or gmg@lglawfirm.com, or Georgia Crump at (512) 322-5832 and/or gcrump@lglawfirm.com.

Geoffrey Gay
ACSC, General Counsel

NORTHLAKE TEXAS

Regular Items

Agenda Item 7

ORDINANCE NO. 19-0912A

AN ORDINANCE SETTING THE LEVY OF ASSESSMENTS FOR THE COST OF SERVICES PROVIDED IN NORTHLAKE PUBLIC IMPROVEMENT DISTRICT NO. 1 DURING FISCAL YEAR 2019-2020; 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 2019-2020 and their estimated costs are as follows:

EXPENSES

Utilities	165,977
Landscape Maintenance	991,513
Common Area Maintenance	80,155
General and Administrative	46,632
Insurance and Taxes	927
Employees	75,825
Town Administration Fee	10,000
Budget Expenses	**$1,371,029**

The total budgeted expenses of the Services are $1,371,029 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, 2020 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 12th day of September 2019, at 6:30 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, 2019, 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, 2020 and shall become delinquent if not paid by February 1, 2020. The entire amount assessed against each parcel of property shall bear penalty and interest, from and after February 1, 2020 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 12TH OF SEPTEMBER 2019

TOWN OF NORTHLAKE, TEXAS

____

David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Ashley Dierker, Town Attorney

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 19-0912B

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, 2019 and ending September 30, 2020.

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 12th day of September 2019

Town of Northlake, Texas

____

David Rettig, 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)

TABLE OF CONTENTS

Schedule	PAGE

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 2020 includes the Tax Year 2019 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, 2019)

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

Uses of Funds:	
PID Improvements	
Waterline Paving	$ 890,000
Paving	4,901,078
Landscaping/Open Space	2,586,000
Utilities	1,612,203
Soft Costs	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 2019

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

Uses of Funds:	
PID Improvements	
Waterline Paving	890,000
Paving	4,901,078
Landscaping/Open Space	2,586,000
Utilities	1,612,203
Soft Costs	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

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 19-0912C

AN ORDINANCE OF THE TOWN OF NORTHLAKE, TEXAS ADOPTING A FISCAL YEAR 2020 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 the proposed Fiscal Year 2018 Annual Budget for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and

WHEREAS, on June 28, 2018 the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas approved the proposed Fiscal Year 2019 Annual Budget for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and

WHEREAS, on June 20, 2019 the Board of Directors of Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas approved the proposed Fiscal Year 2020 Annual Budget for Tax Increment Reinvestment Zone Number One, Town of Northlake, Texas; and

WHEREAS, the Town Council has reviewed the proposed Fiscal Year 2020 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 2020 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 12th day of September 2019

TOWN OF NORTHLAKE, TEXAS

____

David Rettig, Mayor

ATTEST:

____

Shirley Rogers, Town Secretary

EXHIBIT A

Fiscal Year 2020 Annual Budget

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	(1,385)	5,197	46,896	46,896	46,896	46,896
REVENUES:						
Ad Valorem Taxes	36,896	73,451	127,027	127,027	127,027	178,149
Transfers	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	36,896	73,451	127,027	127,027	127,027	178,149
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	97,027	-	97,027	143,839
Utilities	-	-	-	-	-	-
Services	30,314	31,751	30,000	4,741	30,000	30,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	30,314	31,751	127,027	4,741	127,027	173,839
REV OVER/(UNDER) EXP	6,582	41,700	-	122,286	-	-
ENDING FUND BALANCE	5,197	46,896	46,896	169,182	46,896	46,896

1500 Commons Circle, Suite 300
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: John Zagurski, Finance Director

Shirley Rogers, Town Secretary

Date: September 12, 2019

Re: Fiscal Year 2019-2020 Proposed Budget Adoption and FY 2018-2019 Revised Annual Budgets

---

The budget planning session to discuss priorities for the fiscal year 2019-2020 budget was held May 23, 2019. At the budget planning session, Town Council validated the budget principles for the Town. The proposed budgets address these principles. At the June 20, 2019 council meeting, Town staff gave a budget outlook. On July 11, another preliminary budget was presented. On July 23, 2019, the certified tax roll was received and the proposed budget as presented to Town Council on August 1.

The 2019-2020 Proposed General Fund Budget is based on continuing the 29.5¢ tax rate which includes a 5% general homestead exemption. Property taxes increased 37% overall of which residential property values account for 13% of the overall increase and the remaining 14% from commercial. Only 4% of the 37% increase is due to increased residential property appraisals. The remaining 33% is either new construction or commercial value increases. Sales tax revenues are expected to increase with the addition of new restaurants. The current proposed budget is balanced with increased resources dedicated to public safety, public works, and marketing/communication positions needed to handle increased customer base, activity and complexity of operations. A 5% market maintenance salary increase has been proposed.

The proposed budget document was filed with the Town Secretary on July 31st and made available online on the same date at the Town website www.town.northlake.tx.us.

The 2019-2020 Proposed and 2018-2019 Revised Annual Budgets for all funds are:

Fund Title	FY 2019 Revised	FY 2020 Proposed
General Fund	$4,953,903	$5,686,230
Capital Projects Fund	$1,625,000	$900,000
Debt Service Fund	$13,331,034	$1,023,906
Other Special Revenue Funds	$135,400	$37,510
Hotel Occupancy Tax Fund	$110,468	$138,127
Economic Development Corporation	$573,318	$193,227

Fund Title	FY 2019 Revised	FY 2020 Proposed
Community Development Corporation	$575,818	$193,227
Utility Fund	$3,993,367	$5,074,269
Utility Impact Fees Fund	$348,000	$422,000
Utility Capital Projects Fund	$585,881	$10,885,881
Utility Cost Recovery Fund	$39,500	$0
Equipment Services Fund	$274,000	$301,350
Building Services Fund	$257,312	$983,808
Technology Services Fund	$188,000	$208,000
PID #1 (Harvest)	$779,600	$1,005,480
PID #2 (The Highlands)	$304,316	$305,816
TIRZ #1 (Canyon Falls)	$127,027	$173,839

The notice of public hearing for the 2019-20 Annual Budget was published in the Denton Record Chronicle newspaper on August 12, 2019 in accordance with State law. The public hearing was held during the Town Council meeting, August 22, 2019. 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. 19-0912D

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, 2019 THROUGH SEPTEMBER 30, 2020; 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 2019-2020; and

WHEREAS, the Northlake Economic Development Corporation and the Northlake Community Development Corporation held public hearings on their budgets on August 22, 2019 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 September 12, 2019; 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 22, 2019; 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 **12th day of September 2019**

Town of Northlake, Texas

____
David Rettig, Mayor

Attest:

____
Shirley Rogers, Town Secretary

Fiscal Year 2019 - 2020

Proposed Budget

www.town.northlake.tx.us

Town of Northlake
Proposed Budget
For Fiscal Year Starting October 1, 2019

This budget will raise more total property taxes more than last year's budget by $692,698 or 37.5%, and of that amount $384,625 is a revenue increase from new property added to tax roll this year.

Town Council	**Record Vote**
David Rettig, Mayor	
Brian G. Montini, Mayor Pro Tem	
Rena Hardeman	
Jimmy Lambert	
Roger Sessions	
Danny Simpson	

Tax Year

	2018	**2019**
Adopted Tax Rate*	$0.295000	$X.XX
Effective Tax Rate*	$0.296106	$0.262660
Effective M&O Rate*	$0.172630	$0.144040
Rollback Rate*	$0.326631	$0.295000
Debt Rate*	$0.140191	$0.139437
Debt Obligation	$1,331,034	$1,335,313

*per $100 of Assessed Valuation

August 1, 2019

Honorable Mayor and Town Councilors
Town of Northlake, Texas

The Town of Northlake budget for the fiscal year 2019/2020 provides funding for the increasing volume and complexity of municipal operations caused by the unprecedented growth in Northlake and the surrounding region. Northlake continues to balance the desires of current residents to preserve rural areas but accommodate and leverage residential and commercial growth. As new residents and new businesses relocate to Northlake, expectations of high-quality Town services accompany them. The new homes, stores, offices and warehouses added to the Town's property tax rolls will provide resources to fund Town services such as police and public works, and construct and expand water and sewer systems and reconstruction and improve the Town's road system. This budget delivers personnel and infrastructure on time using verifiable resources.

Northlake straddles Interstate Highway 35W with State Highway 114 intersecting at the southern Town limit. The Town's location lends itself to distribution intensive businesses. Stanley Black & Decker and Schluter Systems have expanded operations in Northlake with 1.2 million and 500,555 square foot buildings, respectively. These two major highways also bring a significant number of commuters and travelers through Northlake creating an environment conducive for restaurants and hotels. Texas Roadhouse, Cracker Barrel and Braum's have expressed interest in Northlake and La Quinta, Staybridge Suites, Tru by Hilton and Best Western Plus are each in various stages of development in Northlake. The increased traffic congestion caused by development in the region frustrates existing residents but by bringing these businesses to Northlake, the Town collects sales and hotel occupancy taxes to fund services for both old and new residents.

The North Texas Commission projects that our region grows by one person every five minutes. 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. The increase in market values of housing, new homes and buildings have increased property values in Northlake. Certified residential property values have increased 38% with over three-fourths of this increase from new construction. Average market value of residences has increase 8% from last year but with Northlake's 5% homestead exemption, local school district tax rate decreasing by $0.07, and the Denton County tax rate decreasing about $0.01, Northlake resident's overall property tax bill increase will be less than 4%.

Court Fines revenue remains flat at $500,000 for FY 2020 as the Northlake Police Department continues to focus on neighborhood patrols. General sales tax revenue projections will increase over last year's amount from $720,000 to $750,000 annually. Retail and restaurant sales have continued to increase with the addition of new businesses. Revenues from Development fees for the review and inspection of developer built public infrastructure proceed Building Permits revenue which are for the review and inspection of building construction. The FY 2019 Revised Development Fees revenue is projected at $1,217,750 which foreshadows the FY 2020 Proposed Building Permits revenue of $1,400,000. The Town's utility system operations 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. Northlake maintains some of the lowest water rates in the region.

The Town continues to increase staffing. In FY 2019, the Town added four positions: in Police a sergeant; in Public Works a maintenance worker; in Development Services a planner; and in Finance an accountant. In FY 2020, the need for additional staff is even greater with eight positions being requested. The Town's largest departments, Police and Public Works, are requesting a Captain and Superintendent, respectively, to provide managerial oversight of field operations. Demands on the Police Chief and the Public Works Director for leadership, administration and strategic planning grow as their scope of operations grow. These two management positions will allow the department heads to replicate and extend their influence and direction. A police patrol officer and public safety officer are proposed. The patrol officer will provide full staffing for a patrol shift bringing the number of fully staff shifts to three of four total shifts. Daytime shifts have been covered by traffic officers when necessary. The public safety officer is a civilian position that will perform routine administrative duties to free up a licensed officer for patrol duty. A three-person public works crew will be added which is composed of a crewleader, an equipment operator and a maintenance worker. The crew will bring the number of complete crews to three with one dedicated to street repairs, another for water and sewer repairs, and the final crew for preventive maintenance. The final requested position is a marketing and communications coordinator to assist with media relations, social media presence, and Town advertising.

In FY 2019, the Town issued 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. For FY 2020, both these projects are well under way and in design phase. The Town has acquired or is in the process of acquiring all the necessary sites and easement for the improvements. The debt service for the Series 2018 C.O.s is supported by the aforementioned growth in the Town's property tax base and includes only existing platted developments and is not based on projects planned for the future. The Town's first debt issuance was in 1997 for the initial water system at IH-35W and SH 114. At this point Northlake became a retail water provider; residents and businesses relied on Northlake for water service. The continued capacity and viability of the water system must be preserved.

The Town of Northlake continues to leverage growth to the benefit of existing residents and for the expansion of 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. Recently approved developments of Pecan Square and The Ridge will continue to build out our infrastructure with all four lanes of Cleveland-Gibbs built between Robson Ranch Road and IH-35W, contributions to the Town water and sewer system expansion, and a future Northwest ISD high school located in Northlake town limits.

In response to Mayor Rettig's challenge to staff when developing the budget, the proposed budget maintains the Town's very low tax rate while maintaining service levels. The tax rate has remained at 29.5¢ per $100 valuation since 1997 when it was last increased from 25¢ to the current rate. In fact, with the 5% homestead exemption, homeowners will benefit from about a 1.5¢ decrease in their tax rate due to the exemption. The effective tax rate for the 2019 tax year is calculated as 26.26¢; legislatively defined as the tax rate needed to provide the same property tax revenues using the upcoming year's tax base. Staff continues to focus on basic services and look for ways operate more efficiently and cost effectively. However due to the expected continued growth in development, the proposed additional staff are needed to maintain the current service levels.

As the Town's financial plan for FY 2019-2020, 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 mirrors Mayor Rettig's focal points as discussed by Town Council during the Proposed Budget presentation on August 1, 2019.

- Sustain balanced budget and low municipal tax rate
- Invest in equipment and technology to increase productivity and efficiency
- Diversify tax base through thoughtful management of commercial and industrial growth
- Leverage proceeds of growth to improve and/or construct new utility and safety infrastructure
- Add supervisory staff to manage and train existing staff to deliver higher caliber service
- Maintain service through additional staff where appropriate
- Recruit highly qualified and motivated personnel by offering competitive wages and excellent benefits

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 $781,484,615 in 2018, to $1,112,871,010 in 2019. After exemptions, losses and caps, the taxable value is projected to increase from $625,771,541 in 2018 to $860,584,344 in 2019. Applying the proposed tax rate of 29.5¢ per $100 valuation, property taxes revenues are $2,538,724 about a 38 percent increase from property tax revenue last fiscal year. Of this amount $901,111 will be dedicated to debt service, $1,459,462 will pay for maintenance and operations, and the remaining $178,149 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.

All department heads submitted budget requests that maintain or enhance current service levels. With minimal plan changes, healthcare costs are expected to increase 5% over last year which is below initial projections. Supplies and Maintenance expense categories will increase slightly due to increased staff levels and equipment, respectively. Costs for services has increased significantly from the previous year. A majority of the increase is the Town's outsourced contract building inspection services which corresponds proportionally to the increase Building Permit revenue discussed previously. Internal Service expenses will increase in FY 2020 to cover cost increases associated with new vehicles, equipment and building rental.

The general themes of this year's proposed service enhancements are to provide additional staff capacity for managerial oversight of field operations, to fully staff police shifts and public works crews, to assist in marketing the Town to potential businesses and proactively tell our story through print and social media, and to use one-time excess fund reserves for finish-out the Police offices providing additional security to both uniformed and civilian staff. 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 $2,000,000. The proposed fund reserve level surpasses the Town policy of three months of operational expenses by one month.

The proposed budget requests are as follows:

- Maintain current tax rate of 29.5 cents per $100 value with a 5% homestead exemption while supporting debt service and current service levels
- Implement a salary and market maintenance adjustment to approximately the 50th percentile of projected regional salary market
- Add a Police Captain and PW Superintendent to provide managerial oversight of field operations
- Add a Police Patrol Officer to fully staff a third shift and civilian Public Safety Officer to assist with duties and activities not requiring a license peace officer
- Add additional three-person Public Works crew for road, water and sewer repairs and preventive maintenance of all public infrastructure
- Create a marketing and communications coordinator position to assist Town with media relations, social media monitoring, newsletters, promoting Town activities

- Finish out Police Offices lease space with move in January 2020
- Purchase police replacement vehicles, new vehicles for Captain and Superintendent positions, and new crew cab for new Public Works crew
- Fund $50,000 for initial outdoor warning siren system
- Begin construction of Phase 3 of the northern pressure plain and Phase 2 of the southern pressure plain including ground storage, pumps and elevated tanks
- Upgrade and expand remote monitoring and control of water operations
- Increase number of available water meter routes with additional reader tablet
- Conduct water and wastewater study to ensure fees adequately cover system costs

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 incentives in Northlake. 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 Mayor's budget proposal would bring all employees to the 50th percentile of their specific position. To accomplish this, the salary adjustments would, first, increase all salaries a minimum of 5% to maintain our place in the market and, second, adjust the salary ranges of certain positions, specifically entry level positions in Police and Public Works. The goal in maintaining competitive salaries is to retain high-performing, well-trained employees. The loss of productivity and cost of replacing them and retraining exceeds the proposed salary increases. Healthcare costs have increased but not as much as originally projected. The Town has an opportunity to reinstate original funding levels of Town contributions to employee health savings (HSA) accounts from $75 per month back to $100 per month. This change will incentivize plan selection to HSAs thereby reducing Town healthcare liabilities in the long-term. Another proposed change to employee benefits is to the Town's employee pension options in the Texas Municipal Retirement System (TMRS). The proposed change would add Restricted Prior Service Credit (RPSC) to the Town's TMRS plan. The RPSC allows employees to include service in other recognized retirement systems in calculations of retirement eligibility but it would not have any monetary impact to the employee or the Town.

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. Last year's addition of fourth sergeant provided supervisory staff for all four shifts. However, managerial oversight of field operations is the next area of focus of Northlake Police. The proposed Captain position will provide this oversight and allow the Police Chief to focus on leadership, administration and strategic planning. The two daytime shifts are staffed with a sergeant and one patrol officer; a fully staffed shift is sergeant and two officers. When both are engaged, backup coverage is provided by the traffic officer or the Police Chief. The budget adds another patrol officer to completely staff one of the daytime shifts leaving only one shift needing full staffing which will be backed-up by traffic officers, captain or chief. The final addition to the police department will be the public safety officer. This civilian position will perform routine functions that do not require a licensed peace officer such as vehicle pick up, evidence routing, property room upkeep and overall support to the department.

The latest Council of Governments population projections show Northlake with 4,040 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 these 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. Similar to the Police Captain position, Public Works needs managerial oversight of field operations which could be accomplished by a Superintendent position. The Superintendent would report to the Public Works Director and manage day-to-day operations freeing up the Director for general administration, leadership and strategic planning of Public Works. An additional three-person public works crew is requested to assist with the repair and maintenance of the Town's expanding water, sewer and roadway systems. The additional crew will bring the number of crews (crew leader, equipment operator and maintenance worker) to three with one crew focused on street repair, another on water and sewer repair and the final crew preventive maintenance of all systems.

The Town leverages technology when applicable and cost effective. Proposed in the budget is permit tracking software which allow homebuilders and other trades to submit, view and pay permit online and allow development staff to review and approve permits. This scalable software systems will avoid the hiring of a future staff position for permit intake and routing. The Town's utility system will benefit from a SCADA upgrade to remotely monitor and control water and sewer systems which include two water pump stations, two sewer lift stations and the addition of another pump station and two elevated storage tanks. Another meter reader tablet has been proposed to allow for a second meter read route. Currently, the one route takes an entire workday and with the increasing number of meters the reads will take multiple days. By adding a second reader all water meters can be read on one day simplifying the water billing process.

A Strategic Plan goal is to define and strengthen Northlake's identity. The proposed Marketing and Communications Coordinator position would lead this effort by assisting the Town in developing an identifiable Northlake brand. Activities of this position will include monitoring social and print media, ensuring consistent messaging regarding Town, assist with design of print materials, presentations and other outgoing communications, coordinate a resident survey, assist in Town marketing and business recruitment efforts. The coordinator would report to the Town Administrator and be available to all departments for assistance.

Many of the previously mentioned new positions will require vehicles as most are field personnel including the Police Captain, Public Works Superintendent, and Public Works Crew which will use a large SUV, mid-size pick up truck, and a crew cab, respectively. The new Police Officer and Public Safety Officer positions will share existing vehicles. The Marketing and Communications Coordinator position will not have an assigned vehicle but will received mileage reimbursement for Town related travel. The new vehicles will be purchased with available cash reserves. A desire of residents for several years has been the installation of an outdoor warning system. With the $50,000 dedicated to this project, the Town will be able to analyze the best areas to place sirens

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. The proposed budget for these water system improvements are $12,000,000 and funded by certificates of obligation.

In summary, the Fiscal Year 2019/2020 budget reflects Council strategic goals and the Mayor's 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 a greater number of residents, customers and businesses, and for an increased complexity of activities. The proposed budget will continue to use new resources to invest in infrastructure and in personnel to continue to upgrade our infrastructure and accomplish core municipal functions.

Sincerely,

Drew Corn
Town Administrator

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.

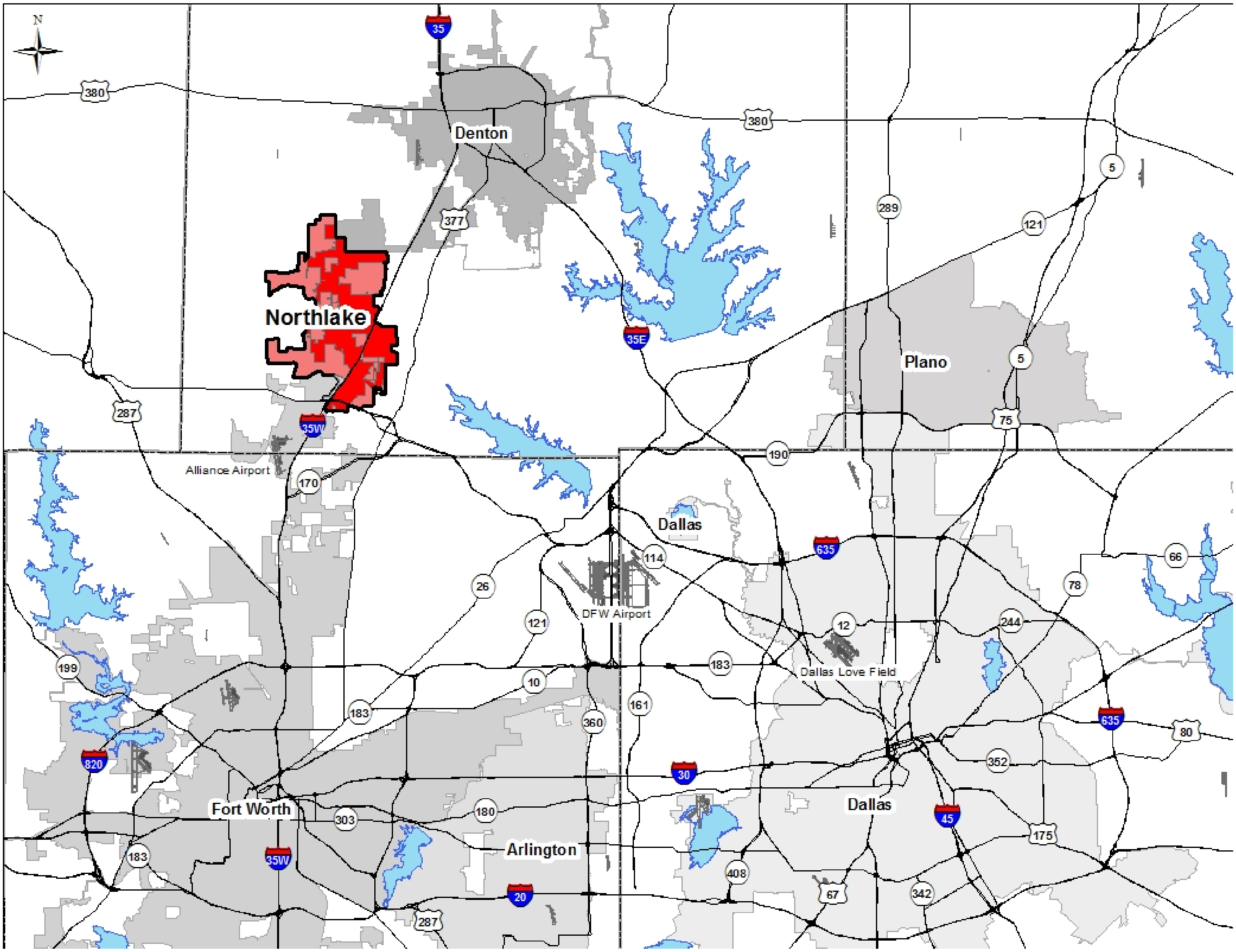
Growth has arrived from Denton and Fort Worth and also Flower Mound and Roanoke. The vision of the "founding families" to maintain a rural setting is captured in the Northlake Comprehensive Land Use Plan. The Plan attempts to find a balance between the ceaseless pressures for growth with the desire to 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 was 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. Other nationally recognized companies joined Northlake such as Stanley Black and Decker and Schluter Systems.

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 14 full time Police Officers.

Regional Map



Fund Summaries

Before moving into the details of the proposed budget for FY 2019/2020, 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

GENERAL FUND

Fund: 100	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	1,510,410	1,878,278	1,847,823	1,847,823	1,847,823	2,377,211
REVENUES:						
Court Fines	592,248	510,818	500,000	376,604	500,000	500,000
Sales/Beverage Tax	623,492	642,746	600,000	548,089	750,000	780,000
Ad Valorem Taxes	744,911	885,559	939,707	1,023,505	1,013,350	1,475,462
Permits and Registrations	20,760	31,430	19,550	36,271	41,050	41,450
Franchise Fees	282,277	384,223	380,000	205,472	370,000	385,500
Building Permits	793,743	927,809	1,004,500	908,250	1,104,500	1,400,000
Development Fees	527,041	579,345	502,250	620,267	1,217,750	507,000
Transfers	200,000	200,000	270,881	217,500	270,881	310,881
Other Revenue:	149,495	216,703	208,260	168,410	215,760	289,760
TOTAL REVENUE:	3,933,968	4,378,633	4,425,148	4,104,368	5,483,291	5,690,053
EXPENDITURES:						
Payroll & Benefits	1,873,267	2,174,912	2,717,790	1,710,533	2,498,166	2,665,243
Supplies	116,755	130,814	171,513	95,008	156,718	184,925
Maintenance	189,990	268,290	210,111	105,622	205,611	232,580
Utilities	17,546	18,971	22,775	14,385	23,075	23,415
Services	700,190	860,332	824,889	626,417	932,489	1,173,284
Internal Services	268,352	447,500	449,180	336,885	449,180	529,200
Capital Outlay	-	8,269	6,000	-	16,664	-
Transfers	400,000	500,000	-	-	-	-
TOTAL EXPENDITURES:	3,566,099	4,409,088	4,402,258	2,888,850	4,281,903	4,808,647
REV OVER/(UNDER) EXP	367,868	(30,455)	22,890	1,215,518	1,201,388	881,406
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**1,878,278**	**1,847,823**	**1,870,713**	**3,063,341**	**3,049,211**	**3,258,617**

Budget Requests

	FY 2019 Revised Budget	FY 2020 Proposed Budget
Transfer to Building & Technology Funds - Police Offices Finish Out	650,000	
Police Building Lease		129,030
Police New Positions - PSO, Officer, Captain		323,003
Outdoor Warning Siren System		50,000
Public Works New Positions - 3 Person Crew, Superintendent (50%)		179,791
Development Services New Tracking Software	22,000	16,000
Marketing / Communications Coordinator (25%)		22,880
Salary Adjustments		156,879
Total Budget Requests	**672,000**	**877,583**
REVISED REV OVER/(UNDER) EXP	529,388	3,823
REVISED ENDING FUND BAL - UNASSIGNED	**2,377,211**	**2,381,034**

Town of Northlake

HOTEL OCCUPANCY TAX

Fund: 110	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	1,258,552	1,484,307	1,884,975	1,884,975	1,884,975	2,185,312
REVENUES:						
Taxes / Fees & Fines	267,965	444,447	300,000	308,882	400,000	480,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	17,407	14,421	10,805	7,898	10,805	10,805
TOTAL REVENUE:	285,372	458,868	310,805	316,780	410,805	490,805
EXPENDITURES:						
Payroll & Benefits	34,336	41,048	51,633	59,149	51,633	50,413
Supplies	-	49	-	-	-	-
Maintenance	65	77	-	-	-	-
Utilities	-	-	-	-	-	-
Services	23,476	14,728	58,835	6,307	58,835	59,500
Capital Outlay	-	-	-	-	-	-
Transfers	1,739	2,300	3,235	2,427	-	3,900
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	59,616	58,201	113,703	67,883	110,468	113,813
REV OVER/(UNDER) EXP	225,756	400,667	197,102	248,897	300,337	376,992
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**1,484,307**	**1,884,975**	**2,082,077**	**2,133,872**	**2,185,312**	**2,562,304**

Budget Requests

Hotel Conference Center Land Purchase (TBD)	
Marketing/Communications Coordinator (25%)	22,880
Salary Adjustment	1,434
Total Budget Requests	**24,314**
REVISED REV OVER/(UNDER) EXP	352,678
REVISED ENDING FUND BAL - UNASSIGNED	**2,537,990**

Town of Northlake

SPECIAL REVENUE FUNDS

Fund: <<120,121,150,151,152,153>>	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	250,910	250,722	242,414	242,414	242,414	215,429
REVENUES:						
Court Technology	15,094	18,368	16,000	9,864	16,000	16,000
Court Security	11,324	9,939	12,000	7,398	12,000	12,000
Seatbelt Fees	3,845	3,270	3,000	2,650	3,000	3,000
Online Access Fees	19,646	17,724	18,000	10,698	18,000	18,000
Seized Monies & Goods	(4,200)	6,938	-	-	-	-
State Training	-	1,377	1,400	911	1,400	1,400
Child Safety	2,100	1,438	2,000	2,313	2,000	2,000
Transfers	-	-	-	-	-	-
Interest	3,675	11,007	2,305	25,513	36,015	36,015
Other Revenue:	1,852	-	-	-	-	-
TOTAL REVENUE:	53,335	70,061	54,705	59,348	88,415	88,415
EXPENDITURES:						
Payroll & Benefits	1,098	-	-	-	-	-
Supplies	2,812	2,106	1,000	367	6,000	6,000
Maintenance	5,825	7,422	11,500	6,963	6,500	6,000
Utilities	1,943	-	-	-	-	-
Services	32,188	22,548	22,900	10,005	22,900	23,750
Capital Outlay	9,657	-	5,000	-	5,000	1,760
Transfers	-	46,293	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	53,523	78,369	40,400	17,336	40,400	37,510
REV OVER/(UNDER) EXP	(188)	(8,308)	14,305	42,012	48,015	50,905
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**250,722**	**242,414**	**256,719**	**284,427**	**290,429**	**266,334**

Budget Requests:	
Transfer to Building Fund- Building Security System	75,000
Total Budget Requests	**75,000**
REVISED REV OVER/(UNDER) EXP	(26,985)
REVISED ENDING FUND BALANCE	**215,429**

Town of Northlake

COURT SECURITY SPECIAL REVENUE

Fund: 120	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	94,340	99,558	60,324	60,324	60,324	(2,676)
REVENUES:						
Court Technology	-	-	-	-	-	-
Court Security	11,324	9,939	12,000	7,398	12,000	12,000
Seatbelt Fees	-	-	-	-	-	-
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Interest	963	2,878	200	6,536	9,000	9,000
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	12,287	12,817	12,200	13,935	21,000	21,000
EXPENDITURES:						
Payroll & Benefits	1,098	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	5,971	5,758	9,000	3,481	9,000	9,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	46,293	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	7,069	52,051	9,000	3,481	9,000	9,000
REV OVER/(UNDER) EXP	5,218	(39,234)	3,200	10,454	12,000	12,000
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**99,558**	**60,324**	**63,524**	**70,778**	**72,324**	**9,324**

Budget Requests:	
Transfer to Building Fund- Building Security System	75,000
Total Budget Requests	**75,000**
REVISED REV OVER/(UNDER) EXP	(63,000)
REVISED ENDING FUND BALANCE	**(2,676)**

Town of Northlake

COURT TECHNOLOGY SPECIAL REVENUE

Fund: 121	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	13,433	(2,651)	15,530	15,530	15,530	35,530
REVENUES:						
Court Technology	15,094	18,368	16,000	9,864	16,000	16,000
Court Security	-	-	-	-	-	-
Seatbelt Fees	-	-	-	-	-	-
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Interest	781	2,671	-	6,267	9,000	9,000
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	15,876	21,039	16,000	16,131	25,000	25,000
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	4,325	-	-	-	-	-
Utilities	1,943	-	-	-	-	-
Services	16,035	2,858	-	-	-	-
Capital Outlay	9,657	-	5,000	-	5,000	5,000
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	31,960	2,858	5,000	-	5,000	5,000
REV OVER/(UNDER) EXP	(16,084)	18,181	11,000	16,131	20,000	20,000
ENDING FUND BALANCE	**(2,651)**	**15,530**	**26,530**	**31,661**	**35,530**	**55,530**

Town of Northlake

POLICE ASSET FORFEITURE

Fund: 150	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	6,072	3,742	10,084	10,084	10,084	10,099
REVENUES:						
Seatbelt Fees	-	-	-	-	-	-
Seized Monies & Goods	(4,200)	6,938	-	-	-	-
State Training	-	-	-	-	-	-
Child Safety	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Interest	18	4	5	11	15	15
Other Revenue:	1,852	-	-	-	-	-
TOTAL REVENUE:	(2,330)	6,942	5	11	15	15
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	600	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	-	600	-	-	-	-
REV OVER/(UNDER) EXP	(2,330)	6,342	5	11	15	15
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**3,742**	**10,084**	**10,089**	**10,095**	**10,099**	**10,114**

Town of Northlake

CHILD SAFETY SPECIAL REVENUE

Fund: 152	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	90,417	92,989	98,054	98,054	98,054	103,554
REVENUES:						
Court Technology	-	-	-	-	-	-
Court Security	-	-	-	-	-	-
Seatbelt Fees	3,845	3,270	3,000	2,650	3,000	3,000
Seized Monies & Goods	-	-	-	-	-	-
State Training	-	-	-	-	-	-
Child Safety	2,100	1,438	2,000	2,313	2,000	2,000
Transfers	-	-	-	-	-	-
Interest	939	2,782	2,100	6,431	9,000	9,000
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	6,884	7,491	7,100	11,394	14,000	14,000
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	2,812	426	1,000	132	6,000	6,000
Maintenance	1,500	1,500	6,500	1,500	1,500	-
Utilities	-	-	-	-	-	-
Services	-	500	1,000	-	1,000	1,850
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	4,312	2,426	8,500	1,632	8,500	7,850
REV OVER/(UNDER) EXP	2,572	5,065	(1,400)	9,763	5,500	6,150
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**92,989**	**98,054**	**96,654**	**107,817**	**103,554**	**109,704**

Town of Northlake

COURT ONLINE ACCESS FEES

Fund: 153	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	46,232	56,668	57,949	-	40,947	41,507
REVENUES:						
Online Access Fees	19,646	17,724	18,000	10,698	18,000	18,000
Transfers	-	-	-	-	-	-
Interest Revenue	973	2,671	-	6,267	9,000	9,000
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	20,619	20,395	18,000	16,965	27,000	27,000
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	1,680	-	235	-	-
Maintenance	-	5,922	5,000	5,463	5,000	6,000
Utilities	-	-	-	-	-	-
Services	10,182	11,512	11,500	6,524	11,500	11,500
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	10,182	19,114	16,500	12,223	16,500	17,500
REV OVER/(UNDER) EXP	10,437	1,281	1,500	4,742	10,500	9,500
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**56,668**	**57,949**	**59,449**	**40,947**	**44,747**	**48,547**

Town of Northlake

ECONOMIC DEVELOPMENT CORPORATION

Fund: 130	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	595,579	612,391	584,305	584,305	584,305	393,637
REVENUES:						
Taxes / Fees & Fines	311,471	320,993	300,000	273,115	360,000	375,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	23,048	23,186	22,650	20,480	22,650	22,650
TOTAL REVENUE:	334,519	344,178	322,650	293,595	382,650	397,650
EXPENDITURES:						
Payroll & Benefits	26,554	35,044	38,883	25,021	38,883	37,663
Supplies	465	814	1,700	423	1,700	1,700
Maintenance	1,765	864	2,250	3,052	2,250	3,250
Utilities	-	-	-	-	-	-
Services	28,484	38,238	50,838	53,917	67,985	66,250
Incentives	233,700	270,004	432,500	55,500	432,500	25,000
Capital Outlay	-	-	-	-	-	-
Transfers	26,739	25,800	33,235	24,927	30,000	35,050
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	317,707	370,764	559,406	162,841	573,318	168,913
REV OVER/(UNDER) EXP	16,812	(26,586)	(236,756)	130,754	(190,668)	228,737
ENDING FUND BALANCE	**612,391**	**585,805**	**347,549**	**715,059**	**393,637**	**622,374**

Budget Requests

Marketing / Communications Coordinator (25%)	22,880
Salary Adjustment	1,434
Total Budget Requests	**24,314**
REVISED REV OVER/(UNDER) EXP	204,423
REVISED ENDING FUND BAL	**598,060**

Town of Northlake

COMMUNITY DEVELOPMENT CORPORATION

Fund: 131	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	575,332	592,138	562,935	562,935	562,935	369,767
REVENUES:						
Taxes / Fees & Fines	311,471	320,993	300,000	273,115	360,000	375,000
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	23,021	23,174	22,650	20,448	22,650	22,650
TOTAL REVENUE:	334,492	344,166	322,650	293,563	382,650	397,650
EXPENDITURES:						
Payroll & Benefits	26,554	34,995	38,583	24,821	38,883	37,663
Supplies	488	814	1,700	487	1,700	1,700
Maintenance	1,765	864	2,250	2,262	3,250	3,250
Utilities	-	-	-	-	-	-
Services	28,439	39,393	49,020	52,144	69,485	66,250
Incentives	233,700	270,004	432,500	55,500	432,500	25,000
Capital Outlay	-	-	-	-	-	-
Transfers	26,739	27,300	33,235	24,927	30,000	35,050
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	317,685	373,370	557,288	160,141	575,818	168,913
REV OVER/(UNDER) EXP	16,807	(29,203)	(234,638)	133,422	(193,168)	228,737
ENDING FUND BALANCE	**592,138**	**562,935**	**328,297**	**696,357**	**369,767**	**598,504**

Budget Requests

Marketing / Communications Coordinator (25%)	22,880
Salary Adjustment	1,434
Total Budget Requests	**24,314**
REVISED REV OVER/(UNDER) EXP	204,423
REVISED ENDING FUND BAL	**574,190**

Town of Northlake

DEBT SERVICE

Fund: 160	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	249,740	126,530	783,748	783,748	783,748	531,422
REVENUES:						
Taxes / Fees & Fines	408,634	630,735	779,292	833,865	803,800	901,111
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	50,000	550,000	50,000	-	50,000	50,000
Bond Proceeds	8,380,000	-	-	12,218,908	12,218,908	-
Other Revenue:	216,558	2,688	1,200	6,311	6,000	1,200
TOTAL REVENUE:	9,055,192	1,183,423	830,492	13,059,084	13,078,708	952,311
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	-	2,988	5,206	825	5,206	5,206
Capital Outlay	-	-	-	-	-	-
Transfers	6,990,000	-	-	12,000,000	12,000,000	-
Debt Service	2,188,403	523,218	1,325,828	440,926	1,325,828	1,023,906
TOTAL EXPENDITURES:	9,178,403	526,205	1,331,034	12,441,751	13,331,034	1,029,112
REV OVER/(UNDER) EXP	(123,210)	657,218	(500,542)	617,333	(252,326)	(76,801)
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**126,530**	**783,748**	**283,206**	**1,401,081**	**531,422**	**454,621**

Town of Northlake

WATER & WASTEWATER

Fund: 200	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	2,653,339	2,840,035	4,701,520	4,701,520	4,734,613	4,806,496
REVENUES:						
Water Sales	1,564,207	2,256,247	2,750,000	1,296,635	2,400,000	3,250,000
Water Fees	203,250	226,480	250,250	157,750	250,250	250,250
Sewer Sales	917,177	1,152,270	1,500,000	867,881	1,250,000	1,750,000
Sewer Fees	21,100	30,200	20,000	29,650	40,000	20,000
FWSD Reimbursement	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	87,696	1,427,725	75,050	111,351	125,000	75,050
TOTAL REVENUE:	2,793,430	5,092,921	4,595,300	2,463,266	4,065,250	5,345,300
EXPENSES:						
Payroll & Benefits	331,210	402,466	519,491	314,000	474,497	519,250
Supplies	38,546	36,263	56,082	22,670	38,450	61,082
Maintenance	107,506	103,733	110,185	63,237	104,685	138,810
Wholesale Water	881,097	1,528,569	1,500,000	1,192,520	1,750,000	2,000,000
Sewer Treatment	732,937	595,042	1,000,000	512,808	700,000	1,000,000
Utilities	35,001	38,618	46,620	25,611	46,620	63,220
Services	182,426	189,552	78,400	67,777	78,400	93,600
Internal Services	147,262	104,100	142,615	106,962	142,615	154,800
Capital Outlay	-	-	428,100	164,707	428,100	428,100
Transfers	150,000	200,000	230,000	172,500	230,000	300,881
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	2,605,985	3,198,343	4,111,493	2,642,793	3,993,367	4,759,743
REV OVER/(UNDER) EXP	187,445	1,894,578	483,807	(179,528)	71,883	585,557
ENDING FUND BALANCE	2,840,785	4,734,613	5,185,327	4,521,992	4,806,496	5,392,053
Less: Net Capital Assets	(2,609,785)	(4,444,530)	(4,444,530)	(4,444,530)	(4,444,530)	(4,444,530)
Less: Customer Deposits	(306,985)	(446,676)	(523,977)	(531,729)	(531,727)	(531,727)
Changes to Fund Balance	-	(33,093)	-	-	-	-
UNRESTRICTED FUND BALANCE	**(75,985)**	**(189,686)**	**216,819**	**(454,267)**	**(169,762)**	**415,795**

Budget Requests

Public Works New Position - 3 Person Crew, Superintendent (50%)	179,791
Technology Upgrades - SCADA, Meter Reader	44,300
System Improvements - Sewer Video Camera	11,500
Salary Adjustments	28,935
Water and Wastewater Rate Study	50,000
Total Budget Requests	**314,526**
REVISED REV OVER/(UNDER) EXP	271,031
REVISED ENDING UNRESTRICTED FUND BAL	**101,269**

Town of Northlake

COST RECOVERY

Fund: 201	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	426,956	428,237	431,148	431,148	431,148	824,796.73
REVENUES:						
Water Sales	-	-	-	-	-	-
Water Fees	-	-	-	-	-	-
Sewer Sales	-	-	-	-	-	-
Sewer Fees	-	-	-	-	-	-
Cost Recovery Fees	-	-	-	305,000	433,149	200,000
Transfers	-	-	-	-	-	-
Other Revenue:	1,507	3,000	-	6,735	-	-
TOTAL REVENUE:	1,507	3,000	-	311,735	433,149	200,000
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	225	90	-	810	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	225	90	-	810	-	-
REV OVER/(UNDER) EXP	1,282	2,910	-	310,925	433,149	200,000
ENDING FUND BALANCE	428,237	431,148	431,148	742,072	864,297	1,024,797
Less: Net Capital Assets	-	-	-	-	-	-
Less: Upper Trinity Deposits	(288,000)	(288,000)	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**140,237**	**143,148**	**431,148**	**742,072**	**864,297**	**1,024,797**

Emergency Generator Automatic Transfer	39,500
Total Budget Requests	**39,500**
REVISED REV OVER/(UNDER) EXP	393,649
REVISED ENDING UNRESTRICTED FUND BAL	**824,797**

Town of Northlake

WATER IMPACT FEES - NORTH

Fund: 202	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	8,402	279,528	595,318	595,318	595,318	747,018
REVENUES:						
Water Impact Fees	307,575	338,973	250,000	286,473	300,000	400,000
Sewer Impact Fees	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Other Revenue:	17,278	15,972	1,700	6,331	1,700	1,700
TOTAL REVENUE:	324,853	354,945	251,700	292,804	301,700	401,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	38,535	29,521	200,000	33,118	150,000	100,000
Capital Outlay	-	-	-	1,077	-	-
Transfers	-	-	-	-	-	-
Debt Service	15,192	9,634	-	-	-	-
TOTAL EXPENSES:	53,727	39,155	200,000	34,195	150,000	100,000
REV OVER/(UNDER) EXP	271,125	315,790	51,700	258,609	151,700	301,700
ENDING FUND BALANCE	279,528	595,318	647,018	853,927	747,018	1,048,718
Less: Net Capital Assets	(625,213)	(618,301)	(618,301)	(618,301)	(618,301)	(618,301)
Less: Future Impact Fees	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)	(13,444)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**(359,129)**	**(36,428)**	**15,272**	**222,181**	**115,272**	**416,972**

Town of Northlake

WATER CAPITAL PROJECTS

Fund: 203	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	731,964	693,813	683,515	683,515	683,515	12,097,634
REVENUES:						
Water Sales	-	-	-	-	-	-
Water Fees	-	-	-	-	-	-
Sewer Sales	-	-	-	-	-	-
Sewer Fees	-	-	-	-	-	-
Cost Recovery Fees	-	-	-	-	-	-
Transfers	-	-	10,000,000	12,000,000	12,000,000	-
Other Revenue:	13,504	26,122	-	242,275	-	-
TOTAL REVENUE:	13,504	26,122	10,000,000	12,242,275	12,000,000	-
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	40,776	25,778	5,300	105,800	505,300	5,300
Capital Outlay	-	-	10,000,000	-	50,000	10,850,000
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	10,879	10,642	30,581	3,673	30,581	30,581
TOTAL EXPENSES:	51,655	36,420	10,035,881	109,472	585,881	10,885,881
REV OVER/(UNDER) EXP	(38,151)	(10,298)	(35,881)	12,132,803	11,414,119	(10,885,881)
ENDING FUND BALANCE	693,813	683,515	647,634	12,816,317	12,097,634	1,211,753
Less: Net Capital Assets	(1,023,427)	(997,986)	(997,986)	(997,986)	(997,986)	(997,986)
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**(329,615)**	**(314,472)**	**(350,353)**	**11,818,331**	**11,099,647**	**213,766**

Town of Northlake

WATER IMPACT FEES - SOUTH

Fund: 204	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	1,022,565	1,170,004	1,340,481	1,340,481	1,340,481	1,644,181
REVENUES:						
Water Impact Fees	160,946	363,811	200,000	437,941	450,000	200,000
Sewer Impact Fees	40,975	44,350	50,000	165,745	50,000	50,000
Transfers	-	-	-	-	-	-
Other Revenue:	1,174	2,695	1,700	6,331	1,700	1,700
TOTAL REVENUE:	203,095	410,856	251,700	610,017	501,700	251,700
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	55,656	240,379	512,000	189,649	198,000	322,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	55,656	240,379	512,000	189,649	198,000	322,000
REV OVER/(UNDER) EXP	147,439	170,478	(260,300)	420,368	303,700	(70,300)
ENDING FUND BALANCE	**1,170,004**	**1,340,481**	**1,080,181**	**1,760,849**	**1,644,181**	**1,573,881**
Less: Net Capital Assets	-	-	-	-	-	-
Less: Future Impact Fees	-	-	-	-	-	-
Changes to Fund Balance	-	-	-	-	-	-
UNRESTRICTED FUND BALANCE	**1,170,004**	**1,340,481**	**1,080,181**	**1,760,849**	**1,644,181**	**1,573,881**

Town of Northlake

CAPITAL PROJECTS

Fund: 301	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	11,071	5,959,853	2,419,659	2,419,659	2,419,659	1,214,659
REVENUES:						
Taxes / Fees & Fines	-	-	-	-	-	-
Permits and Registrations	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Development	-	-	-	-	-	-
Transfers	6,685,000	-	-	-	-	-
Bond Proceeds	-	-	6,700,000	-	-	-
Other Revenue:	1,235,504	110,932	-	42,123	420,000	-
TOTAL REVENUE:	7,920,504	110,932	6,700,000	42,123	420,000	-
EXPENDITURES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	353,795	132,961	-	126,360	125,000	-
Capital Outlay	1,617,927	3,518,165	3,550,000	1,417,969	1,500,000	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES:	1,971,722	3,651,125	3,550,000	1,544,329	1,625,000	-
REV OVER/(UNDER) EXP	5,948,782	(3,540,194)	3,150,000	(1,502,206)	(1,205,000)	-
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**5,959,853**	**2,419,659**	**5,569,659**	**917,453**	**1,214,659**	**1,214,659**

Budget Requests	
Cleavland-Gibbs South ROW Acquisition	300,000
Strader and Holder Road Base Repair	250,000
Old Justin Road (Faught to 1800' east)	276,000
Road Projects Contingency	74,000
Total Budget Requests	**900,000**
REVISED REV OVER/(UNDER) EXP	(900,000)
REVISED ENDING FUND BAL	**314,659**

Town of Northlake

NORTHLAKE PID#1 - HARVEST COMMUNITY

Fund: 401	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:		758	4,133	(666)	(666)	(116)
REVENUES:						
Assessments	294,469	501,736	780,150	774,547	780,150	1,005,480
Transfers	-	-	-	-	-	-
Other Revenue:	-	-	-	-	-	-
TOTAL REVENUE:	294,469	501,736	780,150	774,547	780,150	1,005,480
EXPENDITURES:						
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	288,104	503,161	779,600	769,133	779,600	1,005,480
Transfers	-	-	-	-	-	-
TOTAL EXPENDITURES:	288,104	503,161	779,600	769,133	779,600	1,005,480
REV OVER/(UNDER) EXP	6,365	(1,425)	550	5,414	550	-
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**6,365**	**(666)**	**4,683**	**4,748**	**(116)**	**(116)**

Town of Northlake

NORTHLAKE PID#2 - THE HIGHLANDS

Fund: 402	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	1,379,116	118,594	125,790	123,460	123,460	147,046
REVENUES:						
Assessments	316,034	313,949	317,902	314,453	317,902	320,437
Transfers	-	-	-	-	-	-
Other Revenue	8,857	482	10,000	54	10,000	10,000
Other Financing Sources	-	-	-	-	-	-
TOTAL REVENUE:	324,892	314,430	327,902	314,506	327,902	330,437
EXPENDITURES:						
Supplies	-	-	-	-	-	-
Maintenance	-	21,436	11,041	11,041	11,041	11,041
Utilities	-	-	-	-	-	-
Services	1,309,538	15,334	13,150	4,139	13,150	13,150
Transfers	-	-	-	-	-	-
Bond Debt Service	275,875	272,795	280,125	36,947	280,125	281,625
TOTAL EXPENDITURES:	1,585,413	309,565	304,316	52,127	304,316	305,816
REV OVER/(UNDER) EXP	(1,260,521)	4,866	23,586	262,380	23,586	24,621
Changes to Fund Balance	-	-	-	-	-	-
ENDING FUND BALANCE	**118,594**	**123,460**	**149,376**	**385,840**	**147,046**	**171,667**

Town of Northlake

TAX INCREMENT REINVESTMENT ZONE #1

Fund: 451	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	(1,385)	5,197	46,896	46,896	46,896	46,896
REVENUES:						
Ad Valorem Taxes	36,896	73,451	127,027	127,027	127,027	178,149
Transfers	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
TOTAL REVENUE:	36,896	73,451	127,027	127,027	127,027	178,149
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	97,027	-	97,027	143,839
Utilities	-	-	-	-	-	-
Services	30,314	31,751	30,000	4,741	30,000	30,000
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	30,314	31,751	127,027	4,741	127,027	173,839
REV OVER/(UNDER) EXP	6,582	41,700	-	122,286	-	-
ENDING FUND BALANCE	5,197	46,896	46,896	169,182	46,896	46,896

Town of Northlake

TECHNOLOGY SERVICES FUND

Fund: 504	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	-	89,719	36,019	47,295	47,295	38,795
REVENUES:						
Mayor & Council	-	6,500	6,500	4,875	6,500	9,000
Administration-GF	100,000	12,000	12,000	9,000	12,000	16,500
Town Secretary	-	5,000	5,000	3,750	5,000	6,900
Municipal Courts	-	16,000	16,000	12,000	16,000	22,100
Development	-	6,500	6,500	4,875	6,500	9,000
Police	-	47,000	47,000	35,250	47,000	65,000
Public Works	-	13,000	13,000	9,750	13,000	18,000
Administration-HOT	-	1,500	1,500	1,125	1,500	2,000
Administration-EDC	-	1,500	1,500	1,500	1,500	3,850
Administration-CDC	-	1,500	1,500	1,500	1,500	3,850
Administration-WS Fund	-	4,000	4,000	3,000	4,000	5,500
Utility Department	-	15,000	15,000	11,250	15,000	20,800
Interest Revenue	-	-	-	-	-	-
TOTAL REVENUE:	100,000	129,500	129,500	97,875	129,500	182,500
EXPENSES:						
Payroll & Benefits	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Maintenance	428	8,912	16,000	6,979	16,000	16,000
Utilities	-	14,720	31,000	18,903	31,000	31,000
Services	9,853	95,260	111,000	139,878	141,000	111,000
Capital Outlay	-	53,032	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	10,281	171,924	158,000	165,760	188,000	158,000
REV OVER/(UNDER) EXP	89,719	(42,424)	(28,500)	(67,885)	(58,500)	24,500
ENDING FUND BALANCE	89,719	47,295	7,519	(20,590)	(11,205)	63,295
Budget Requests:						
Transfer from General Fund					(50,000)	
Police Offices Network and Telecommunications						50,000
Total Budget Requests					**(50,000)**	**50,000**
REVISED REV OVER/(UNDER) EXP					(8,500)	(25,500)
REVISED ENDING FUND BALANCE					**38,795**	**13,295**

NORTHLAKE TEXAS

Town of Northlake

EQUIPMENT SERVICES FUND

Fund: 505	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	48,348	118,335	114,361	134,037	134,037	93,537
REVENUES:						
Equip. Service Revenue-PD	110,000	110,000	110,000	82,500	110,000	150,000
Equip. Service Revenue-PW	25,000	25,000	25,000	18,750	25,000	50,000
Equip. Service Revenue-Utilities	125,000	75,000	75,000	56,250	75,000	100,000
Equip. Service Revenue-Dev	-	12,000	12,000	9,000	12,000	12,000
Sale of Equipment Proceeds	-	32,761	11,000	-	11,000	11,000
Transfer from Debt Fund	305,000	-	-	-	-	-
Transfers from GF	-	-	-	-	-	-
Transfers from UF	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Insurance Proceeds	49,677	32,878	-	1,576	-	-
Other Revenue	9,067	2,774	500	6,529	500	500
TOTAL REVENUE:	623,745	290,413	233,500	174,604	233,500	323,500
EXPENSES:						
Supplies	-	-	-	-	-	-
Maintenance	44,818	64,612	7,000	2,076	7,000	7,000
Utilities	-	-	-	-	-	-
Services	-	731	-	-	-	-
Capital Outlay	508,941	209,367	267,000	114,779	267,000	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	553,758	274,711	274,000	116,855	274,000	7,000
REV OVER/(UNDER) EXP	69,986	15,702	(40,500)	57,749	(40,500)	316,500
ENDING FUND BALANCE	118,335	134,037	73,861	191,786	93,537	410,037

Budget Requests:

Police Vehicle Replacements (2)	135,000
Police Vehicle for Captain	39,000
Public Works Pickup for Superintendent	35,500
Public Works Crew Cab	66,500
Public Works Mower	18,350
Total Budget Requests	**294,350**
REVISED REV OVER/(UNDER) EXP	22,150
REVISED ENDING FUND BALANCE	**115,687**

Town of Northlake

BUILDING SERVICES FUND

Fund: 506	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
BEGINNING FUND BALANCE:	238,419	566,402	158,412	140,473	140,473	808,161
REVENUES:						
Interest Income	1,159	2,695	-	6,323.77	-	-
Insurance Proceeds	43,812	3,025	-	-	-	-
Mayor & Council	825	400	13,890	10,418	13,890	15,300
Administration-GF	266,000	107,000	17,360	13,020	17,360	19,100
Town Secretary	6,958	3,100	6,945	5,209	6,945	7,600
Municipal Courts	20,870	9,200	20,830	15,623	20,830	22,900
Development	8,696	3,800	8,680	6,510	8,680	9,500
Police	62,611	63,400	97,225	72,919	97,225	106,900
Public Works	17,392	7,600	31,250	23,438	31,250	34,400
Administration-HOT	1,739	800	1,735	1,301	1,735	1,900
Adminstration-EDC	1,739	800	1,735	1,301	1,735	1,950
Administration-CDC	1,739	800	1,735	1,301	1,735	1,950
Administration-WS Fund	4,870	2,200	10,420	7,815	10,420	11,500
Utility Department	17,392	7,900	38,195	28,646	38,195	42,000
Court Security	-	46,293	-	-	-	-
Maintenance Reserve	-	-	-	-	-	-
TOTAL REVENUE:	455,803	259,013	250,000	193,824	250,000	275,000
EXPENSES:						
Rent	21,684	21,732	146,660	91,289	146,660	198,156
Supplies	2,304	4,872	3,100	7,081	3,100	3,100
Maintenance	5,562	15,043	8,000	29,058	8,000	8,000
Utilities	24,473	10,938	15,000	9,560	15,000	15,000
Services	73,797	18,318	84,552	70,769	84,552	84,552
Capital Outlay	-	614,040	-	12,111	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	127,820	684,942	257,312	219,867	257,312	308,808
REV OVER/(UNDER) EXP	327,983	(425,930)	(7,312)	(26,044)	(7,312)	(33,808)
ENDING FUND BALANCE	566,402	140,473	151,100	114,429	133,161	774,353
Budget Requests:						
Transfer from Court Security					(75,000)	
Transfer from General Fund					(600,000)	
Police Office Finish-Out and Furniture						475,000
Town Hall and Police Security System and Parking Lot						200,000
Total Budget Requests					**(675,000)**	**675,000**
REVISED REV OVER/(UNDER) EXP					667,688	(708,808)
REVISED ENDING FUND BALANCE					**808,161**	**99,353**

Town of Northlake

DEPARTMENT REPORT

	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
COUNCIL						
EXPENDITURES:						
Payroll & Benefits	1,997	2,071	2,600	1,769	2,600	2,600
Supplies	625	2,561	1,940	3,417	3,170	3,040
Maintenance	65	-	-	-	-	-
Utilities	629	807	750	292	750	750
Services	12,640	25,417	7,500	13,866	15,000	14,500
Internal Services	825	6,900	20,390	15,293	20,390	24,300
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	16,781	37,757	33,180	34,636	41,910	45,190
ADMINISTRATION						
EXPENDITURES:						
Payroll & Benefits	321,999	321,693	438,546	319,338	438,546	428,929
Supplies	14,336	6,329	7,925	3,106	7,925	7,925
Maintenance	4,933	8,276	2,150	106	2,150	2,150
Utilities	1,529	1,376	1,200	1,129	1,200	1,200
Services	180,012	150,481	30,360	148,950	211,825	230,075
Internal Services	16,000	119,000	29,360	22,020	29,360	35,600
Capital Outlay	-	-	-	2,326	-	-
Transfers	50,000	500,000	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	588,808	1,107,156	509,541	496,975	691,006	705,879
TOWN SECRETARY						
EXPENDITURES:						
Payroll & Benefits	92,896	95,113	102,686	76,995	102,686	102,686
Supplies	2,369	2,450	3,610	1,648	3,610	3,610
Maintenance	146	-	500	-	500	500
Utilities	-	-	-	-	-	-
Services	17,340	15,314	24,750	8,375	18,750	20,750
Internal Services	6,958	8,100	11,945	8,959	11,945	14,500
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	119,709	120,976	143,491	95,977	137,491	142,046

Town of Northlake

DEPARTMENT REPORT

	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
MUNICIPAL COURT						
EXPENDITURES:						
Payroll & Benefits	197,385	196,283	213,405	157,893	213,405	216,305
Supplies	3,794	3,126	6,040	1,673	4,540	4,540
Maintenance	2,537	180	-	-	-	-
Utilities	-	-	-	-	-	-
Services	32,257	32,669	30,500	16,726	25,000	26,000
Internal Services	20,870	25,200	36,830	27,623	36,830	45,000
Capital Outlay	-	-	-	543	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	256,844	257,457	286,775	204,457	279,775	291,845
DEVELOPMENT SERVICES						
EXPENDITURES:						
Payroll & Benefits	75,249	126,564	227,434	116,629	173,955	219,890
Supplies	1,738	3,639	5,000	2,928	3,975	4,000
Maintenance	546	624	2,400	932	2,400	2,400
Utilities	579	1,236	1,200	1,233	1,500	1,500
Services	308,282	456,190	357,850	324,388	492,200	580,000
Internal Services	8,696	22,300	27,180	20,385	27,180	30,500
Capital Outlay	-	-	-	3,095	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	395,090	610,551	621,064	469,590	701,210	838,290
POLICE						
EXPENDITURES:						
Payroll & Benefits	939,339	1,139,308	1,367,862	933,040	1,280,926	1,328,718
Supplies	66,044	75,389	104,068	56,268	90,568	108,180
Maintenance	25,640	47,117	45,336	30,953	40,836	54,655
Utilities	5,247	8,614	8,600	5,638	8,600	8,940
Services	56,079	51,986	64,008	38,536	59,508	65,313
Internal Services	172,611	220,400	254,225	190,669	254,225	301,900
Capital Outlay	-	6,679	-	16,664	16,664	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	1,264,959	1,549,493	1,844,099	1,271,767	1,751,327	1,867,706

Town of Northlake

DEPARTMENT REPORT

	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
PUBLIC WORKS - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	243,269	290,928	350,257	191,201	271,048	351,115
Supplies	27,809	36,858	42,930	25,967	42,930	53,630
Maintenance	150,524	211,776	159,725	73,631	159,725	172,875
Utilities	9,563	6,938	11,025	6,093	11,025	11,025
Services	34,933	31,785	28,000	20,909	28,000	28,000
Internal Services	42,392	45,600	69,250	51,938	69,250	77,400
Capital Outlay	-	1,590	6,000	271	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	508,489	625,475	667,187	370,011	581,978	694,045
NON-DEPARTMENTAL - GENERAL FUND						
EXPENDITURES:						
Payroll & Benefits	1,133	2,952	15,000	2,412	15,000	15,000
Supplies	41	462	-	-	-	-
Maintenance	5,598	318	-	-	-	-
Utilities	-	-	-	-	-	-
Services	58,648	96,490	82,206	54,668	82,206	208,646
Internal Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	350,000	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	415,420	100,222	97,206	57,080	97,206	223,646
ADMINISTRATION - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	111,994	112,125	122,501	77,416	111,105	119,102
Supplies	5,795	1,721	4,200	162	4,200	4,200
Maintenance	1,322	4,342	600	-	600	600
Utilities	-	-	-	-	-	-
Services	114,912	112,833	36,100	22,397	36,100	36,100
Internal Services	4,870	6,200	14,420	10,815	14,420	17,000
Capital Outlay	-	-	-	769	-	-
Transfers	150,000	200,000	230,000	172,500	230,000	300,881
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	388,893	437,221	407,821	284,060	396,425	477,883

Town of Northlake

DEPARTMENT REPORT

	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
PUBLIC WORKS - UTILITY FUND						
EXPENSES:						
Payroll & Benefits	219,216	290,341	396,990	251,711	363,392	398,943
Supplies	32,751	34,542	51,882	22,508	34,250	56,882
Maintenance	106,183	99,391	109,585	63,237	104,085	138,210
Utilities	1,649,035	2,162,229	2,546,620	1,730,939	2,496,620	3,063,220
Services	38,649	50,518	42,300	37,681	42,300	57,500
Internal Services	142,392	97,900	128,195	96,147	128,195	137,800
Capital Outlay	-	-	428,100	163,939	428,100	428,100
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	2,188,227	2,734,921	3,703,672	2,366,162	3,596,942	4,280,655

	FY 2017 Actual	FY 2018 Actual	FY 2019 Original Budget	FY 2019 Actual As of 6/30	FY 2019 Revised Budget	FY 2020 Proposed Budget
PUBLIC WORKS - NON-DEPARTMENTAL						
EXPENSES:						
Payroll & Benefits	-	-	-	27	-	-
Supplies	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Utilities	-	-	-	-	-	-
Services	28,865	26,201	-	7,699	-	-
Internal Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Lease Purchase Debt Service	-	-	-	-	-	-
TOTAL EXPENSES:	28,865	26,201	-	7,726	-	-

TOWN OF NORTHLAKE, TEXAS
ORDINANCE NO. 19-0912E

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, 2019 AND ENDING SEPTEMBER 30, 2020 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, 2019 and ending September 30, 2020, 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 12, 2019 a separate budget ordinance for the fiscal year beginning October 1, 2019 and the 2019 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 22, 2019 and August 29, 2019 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, 2019 and ending on September 30, 2020, 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): $0.155563 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: $0.139437 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 $14.94.

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 $14.94.

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 12th day of September 2019

Town of Northlake, Texas

____
David Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

HALFF

August 26, 2019
AVO 33528

Mr. Drew Corn
Town Administrator
Town of Northlake
1500 Commons Circle, Suite 300
Northlake, Texas 76226

Re: 16-Inch Water Line from Harvest Elevated Storage Tank to Cleveland-Gibbs Rd.

Dear Mr. Corn:

Bids were opened on the above-referenced project on Tuesday, August 20, 2019, at the Town of Northlake. Eight (8) bids were received, and they ranged from a high bid of $742,836.00 to a low bid of $257,676.00. Quality Excavation, Ltd. was the low bidder. We have contacted the County of Denton, the Town of Copper Canyon, and the City of The Colony who have awarded similar projects to Quality Excavation to verify their qualifications.

In a conversation with Mr. Robert White with the County of Denton concerning Quality Excavation's performance on their Canyon Oaks Paving construction project, Mr. White stated that Quality did an outstanding job on the project. He stated that their workmanship on pavement was excellent and their ability to resolve utility issues and concerns was satisfactory as they were proactive in communication and discussion. He stated they worked well with residents and city inspectors, answering questions, explaining their work, keeping clean yards and providing timely responses. In terms of scheduling, he stated this was a fast track project with a highly compressed schedule and they met Mr. White's deadline of finishing before the holiday season. Mr. White stated they didn't have any change orders and that Stacy and Doug did a good job of staying on top of quantities. In the end the project finished on time and under budget. Mr. White stated he looks forward to working with them again.

We spoke with Donna Welsh from the Town of Copper Canyon concerning Quality's job on their Chinn Chapel Road and Woodland Drive Reconstruction project. She stated she's worked on several projects with them and appreciates the way they approach and carry out their work. She stated they were very communicative and responsive to requests throughout the project. She mentioned they were very good about working and communicating with residents. She stated that their workmanship was outstanding, and their project finished early.

HALFF ASSOCIATES, INC.

4000 FOSSIL CREEK BLVD.
FORT WORTH, TX 76137-2720

TEL (817) 847-1422
FAX (817) 232-9784

WWW.HALFF.COM

The City of The Colony has awarded Quality Excavation similar water line improvement projects. Robert Kotasek stated that Quality Excavation has done a satisfactory job on all the City's projects and are great to work with. They plan ahead to keep items and concerns addressed prior to any potential for an issue to arise. Quality's project superintendent and office staff are always responsive on handling any issues or questions from the City. They completed all projects in a timely and professional manner, on schedule and with no payment issues or liens. He stated that Quality Excavation has the capability to construct this project based on their previous and current work on City of The Colony projects and that they would continue to recommend awarding them future projects.

I also spoke with Doug Murphy from Quality Excavation, Ltd. He stated that there were currently no claims against them, and that they were bonded for the project.

After considering the bid price, reputation of the bidder, and the quality of the bidders' services, Halff Associates has determined that **Quality Excavation Ltd. is the lowest responsible bidder and recommends award of the contract in the amount of $257,676.00.**

Please call me at (817) 764-7486 if you have any questions or comments.

Sincerely,

HALFF ASSOCIATES, INC.

David M. Smith

David M. Smith, P.E.

Attachment

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 19-20

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, AUTHORIZING THE TOWN ADMINISTRATOR TO CONTRACT WITH QUALITY EXCAVATION, LTD. FOR WATER LINE INSTALLATION FROM FUTURE SITE OF NORTH WATER TOWER TO CLEVELAND-GIBBS ROAD

WHEREAS, the Town Council of the Town of Northlake, Texas, understands the need to provide a safe and reliable water system to customers and the public; and

WHEREAS, the Town of Northlake possesses water certificate of convenience and necessity No. 12915 and is obligated to provide water to this area; and

WHEREAS, the Belmont Fresh Water Supply District (FWSD) No. 1 was created to provide infrastructure including water to the district; and

WHEREAS, in anticipation of serving this area, the Town entered into a customer contract with Upper Trinity Regional Water District (UTRWD) for the purchase of wholesale treated water; and

WHEREAS, in partnership with Belmont FWSD, a UTRWD point-of-delivery, and Town pumps, pressure tanks and ground storage tanks were constructed in Northlake; and

WHEREAS, per Texas Commission on Environmental Quality requirements, additional improvements are needed including an elevated water storage tank; and

WHEREAS, a water pipeline to connect the future water tower with the existing water system located at Cleveland-Gibbs Road is needed and an integral component of the water system; and

WHEREAS, the Town has received $12,218,908.10 of proceeds from Certificates of Obligation (Series 2018) to fund this project and other water system improvements; and

WHEREAS, of the $12,218,908.10, $3,600,000 was budgeted for the northern plain improvement project; and

WHEREAS, the Town has issued a request for bid for the project, received eight bids and has qualified the lowest bidder, Quality Excavation, LTD; and

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

SECTION 1. All of the above premises are true and correct legislative and factual findings of the Town Council, and they are hereby approved, ratified and incorporated into the body of this resolution as if copied in their entirety.

SECTION 2. That the Town Council hereby finds and determines that a public purpose and necessity exists for the Town to enter into a construction contract for the water pipeline installation from future site of North Water Tower to Cleveland-Gibbs Road with consultation from Town staff and other Town consultants.

SECTION 3. The Town Administrator is hereby authorized, on behalf of the Town, to finalize and enter into a construction contract with Quality Excavation, LTD whereby the Town will receive water system improvements at a cost not to exceed $257,676.00.

PASSED AND APPROVED THIS THE 12TH DAY OF SEPTEMBER 2019

TOWN OF NORTHLAKE, TEXAS

____
David A. Rettig, Mayor

ATTEST:

____
Shirley Rogers, Town Secretary

NOTE:
BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM NAD 83, NORTH CENTRAL ZONE (4202), OBSERVED BY RTK USING THE LEICA SMARTNET NETWORK ON 4/27/2017. COORDINATES SHOWN ARE GRID COORDINATES, DISTANCE SHOWN ARE SURFACE DISTANCES, SCALE FACTOR IS 1.00015063.

DOUGLAS A. CALHOUN, RPLS NO. 5619

WATER LINE COORDINATES

STATION	NORTHING	EASTING	DESCRIPTION
1+00.00	7,094,878.33	2,354,399.66	BEGIN 16-INCH WATER LINE
2+93.66	7,094,877.38	2,354,593.32	P.I
3+00.75	7,094,872.35	2,354,598.32	P.I
3+97.15	7,094,775.95	2,354,598.29	P.I
4+04.22	7,094,770.95	2,354,603.28	P.I
9+24.23	7,094,770.87	2,355,123.29	P.I
9+31.30	7,094,775.86	2,355,128.30	P.I
12+26.84	7,095,071.40	2,355,128.40	P.I
12+33.90	7,095,076.38	2,355,133.41	P.I
20+29.50	7,095,072.47	2,355,929.00	END 16-INCH WATER LINE

CONTROL POINT COORDINATES

POINT	NORTHING	EASTING	ELEVATION	DESCRIPTION
100	7094142.22	2354126.30	745.28	1/2" SIR W/ RED CAP STAMPED TP
101	7095065.66	2354163.41	751.68	1/2" SIR W/ RED CAP STAMPED TP
102	7095090.27	2354340.21	754.75	1/2" FIR W/ JBI CAP

NORTHLAKE TEXAS

STATE OF TEXAS
DAVID M. SMITH
102401
LICENSED PROFESSIONAL ENGINEER

NAME
DATE: 07/24/2019
TBPE FIRM #F-312

16-INCH WATER LINE
FROM HARVEST ELEVATED STORAGE TANK
TO CLEVELAND-GIBBS ROAD

PROJECT TITLE

PROJECT LAYOUT

SHEET TITLE

HALFF
4000 FOSSIL CREEK BLVD
FORT WORTH, TEXAS 76137-2797
TEL (817) 847-1422
FAX (817) 232-9784
TBPE FIRM #F-312

JUNE 2019

DATE

SHEET 4 OF 22

TOWN FILE NO. UT-19-10

16-INCH WATER LINE FROM HARVEST EST TO CLEVELAND-GIBBS ROAD

1500 Commons Circle, Suite 300
Northlake, TX 76226
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: Drew Corn, Town Administrator

CC: Eric Tamayo, Public Works Director

Shirley Rogers, Town Secretary

Date: September 12, 2019

Re: Mulkey Road Improvements in The Highlands Phase II

Per the developer agreement with Realty Capital, developer of The Highlands, they are to apply a two-inch asphalt overlay to existing Mulkey Lane on sections contiguous to development phases. They are completing Phase II and inquired on how the Town would like to proceed. However, after discussions, staff determined this would not be the best use of the developer's obligation. The condition of the road base of this section from Northwest Crossing to about 2,000 feet south is in poor condition. An overlay on the existing road would soon fail.

We have investigated some options:

1. Escrow the funds which would have been used for the overlay until the complete reconstruction can be funded (approximately $84,000). The ultimate section could be years away depending on the extension of FM 1171 from IH-35W to FM 156.
2. Contribute $50,000 of Town funds to the project to mill the existing road surface and add cement stabilization similar to the process used on the recent Florance Road reconstruction.
3. Overlay the existing surface with no Town partnership per the agreement.

Mayor Rettig has recommended moving forward with Option 2 using road maintenance funds which has a total budget of $130,000 for FY 2020. Another funding option would be to use remaining funds from the Series 2016 Certificates of Obligation.

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

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 19-21

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, AUTHORIZING THE TOWN ADMINISTRATOR TO NEGOTIATE AND ENTER INTO AN AGREEMENT FOR ROAD BASE PREPARATION AS PART OF THE MULKEY ROAD IMPROVEMENTS IN THE HIGHLANDS PHASE II; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Northlake, Texas, understands that strategic public investment and partnership in infrastructure construction in the near term can benefit the Town by reducing costs in the future; and

WHEREAS, Mulkey Road was paved in the 1990s to provide access to the former dude ranch known as Texas Lil's; and

WHEREAS, in the interim, traffic on Mulkey Road was minimal after the closing of the dude ranch but over the years the road has deteriorated; and

WHEREAS, the Northwest Independent School District purchased the dude ranch and constructed the Outdoor Learning Center; and

WHEREAS, to the east of Mulkey Road, Realty Capital purchased and developed property for The Highlands neighborhood; and

WHEREAS, as part of the development agreement, Realty Capital is to overlay existing Mulkey Road with two inches of asphalt; and

WHEREAS, the current road is failing to such a state that the overlay would be counter-productive if the road base is not better prepared; and

WHEREAS, working with the developer, the Town could prepare the road base prior to the overlay providing for a longer lasting road section; and

WHEREAS, the Town Engineer has estimated the cost of the road base preparation to be $50,000 and would include milling existing surface and cement stabilization; and

WHEREAS, the developer would be responsible for the overlay; and

WHEREAS, the same contractor would perform both the road base preparation and the surface overlay; and

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

SECTION 1. All of the above premises are true and correct legislative and factual findings of the Town Council, and they are hereby approved, ratified and incorporated into the body of this resolution as if copied in their entirety.

SECTION 2. The Town Council hereby finds and determines that a public purpose and necessity exists for the Town to enter into an agreement for the road base preparation as part of the Mulkey Road improvements in The Highlands Phase II with consultation from Town staff and other Town consultants.

SECTION 3. The Town Administrator is hereby authorized, on behalf of the Town, to finalize and enter into an agreement whereby the Town will receive road improvements for Mulkey Road at a cost not to exceed $50,000.

SECTION 4. This resolution shall take effect immediately from and after its passage.

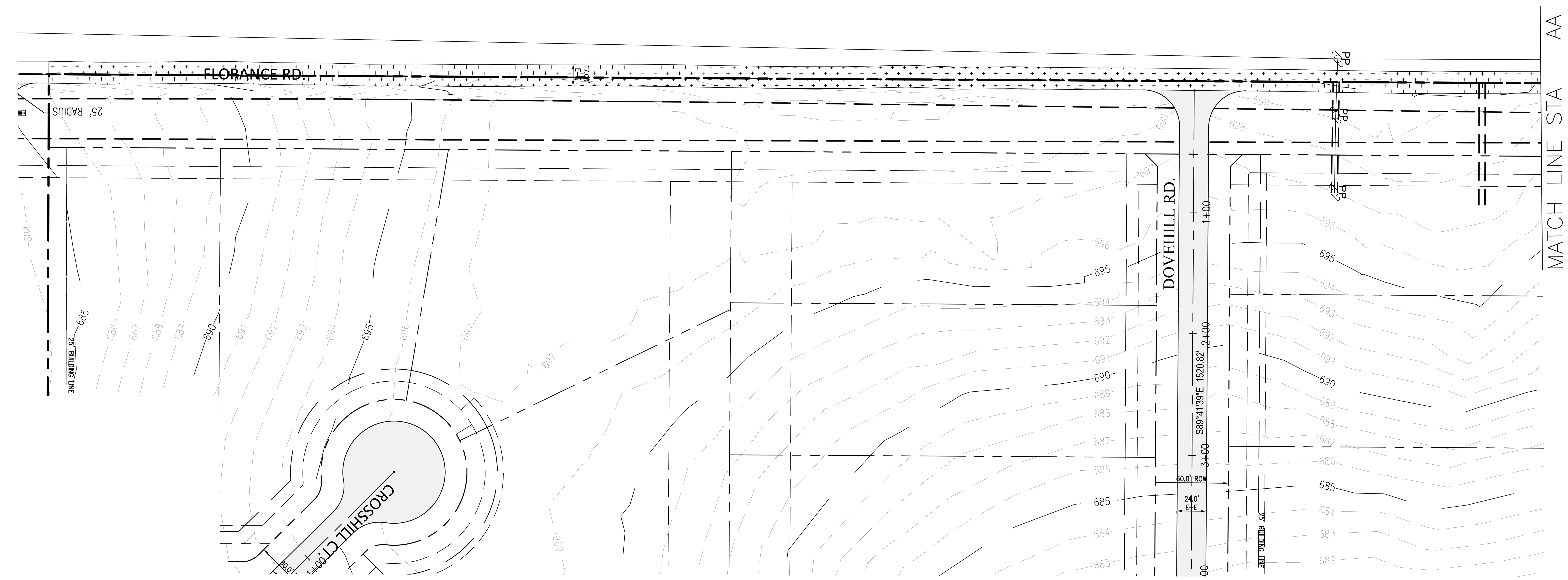
PASSED AND APPROVED THIS THE 12TH DAY OF SEPTEMBER 2019

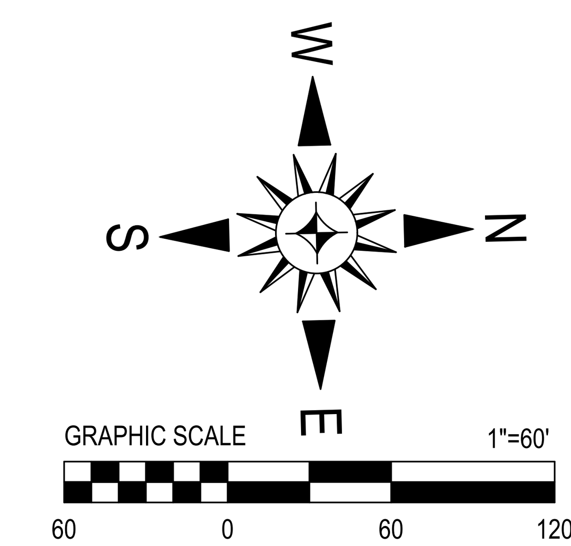
TOWN OF NORTHLAKE, TEXAS

____
DAVID A. RETTIG, Mayor

ATTEST:

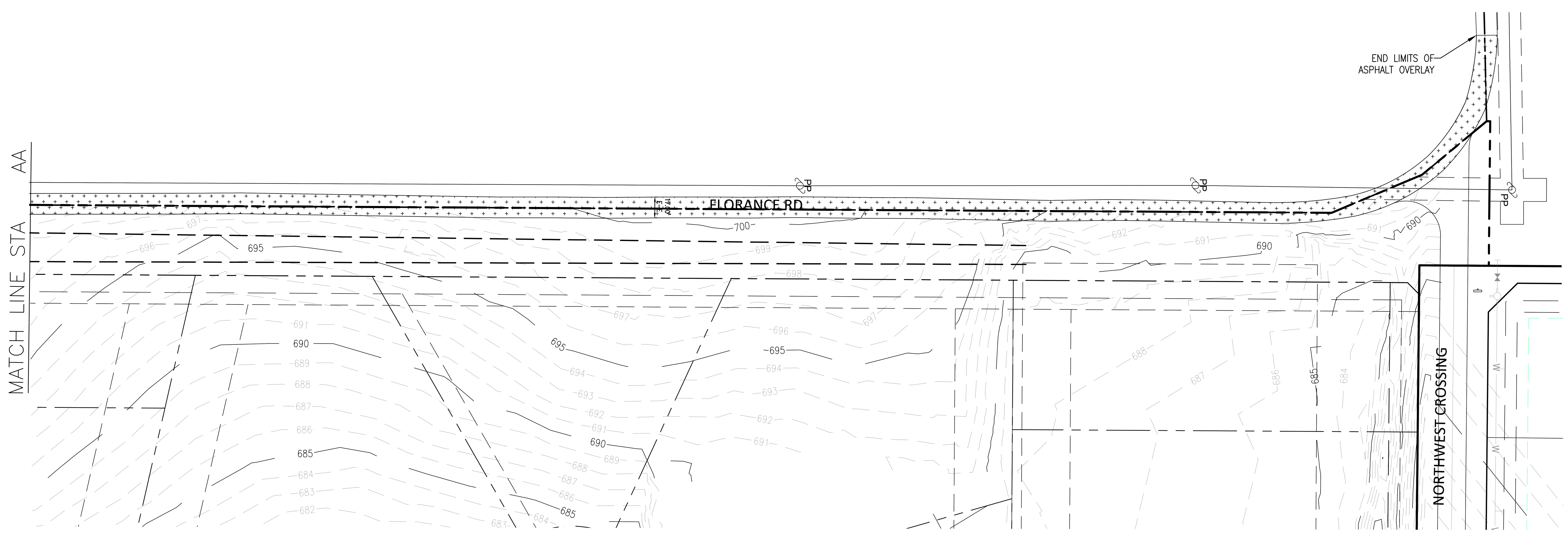
____
SHIRLEY ROGERS, Town Secretary





PAVING LEGEND

SYMBOL	DESCRIPTION
	PROPOSED PAVEMENT
	PROPOSED 2" ASPHALT OVERLAY



REVISIONS		
NO.	DESCRIPTION	DATE

6221 Southwest Boulevard, Suite 100
Fort Worth, Texas 76132
(O) 817.231.8100 (F) 817.231.8144
Texas Registered Engineering Firm F-10998
Texas Registered Survey Firm F-10158800
www.barronstark.com

Barron·Stark Engineers

STATE OF TEXAS
CHARLES F. STARK
57357
LICENSED
PROFESSIONAL ENGINEER
12/20/2018

USE OF THIS ELECTRONIC SEAL/SIGNATURE AUTHORIZED BY CHARLES F. STARK, P.E. TEXAS REGISTRATION NO. 57357

FLORANCE RD. CHIP SEAL

THE HIGHLANDS PHASE II

TOWN OF NORTHLAKE, DENTON COUNTY, TEXAS

CLIENT No.	236
PROJECT No.	9442
DESIGN:	BLC
DRAWN:	MM/RCP
CHECKED:	CFS
DATE:	DECEMBER 2018

SHEET
C7.9

USER: BRAD CHILDERS
PLOTTED ON: 1/17/2019 11:59 AM
FILE NAME: N:\BARRON STARK SWIFT ENG\236 REALTY CAPITAL\9442 - NORTHLAKE HIGHLANDS PH II (5529)\00 CAD\00 DWG\SHEETS\236-9442 C7.0-C7.9 PAVING PLAN & PROFILE.DWG

1500 Commons Circle, Suite 300
Northlake, TX 76247
940-648-3290
Fax 940-648-0363

Town of Northlake

Memo

To: Honorable Mayor and Town Council

From: John Zagurski, Finance Director

CC: Drew Corn, Town Administrator

Shirley Rogers, Town Secretary

Date: September 12, 2019

Re: Purchasing Policy Update

On Thursday, August 22, 2019 Town Council heard a point-by-point overview of staff's recommended changes to the Purchasing Policy. The item is before Town Council tonight for approval.

Summary

This is the first major revision of the Town of Northlake Purchasing Policy since 2009. In the past ten years the Town of Northlake's staff has nearly tripled in size, to meet the ever-increasing service demand of its citizens and businesses. State and national purchasing requirements have also evolved.

The revisions to the purchasing policy bring the Town in compliance with current state and national requirements. The new policy will increase internal controls by pushing purchasing approval down to the level of the subject matter experts and financial staff. The Town Administrator and Town Secretary will maintain oversight through the approval of the disbursement of payment. Lastly, implementing a vendor packet that will enable the finance department to move into the digital era of electronic disbursements for accounts payable, while implementing a strong fraud prevention system.

Please contact me at 940.242.5706 if you have any questions related to the policy updates.

TOWN OF NORTHLAKE, TEXAS

RESOLUTION NO. 19-22

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NORTHLAKE, TEXAS, APPROVING AND ADOPTING THE TOWN OF NORTHLAKE PURCHASING POLICY REVISIONS AND UPDATES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Northlake, Texas, acknowledges the high priority of providing the necessary guardianship of public funds in the municipal sector; and

WHEREAS, the Town Council expressly intends to set high fiscal standards, delegate bidding and purchasing duties to appropriate officials, and to review the actual performance at regular intervals; and

WHEREAS, on August 27, 2009, the Town Council implemented bidding and purchasing requirements set forth in Texas Government Code, V.C.T.A., Section 252; and

WHEREAS, since 2009 Town staff has grown in size, complexity and expertise, many State requirements have been revised, and purchasing methods and patterns have changed due to the growth in and predominance of internet-based purchasing; and

WHEREAS, the Town Council has determined that it is advisable to update and amend the previously implemented bidding and purchasing policies as set out herein.

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

SECTION 1. The Town Council has reviewed and hereby adopts the revised and updated Town of Northlake Purchasing Policy attached as Exhibit "A" hereto, including all revisions and changes required under State law or recommended by Town staff.

SECTION 2. The updated Town of Northlake Purchasing Policy attached as Exhibit "A" shall be effective immediately upon passage.

PASSED AND APPROVED THIS THE 12TH DAY OF SEPTEMBER 2019.

TOWN OF NORTHLAKE, TEXAS

____
DAVID A. RETTIG, Mayor

ATTEST:

____
SHIRLEY ROGERS, Town Secretary

EXHIBIT "A"

Town of Northlake Purchasing Policy

TOWN OF NORTHLAKE
PURCHASING POLICY

1. PURPOSE

a. The purpose of this Policy shall be to establish guidelines for procurement of supplies, materials and services for the Town of Northlake (the Town).

b. This Policy shall also establish the internal control procedures that all vendors and Town personnel are to follow. Internal control is required to assist in the prevention of any unauthorized purchases by the Town, and any evidence of collusion by vendors.

c. This Policy shall further establish guidelines to provide the citizens and taxpayers of the Town with assurance that the best use of the available resources of the Town are being realized. Further, this Policy is intended to promote competition among bidders and vendors interested in providing products or services to the Town.

d. The statutory authority for this Policy shall be the Local Government Code, Section 252, subsequent amendments, and other State of Texas statutes that may be referenced herein.

2. THE PURCHASING FUNCTION

a. The basic function of a purchasing system is to support and enhance the delivery of Town services.

b. The optimum performance of this function requires that the purchasing system continually provide departments of the Town with proper quality as well as proper quantity of requested commodities within an acceptable time frame, at the lowest cost.

3. PURCHASING POLICY

The following Purchasing Policy is hereby established.

a. Purchases not subject to competitive bidding:

Purchases less than $50,000 are not subject to the statutory competitive bid process (see below, Purchases subject to competitive bidding).

i. Purchases less than $3,000 require approval by the Department Director or designee, and do not require competitive price quotations or an authorized requisition and purchase order.

1. Invoice payment requests less than $3,000 should be signed, coded (with a general ledger account number), and turned into the Finance Department for payment.

2. If the vendor is not currently active with the Town, provide them with a vendor packet to be completed and submitted to the

Finance Department. Payment cannot be remitted until vendor packet is received.

ii. Purchases $3,000 and above require:

1. Compliance with the States Historically Underutilized Business (HUB) requirement and/ or,

2. Three written quotes from vendors,

3. Completed and authorized Requisition Form.

4. If the successful vendor is not currently active with the Town, provide them with a vendor packet to be completed and submitted to the Finance Department.

5. The Town Accountant will issue a Purchase Order after receiving:
   a. An electronic Purchase Order request authorized by the Department Director,
   b. Supporting written quotes including compliance with the States HUB requirements,
   c. Vendor packet (if not a current vendor).

iii. Requisitions for purchases in excess of $10,000 also require Town Administrator approval. If funds have not been specifically budged in the current budget year, then they must be expressly authorized and approved by separate action of the Town Council.

iv. Requisitions for purchases in excess of $25,000 require Town Council approval.

b. <u>Purchases subject to competitive bidding.</u>

i. Purchases in excess of $50,000 shall be competitively bid and awarded only by the Town Council.

ii. Sequential or component purchases exceeding $50,000 during any fiscal year period shall be deemed as meeting the competitive bidding requirements of this Policy.

c. <u>Procurement of Professional Services.</u> Contracts for professional services shall comply with the Professional Services Procurement Act, Government Code, Section 2254, and subsequent amendments. The following guidelines shall apply to procurement of professional services.

i. Professional services may not be awarded on the basis of competitive bidding.

ii. Professional services must be awarded on the basis of demonstrated competence and qualifications.

iii. The Town Administrator may authorize and approve professional services less than $25,000 during a fiscal year period, without specified Town Council approval, provided available funds are budgeted therefore.

iv. The Town Council shall authorize any professional service contract which will exceed $25,000 during a fiscal year period, on the basis of the above criteria.

d. Cooperative Purchasing. Whenever it is determined to be advantageous to the Town, cooperative purchasing with other local governmental agencies may be used. Requester must provide contract number. Such cooperative agreements shall be approved by all governing bodies for each local agency participating in any purchasing cooperative. The provisions of the Local Government Code (Subchapter D, Sections 271.081 through 271.083) shall apply.

e. Exceptions to Policy. Emergency procurements, professional services, purchases of land, items available from only one source, etc. are exceptions to the competitive bidding requirements for purchases and shall comply with Local Government Code, Section 252.022.

f. Authorization and Approval of Change Orders. Authorization and approval of change orders shall follow the same dollar limitations and requirements as provided above in Section 3(a) and (b). The Town Council hereby grants the Town Administrator authority to execute any and all change orders which involve a decrease or an increase of up to $25,000 or 25% of the original contract, provided the total contract expenditures remain within the budgeted amount.

g. Vendor Packets. Vendor packets are a crucial part of the accounts payable system. They allow for fraud prevention by providing vendor contact information that allows for the authentication of vendor file changes. All active vendors must have a complete vendor packet containing: the vendor management page, a signed W-9, and a conflict of interest disclosure questionnaire. Vendor Packets will be updated annually with all vendors.

1500 Commons Circle, Suite 300
Northlake, TX 76226
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 12, 2019

Re: Pioneer Grant Program Application for Bella Italia Bistro and Sales Tax Reimbursement Grant for Texas Roadhouse Restaurants

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Pioneer Grant Program Background

The Pioneer Grant Program (PGP) is an incentive program that was authorized by the EDC and CDC boards on November 17, 2011, to incentivize the initial development of retail, restaurant, and service businesses in Northlake. When the program was created, the only retail and restaurant businesses in Northlake were the Subway and the Shell and Valero convenience stores. When staff recruited retailers and restaurants, they did not want to be the "first" to locate in Northlake because it was an unproven market. The PGP was developed to help overcome that hurdle. Five PGP's have been awarded since the inception of the program. Information on those Pioneer Grants is below.

Year	Business Name	Grant Amount	Category
2015	Rosa's Café	$150,000	1st limited service restaurant plus bonus for 1st overall
2016	Sonic	$62,500	2nd limited service restaurant plus bonus for 2nd overall
2017	IHOP	$150,000	1st full-service restaurant
2018	BurgerIM	$25,000	3rd limited service restaurant
2018	Amano Italian Bistro	$100,000	2nd full-service restaurant

The PGP flyer is attached which lists the details of the program as well as funding guidelines. The grant is provided in the form of a 5-year forgivable loan with 1/5th of the loan forgiven after each year of the first five years the business is in operation, so it essentially becomes a grant as long as the business is open and operating for at least 5 years. The first business of each category gets more than the second and so on. The funding guidelines are also based upon expected taxable sales so that any grant is essentially paid back with sales taxes paid by the business within 5-10 years. Funding is not provided to the business until the Certificate of Occupancy (CO) is issued, reducing the risk of an incentive being granted and a business never opening. Funding is provided by the EDC and CDC which each pay for 50% of each grant. Commercial real estate brokers, as well as Town staff, use the incentive program as an important recruiting tool and are now able to point to the success of existing businesses that have benefited from it.

New Pioneer Grant Program Applications

While only one slot in the original Pioneer Grant framework remains in a restaurant, staff has been talking with a few restaurants that have been interested in the program. Bella Italia Bistro, a proposed full-service Italian restaurant going in Phase 4 of the Northlake Commons development, submitted an application in April of this year. The EDC and CDC boards approved a grant on May 16th in the amount of $50,000 for being the 3rd and final full-service restaurant in the program, but approval is required by the Town Council due to the amount of the expenditure. An application with more details on the restaurant is attached for your review along with a draft performance agreement for the grant. A performance agreement is required by state law to tie the incentive to a capital investment and/or job creation target.

Transitioning to a Performance Based Reimbursement Program

Upon approval of the Pioneer Grant for Bella Italia Bistro, the EDC and CDC discussed options for restaurants in the PGP since all categories for restaurants in the original PGP framework had been exhausted. Since quality, unique restaurants and high sales tax generating business remain a priority, the EDC and CDC boards directed staff to continue the program for restaurants so that they could consider potential incentives on a case-by-case basis.

Texas Roadhouse is another restaurant that staff has been recruiting to Northlake. It is one of the restaurants and retailers identified as a match by Buxton. They are considering a site on IH 35W just north of Rosa's Café. Texas Roadhouse submitted an application for a Pioneer Grant last month which was the first to be considered by the EDC and CDC under the new case-by-case basis review policy. The EDC and CDC recommended approval of the attached incentive agreement which requires final approval of Town Council. The key deal points are summarized below including the net gain projected to the general fund during the term of the agreement.

- $50,000 one-time sales tax grant
    - $25,000 from EDC and $25,000 from CDC
    - Grant awarded upon issuance of Certificate of Occupancy similar to PGP
- 100% EDC (0.5%) and CDC (0.5%) sales tax reimbursement
    - Estimated $5,000,000 in annual taxable sales
    - 4-year term, estimated $50,000 per year or $200,000 term
    - Net gain to general fund, estimated $200,000
- 100% construction EDC & CDC sales tax reimbursement
    - $3.5 M in construction value
    - One-time payment, estimated $35,000 ($17,500 from EDC & $17,500 from CDC)
    - Net gain to general fund, estimated $35,000

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

Your business is wanted in Northlake, Texas.

The pioneer grant program (PGP) will reward you for being a business pioneer.

Who? Business owners that commit to opening a new retail, restaurant, or service business establishment in Northlake are eligible to apply for a Pioneer Grant.

What? The PGP is an incentive program created to spur economic development activity by encouraging the initial development of retail, restaurant, and service businesses in Northlake.

When? Applications for the PGP are considered on a first come, first served basis. The PGP is available for a limited time, subject to funding availability and the continued need for "pioneer" businesses. The PGP is intended to defray the costs of locating in Northlake. Timing of the grant funding will be subject to the terms and conditions of an incentive agreement with funding typically given upon issuance of a certificate of occupancy.

Where? Incentives shall only be granted for new business establishments to be located in the Town of Northlake, Texas.

Why? Northlake has a superb location with great potential, but due to its location in an emerging market, it has been difficult to get businesses to "risk" being the first to locate in the market. The PGP offers special incentives to "pioneer" businesses willing to be the first or among the first businesses of that kind to locate in Northlake.

How? PGP incentives will be awarded in the form of a 5-year forgivable loan with 1/5th of the loan forgiven after each year of the first five years the business is in operation. Funding for the PGP is provided by the Northlake Economic Development Corporation (EDC) and the Northlake Community Development Corporation (CDC). The EDC and CDC are the initial approval authorities for each PGP application, and the Northlake Town Council has final authority on approval of each PGP application. The grant amounts listed in the table below are guidelines for typical businesses in these categories. Final grant amounts will be determined by the EDC and CDC based on the expected economic impact and projected sales tax revenues to be generated by the business.

Category	Description	1st Grant	2nd Grant	3rd Grant
General Retail & Service (small)	General retail & service businesses less than 5,000 sf	$25,000	$10,000	$5,000
General Retail & Service (medium)	General retail & service businesses less than 5,000 sf to 14,999 sf	$50,000	$25,000	$10,000
Snack & Beverage Shops	Coffee shops, doughnuts shops, ice creams parlors, etc.	$50,000	$25,000	$0
Junior Anchor Retail	General retail from 15,000 sf to 50,000 sf	$100,000	$50,000	$25,000
Restaurants (limited-service)	Fast food, fast casual, cafeterias, buffets, etc.	Rosa's Café	SONIC	BURGERIM
Restaurants (full-service)	Restaurants with waiter/waitress service	IHOP	Amano Bistro	Bella Italia
Pharmacies & Drug Stores	10,000+ sf pharmacy stores	$150,000	$75,000	$0
Anchor Retail	General retail greater than 50,000 sf	$200,000	$100,000	$50,000
Supermarkets & Grocery Stores	40,000+ sf full service grocery stores	$250,000	$0	$0
Supercenters & Warehouse Clubs	100,000+ sf super stores	$500,000	$0	$0
Bonus Incentive	First two businesses overall to receive additional percentage bonus in addition to category amount	Rosa's Café	SONIC	0%

PGP applications have been submitted and/or approved for the category amounts noted with a logo and are no longer available. For more information contact Nathan Reddin, Development Director, at 940-242-5703 or nreddin@town.northlake.tx.us.

PIONEER GRANT PROGRAM (PGP) APPLICATION

NORTHLAKE TEXAS

Form revised 1/31/2019

PROJECT INFORMATION

Project Name: Bella Italia Bistro

PGP Incentive Category Requested:

APPLICANT INFORMATION

Business Name: Bella Italia Bistro

Contact Name/Title: AL Berisha - Owner

Address: 3304 Marymount Dr

City/State/ZIP: Denton, TX 76210

Phone: 214-364-0617

Fax:

Email: al_gios@yahoo.com

Signature:

Date: 4/22/19

ADDITIONAL INFORMATION

Provide the following additional information to submit with this application:

1. Project Description
   1.1. Proposed use(s)
   1.2. Proposed location

2. Facility Description
   2.1. Facility description (e.g. finish-out space in multi-tenant retail center, stand-alone building(s) on pad site, etc.)
   2.2. Size of facility (e.g. size of space, building(s) and/or site)
   2.3. Is project to be located in an existing facility or will it be in new construction?
   2.4. Will facility be owned or leased?

3. Timing
   Provide estimated date (month & year) for the following:
   3.1. First development application (e.g. zoning, site plan, permit, etc.)
   3.2. Ground breaking
   3.3. Occupancy & business operation
   3.4. Phasing if proposed

4. Economic Impact Data
   Provide estimates for the following:
   4.1. Square feet of construction & construction value
   4.2. Personal property value
   4.3. Annual taxable sales
   4.4. Number of full-time equivalent (FTE) employees
   4.5. Number of employees with salary of $50,000 or greater
   4.6. Average annual salary per FTE
   4.7. Provide above data by phase if project will be phased

5. Supporting Information
   5.1. Incentive amount requested and rationale for request
   5.2. Overview of company/project team including related experience
   5.3. Additional general comments from applicant (if desired)

Please contact Nathan Reddin, Development Director, at 940-242-5703 or nreddin@town.northlake.tx.us if you have any questions.

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Stamp Received

4-22-19

1. Project Description

1.1. Proposed use(s) Full service Italian restaurant
1.2. Proposed location. commons circle building 4a next to Northlake City Hall

2. Facility Description

2.1. Facility description (e.g. finish-out space in multitenant retail center, stand-alone building(s) on pad site, etc.) Northlake commons building 4a multitenant building

2.2. Size of facility (e.g. size of space, building(s) and/or site)
2,500 SF enclosed and 600 SF patio

2.3. Is project to be located in an existing facility or will it be in new construction?
New construction

2.4. Will facility be owned or leased?
Leased with a 10 year commitment

3. Timing Provide estimated date (month & year) for the following:

3.1. First development application (e.g. zoning, site plan, permit, etc.) MAY 1st 2019 Phase 4 #A

3.2. Ground breaking June 1st 2019

3.3. Occupancy & business operation APRIL 1st 2020

3.4. Phasing if proposed

4. Economic Impact Data Provide estimates for the following

4.1. Square feet of construction & construction value
2500 square feet enclosed; 600 square feet patio; $289,000 total construction value

4.2. Personal property value
$150,000

4.3. Annual taxable sales
$750,000

4.4. Number of full-time equivalent (FTE) employees
4

4.5. Number of employees with salary of $50,000 or greater
0

4.6. Average annual salary per FTE
35,000

4.7. Provide above data by phase if project will be phased

5. Supporting Information

5.1. Incentive amount requested and rationale for request
We are requesting $100,000 for the project to cover our startup costs (estimated to be more than $289,000, not including the property value of $150,000). Opening our restaurant in a developing part of town is a high-risk investment.

5.2. Overview of company/project team including related experience
We are a family business with 15 years of restaurant-ownership experience. We have owned and operated 7 restaurants in the last 15 years, and we currently own 3 restaurants in the North Texas area.

5.3. Additional general comments from applicant (if desired)
We would like to be the first restaurant in the northern Northlake residential area.

NORTHLAKE
TEXAS

PIONEER GRANT
PERFORMANCE AGREEMENT

This Pioneer Grant Performance Agreement is entered into by and between the Town of Northlake, Texas, a type A general-law municipality of Denton County, Texas, the Northlake Economic Development Corporation (the "EDC") and the Northlake Community Development Corporation (the "CDC") (the Town of Northlake, together with the EDC and CDC, the "Town"), and Bella Italia Bistro (the "Grantee").

WITNESSETH:

WHEREAS, the Town Council on December 11, 2014 approved Resolution No. 14-32 adopting an Incentives Policy for the Town (the "Policy") as amended, which: (1) established certain guidelines and criteria for the use of Town incentive programs for private development projects; and (2) authorized the establishment of programs for making loans and grants of Type A and Type B economic development sales tax funds to promote local economic development and to stimulate business and commercial activity in the Town of Northlake pursuant to the Development Corporation Act, codified in Chapters 501-505 of the Texas Local Government Code, (the "Act"); and

WHEREAS, the Town has established the Pioneer Grant Program pursuant to the Policy to promote the development of retail, restaurant, and service businesses in the Town of Northlake; and

WHEREAS, the Grantee has submitted an application to receive a Pioneer Grant for the development of a restaurant; and

WHEREAS, the Town has reviewed the application and is willing to provide Grant funds for the use of the Grantee, provided that the Grantee meets certain criteria relating to capital investments and new jobs; and

WHEREAS, the Grantee is required to return all or a portion of the funds received to the Town if the performance criteria of the Grantee are not met; and

WHEREAS, the Town and the Grantee desire to set forth their understanding and agreement as to the payout of the Grant proceeds, the obligations of the Grantee regarding capital investment and new job creation, and the repayment by the Grantee of all or part of the Grant under certain circumstances; and

WHEREAS, the Grantee's plans to construct an approximately 2,500 square-foot full-service restaurant facility (the "Facility") will entail a capital expenditure of greater than $250,000 referred to in the Agreement as the "Capital Investment"; and

WHEREAS, it is expected that 4 New Jobs, as defined herein, will be created at the Facility, with an average annual income of $35,000; and

WHEREAS, together, the Capital Investment target of $250,000 and the New Jobs target of 4 are referred to herein as the "Targets"; and

WHEREAS, the Facility is expected to generate approximately $750,000 in annual taxable sales in addition to the indirect benefit of establishing Northlake as a retail and restaurant destination with the potential to encourage additional restaurant and retail development; and

WHEREAS, the EDC and CDC boards of directors designated an incentive for the development of the Facility in the total amount of $50,000 (payment to be split evenly between the EDC and CDC) as a project that will promote new business development at their May 16, 2019 board meetings; and

WHEREAS, all requirements of the Act shall be met prior to distribution of grant funds, including, but not limited to, any requirements for public hearings, notice and authorization of the Town Council;

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

Section 1. Disbursement of the Grant.

The Grant in the amount of $50,000 will be paid to the Grantee upon completion of the Facility as certified by the issuance of a Certificate of Occupancy (the "CO") by the Town. Within 30 days of issuance of the CO, the Town will disburse the Grant proceeds to the Grantee as an inducement to the Grantee to achieve the Targets at the Facility.

Section 2. Targets and Definitions.

The Grantee will develop the Facility as a finish out space within Northlake Commons Building 4A at 1611 Commons Circle, make a capital investment of at least $250,000, and create and maintain at least 4 New Jobs at the Facility. The actual construction costs of the Facility shall meet the Capital Investment Target and such investment shall be satisfied with completion of construction which shall culminate in the issuance of a CO within one year of substantial completion of the shell of Northlake Commons Building 4A. The New Jobs Target shall be met within one year of the issuance of the CO and the Target shall be maintained through the final Performance Date which shall be five years from the issuance of the CO.

For the purpose of this Agreement, the following terms shall have the following definitions:

"Capital Investment" means a capital expenditure in taxable real property, taxable tangible personal property, or both at the Facility (excluding the purchase of land or existing real property improvements). The capital investment must be in addition to the capital improvements at the Facility at the date of this Agreement.

“Employee” means the full-time equivalent (FTE) employment of a person performing a duty for the Grantee at the facility. This term shall not include contract workers who are considered independent contractors for the Grantee.

“Maintain” means that the new jobs created pursuant to the Grant will continue without interruption from the date of creation through the Performance Date.

”New Job” means new permanent employment of an Employee for an indefinite duration at the Facility. Each New Job must require a minimum of either (1) 30 hours of an Employee’s time per week for the entire normal year of the Grantee’s operations, which “normal year” must consist of a least 52 weeks, or (2) 1,560 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Town limits of Northlake, and positions with contractors, suppliers, and similar multiplier or spin-off jobs shall not qualify as New Jobs.

Section 3. Repayment Obligation.

Determination of Inability to Comply: If the Town, in its sole discretion, determines at any time prior to the Performance Date (a “Determination Date”) that the Grantee is unable or unwilling to meet and maintain any of its Targets by and through the Performance Date, and if the Town promptly notifies the Grantee of such determination, the Grantee must repay the Grant proceeds based upon the following schedule:

In the 1st year following CO issuance	Repay $50,000
On or after the 1st anniversary of CO issuance but before the 2nd anniversary of CO issuance	Repay $40,000
On or after the 2nd anniversary of CO issuance but before the 3rd anniversary of CO issuance	Repay $30,000
On or after the 3rd anniversary of CO issuance but before the 4th anniversary of CO issuance	Repay $20,000
On or after the 4th anniversary of CO issuance but before the 5th anniversary of CO issuance	Repay $10,000

Repayment Dates: Such repayment shall be due from the Grantee to the Town within thirty days of the Performance Date or the Determination Date, as applicable.

Section 4. Grantee Reporting.

The Grantee shall provide, at the Grantee’s expense, detailed verification reasonably satisfactory to the Town of the Grantee’s progress on the Targets. Such progress reports will be provided at least annually, starting at twelve months from the date that the Grantee receives the Grant, and at such other times as the Town may require for a period of five years from the grant proceeds award date.

Section 5. Notices.

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United Sates Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return or certified mail not accepted by the addressee):

If intended for the Town, to:
Town of Northlake
1500 Commons Circle, Suite 300
Northlake, Texas 76262
Attn: Drew Corn, Town Administrator
Phone: (940) 648-3290
Fax: (940) 648-0363
Email: dcorn@town.northlake.tx.us

If intended for the Grantee, to:
Bella Italia Bistro
3304 Marymount Dr
Denton, Texas 76210
Attn: Al Berisha
Phone: (214) 364-0612
Email: al_gios@yahoo.com

With a copy to:
Taylor, Olson, Adkins, Sralla & Elam, L.L.P.
6000 Western Place, Suite 200
Fort Worth, Texas 76107
Attn: Ashley D. Dierker
Phone: (817) 332-2580
Fax: (817) 332-4740
Email: adierker@toase.com

Northlake EDC
1500 Commons Circle, Suite 300
Northlake, Texas 76262
Attn: President
Phone: (940) 648-3290
Fax: (940) 648-0363
Email: northlakeedc@town.northlake.tx.us

Northlake CDC
1500 Commons Circle, Suite 300
Northlake, Texas 76262
Attn: President
Phone: (940) 648-3290
Fax: (940) 648-0363
Email: northlakeedc@town.northlake.tx.us

Section 6. Miscellaneous.

A. Entire Agreement; Amendments: This Agreement constitutes the entire agreement between the parties hereto as to the subject matter contained herein and may not be amended or modified, except in writing signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Grantee may not assign its rights and obligations under this Agreement without the prior written consent of the Town.

B. Governing Law; Venue: This Agreement is made and performable in the Town limits of Northlake in Denton County, Texas and shall be construed and enforced by local and state laws within the State of Texas. Venue for any litigation arising out of or involving this Agreement shall lie in Denton County, Texas.

C. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

D. Severability: If any provision of this Agreement is determined to be unenforceable, then the remaining provisions of this Agreement shall, in the discretion of the Town, be voidable or interpreted as in effect as if such unenforceable provision were not included therein.

EXECUTED and effective as of the date of the last authorized signature below.

APPROVED AS TO FORM:
ASHLEY D. DIERKER,
TAYLOR, OLSON, ADKINS,
SRALLA & ELAM, L.L.P.
Town Attorney

By:______________________________
Town Attorney

Date: ____________________________

TOWN OF NORTHLAKE
DREW CORN

Town Administrator

By:______________________________
Drew Corn, Town Administrator

Date: ____________________________

NORTHLAKE ECONOMIC DEVELOPMENT CORPORATION

By: ____
Laura Montini, President of Board of Directors

Date: ____

NORTHLAKE COMMUNITY DEVELOPMENT CORPORATION

By: ____
Andy Gibson, President of Board of Directors

Date: ____

GRANTEE:

By:____
Al Berisha, Owner - Bella Italia Bistro

Date: ____

PIONEER GRANT PROGRAM (PGP) APPLICATION

Form revised 5/01/2014

PROJECT INFORMATION

Project Name: Texas Roadhouse Restaurant

PGP Incentive Category Requested: Restaurants FULL SERVICE - $250,000.00

APPLICANT INFORMATION

Business Name: ROADHOUSE ENTERPRISES, INC

Contact Name/Title: Cati Kincaid, Real Estate Project Manager

Address: 6040 Dutchmans Lane

City/State/ZIP: Louisville, KY 40205

Phone: 502-426-9984

Fax:

Email: caitlin.kincaid@texasroadhouse.com

Signature: Cati Kincaid

Date: 08/07/2019

ADDITIONAL INFORMATION

Provide the following additional information to submit with this application: Attached

1. Project Description
   - 1.1. Proposed use(s)
   - 1.2. Proposed location
2. Facility Description
   - 2.1. Facility description (e.g. finish-out space in multi-tenant retail center, stand-alone building(s) on pad site, etc.)
   - 2.2. Size of facility (e.g. size of space, building(s) and/or site)
   - 2.3. Is project to be located in an existing facility or will it be in new construction?
   - 2.4. Will facility be owned or leased?
3. Timing

   Provide estimated date (month & year) for the following:
   - 3.1. First development application (e.g. zoning, site plan, permit, etc.)
   - 3.2. Ground breaking
   - 3.3. Occupancy & business operation
   - 3.4. Phasing if proposed
4. Economic Impact Data

   Provide estimates for the following:
   - 4.1. Square feet of construction & construction value
   - 4.2. Personal property value
   - 4.3. Annual taxable sales
   - 4.4. Number of full-time equivalent (FTE) employees
   - 4.5. Number of employees with salary of $50,000 or greater
   - 4.6. Average annual salary per FTE
   - 4.7. Provide above data by phase if project will be phased
5. Supporting Information
   - 5.1. Incentive amount requested and rationale for request
   - 5.2. Overview of company/project team including related experience
   - 5.3. Additional general comments from applicant (if desired)

Please contact Nathan Reddin, Development Director, at 940-242-5703 or nreddin@town.northlake.tx.us if you have any questions.

****FOR OFFICE USE ONLY****

Stamp Received

CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT AMONG THE TOWN OF NORTHLAKE, NORTHLAKE ECONOMIC DEVELOPMENT CORPORATION, NORTHLAKE COMMUNITY DEVELOPMENT CORPORATION AND ROADHOUSE ENTERPRISES, INC.

This Chapter 380 Economic Development Agreement (the "***Agreement***") is entered into as of the Effective Date by and among the Town of Northlake, Texas (the "***Town***"), a type A general-law municipality, the Northlake Economic Development Corporation (the "EDC") and the Northlake Community Development Corporation (the "CDC") (the EDC, together with the CDC, the "***EDCs***"), and Roadhouse Enterprises, Inc., a Texas corporation (such entity together with its permitted successors and assigns, the "***Grantee***," and together with the Town and EDCs, the "***Parties***," and each a "***Party***").

R E C I T A L S

WHEREAS, the Town recognizes the importance of diverse and sustainable economic growth that is consistent with community values; and

WHEREAS, the Town Council on December 11, 2014 approved Resolution No. 14-32 adopting an Incentives Policy for the Town (the "***Policy***") as amended, which: (1) established certain guidelines and criteria for the use of Town incentive programs for private development projects; and (2) authorized the establishment of programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the Town of Northlake pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code, (the "Act"); and

WHEREAS, the Grantee is either the owner or in control of property within the corporate limits of the Town being more particularly described in Exhibit A, attached hereto (the "***Property***"); and

WHEREAS, the Grantee intends to develop the Property by constructing a minimum 7,402 square-foot restaurant facility more particularly described in Exhibit B, attached hereto (the "***Restaurant Project***"); and

WHEREAS, the Town finds that if the Restaurant Project is completed, approved, and accepted by the Town, it will be consistent with the objectives of the Town's Policy and therefore it will be eligible for incentives because the Restaurant Project will (i) attract high quality economic growth, (ii) generate job creation, (iii) provide for a diversified tax base, (iv) enhance the Town's ability to provide quality municipal services and (v) provide for the safety, comfort and enjoyment of residents of the Town; and

WHEREAS, the Grantee has requested that the Town and the EDCs enter into this Agreement, in order that the Restaurant Project may be competitive in the I 35W corridor resulting in the intended economic benefits to the Town; and

WHEREAS, the Town Council and the boards of the respective EDCs have reviewed the potential use of incentives as it relates to the Restaurant Project and the economic development objectives of the Town and finds that the Town should offer certain incentives to support the development of the Property pursuant to the Town's authority under Chapter 380 of the Texas Local Government Code and the Town's economic development policies; and

WHEREAS, the Town of Northlake, the EDC, and the CDC find that the contemplated investment in the Property as set forth in this Agreement is consistent with encouraging development of the Town, is in compliance with the Town's Policy, will promote new and expanded business development, and will create and retain primary jobs.

NOW, THEREFORE, for and in consideration of the forgoing recitals and the mutual benefits and promises contained herein the parties agree as follows:

1. **Definitions.** The following definitions shall be used in this Agreement.

Agreement: Shall mean this Chapter 380 Economic Development Agreement.

Appraisal District: Shall mean the Denton County Appraisal District.

Certificate of Occupancy: Shall mean a temporary or permanent Certificate issued by the Town and granting the Grantee the right to occupy the Improvements.

CDC: Shall mean the Northlake Community Development Corporation.

Construction Sales Tax: Shall mean the sales tax collected by the Town from purchases made by the Grantee while constructing the Restaurant Facility.

EDC: Shall mean the Northlake Economic Development Corporation.

Effective Date: Shall mean the last date on which all Parties execute the Agreement.

Grantee: Shall mean Roadhouse Enterprises, Inc., a Texas corporation.

Improvements: Shall mean the New Construction of a minimum 7,402 square-foot restaurant facility, which includes buildings, site work, public works utilities, parking and drives, landscaping, irrigation, and lighting.

New Construction: Shall mean the first-time construction of Improvements utilizing newly purchased materials, and specifically excluding any remodeling or renovations undertaken after issuance of the first Certificate of Occupancy.

Property: Shall mean the approximate 2.36 acres described in Exhibit A.

Restaurant Project: Shall mean the construction of the Improvements related to a restaurant facility.

Substantial Completion: Shall mean the issuance of a Certificate of Occupancy by the Town.

Town: Shall mean the Town of Northlake, Texas.

2. **Obligations of the Developer.** In consideration of the receipt of the Grant Payments under this Agreement, the Grantee shall, subject to events of force majeure under Section 4(c) hereof, reach Substantial Completion of the Improvements on or before December 31, 2020.

3. **Obligations of the Town**. Subject to the Grantee's performance of its obligations as noted herein, and subject to the provisions of this Section, to promote economic development pursuant to the Policy, the Town shall grant the following incentives to the Grantee (collectively, "***Grant Payments***"):

   a. **Construction Sales Tax.** The Town receives and remits a total one percent (1%) sales tax to the EDCs (one-half percent (1/2%) to each the EDC and the CDC) for economic or community development (the "***EDCs Construction Sales Tax***"). The EDCs will provide a grant payment to the Grantee in the amount equal to the EDCs Construction Sales Tax generated and received by the Town as a result of the New Construction related to the Restaurant Project (the "***Construction Sales Tax Grant***").

      1. **Documentation.** The Grantee must submit to the Town and the EDCs a report accounting for the EDCs Construction Sales Tax incurred and paid by the Grantee showing that the Construction Sales Tax was sited and reported in the Town (the "***Construction Sales Tax Report***").

      2. **Payment.** The Sales Tax Grant is due and payable annually by the EDCs forty-five (45) days after the EDCs receive the EDCs Construction Sales Tax from the Comptroller and the Construction Sales Tax Report from the Grantee.

   b. **Sales Tax Grant.** The Town receives and remits a total one percent (1%) sales tax to the EDCs (one-half percent (1/2%) to each the EDC and the CDC) for economic or community development (the "***EDCs Sales Tax***"). The EDCs will provide a grant payment to the Grantee in the amount equal to the EDCs Sales Tax generated and received by the Town as a result of sales related to the operation of the Restaurant Project (the "***Sales Tax Grant***") for a period of four (4) years from the date of Substantial Completion.

      1. **Documentation.** The Grantee must submit to the Town and the EDCs a report accounting for the EDCs Sales Tax generated from the Property (the "***Sales Tax Report***").

      2. **Payment.** The Sales Tax Grant is due and payable annually for four (4) years following the Effective Date by the EDCs forty-five (45) days after the EDCs receive the EDCs Sales Tax from the Comptroller and the Sales Tax Report from the Grantee.

   c. **One-Time Grant of Sales Tax.** The Town will provide a one-time grant payment to the Grantee in the amount fifty thousand dollars ($50,000.00) (the "***One-Time Sales Tax***

Grant”). The One-Time Sales Tax Grant is due and payable at or within forty-five (45) days after Substantial Completion.

4. Events of Default, Remedies, and Force Majeure.

a. ***Events of Default.*** A default shall exist if any one or more of the following occurs:

(i) The failure by Grantee to perform any obligation contained herein including the failure to reach Substantial Completion, subject to events of force majeure, by December 31, 2020 and/or the failure to submit proper documentation to the Town and the EDCs.

(ii) The failure by the Town or the EDCs to perform any obligation contained herein including the obligation to provide Grant Payments.

In the event of an alleged default under this Agreement, written notice of the alleged default or failure of such Party to perform under this Agreement shall be given to such Party, specifying in reasonable detail the nature of the alleged default or failure. The defaulting Party shall have an opportunity to cure the default within thirty (30) calendar days for a monetary default or within sixty (60) days for a non-monetary default; provided however, that if such alleged default is not reasonably curable within such 30 or 60-day periods, the defaulting Party shall receive one hundred and twenty (120) calendar days to cure such default upon written notice to the other Party. This Agreement may be terminated by either Party if the default is not cured as provided herein.

b. ***Remedies.*** If a Party fails to cure a default under this Agreement, then any non-defaulting Party may seek (i) immediate injunctive relief and mandamus, (ii) specific performance, and (iii) actual damages (excluding special or consequential damages).

c. ***Force Majeure***. If a party hereto is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation related to performance of a monetary obligation, then the obligations of such party, to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall include, without limitation of the generality thereof, (i) acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, quarantine restrictions, unusually severe weather, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, and (ii) breakage or accidents to machinery, pipelines or canals, and (iii) any other inabilities of either party, whether similar to those enumerated or otherwise, any of which events in subclauses (i) (ii) or (iii) which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

5. Miscellaneous Provisions.

a. ***Enforcement.*** If this Agreement or any provision thereof is held to be invalid, illegal or unenforceable, then the Town and the EDCs shall use their best efforts in working with Grantee to restructure this Agreement and the Town's and the EDCs' respective obligations described herein, or take such curative actions as may be necessary to (i) bring this Agreement into compliance with the applicable provisions of federal, state or local law to the extent possible, (ii) revise this Agreement with as similar terms as possible to the provision held to be illegal, invalid, or unenforceable, and (iii) to achieve the intended Grant Payments under this Agreement for the Developer.

b. ***Grant Payment.*** The Grant Payments under this Agreement shall be paid solely from lawfully available funds pursuant to Texas Constitution Article II, Section 52-a, and Texas Local Government Code Chapter 380.

c. ***Beneficiaries***. This Agreement shall bind and inure to the benefit of the Town, the EDCs and the Grantee and their successors and assigns. Each tenant of any building on the Property during the relevant 10-year grant term shall be a third-party beneficiary under this Agreement.

d. ***Assignment.*** The Grantee may not assign this Agreement, in whole or in part, without the prior written consent of the Town and the respective EDCs, such consent shall not be unreasonably denied, delayed, conditioned or withheld.

e. ***No Joint and Several Liability.*** The Town, the EDC and the CDC are not jointly and severally liable for their respective obligations under this Agreement. Therefore, the Grantee acknowledges and accepts that the Town does not guarantee the performance of the obligations of the EDC or the CDC under this Agreement. Further, that the EDC does not guarantee the performance of the obligations of the Town or the CDC under his Agreement, and that the CDC does not guarantee the performance of the obligations of the Town or the EDC under this Agreement.

f. ***Notice***. The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications (<u>Notice</u>) required to be given by this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (a) by delivering the same in person, (b) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the party to be notified, (c) by depositing the same with FedEx or another nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified, or (d) by sending the same by electronic mail with confirming copy sent by mail. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed as provided below, shall be as follows:

Town:	Town of Northlake 1500 Commons Circle, Suite 300 Northlake, Texas 76226 Attn: Drew Corn, Town Administrator Phone: (940) 648-3290 Fax: (940) 648-0363 Email: dcorn@town.northlake.tx.us
With a copy to:	Taylor Olson Adkins Sralla Elam 6000 Western Place, Suite 200 Fort Worth, Texas 76107 Attn: Ashley D. Dierker Phone: (817) 332-2580 Fax: (817) 332-4740 Email: adierker@toase.com
Northlake EDC:	Northlake EDC 1500 Commons Circle, Suite 300 Northlake, Texas 76226 Attn: Laura Montini Phone: (940) 648-3290 Fax: (940) 648-0363 Email: northlakeedc@town.northlake.tx.us
Northlake CDC:	Northlake CDC 1500 Commons Circle, Suite 300 Northlake, Texas 76226 Attn: Andy Gibson Phone: (940) 648-3290 Fax: (940) 648-0363 Email: northlakeedc@town.northlake.tx.us
Grantee:	Roadhouse Enterprises, Inc. 6040 Dutchmans Lane Louisville, Kentucky 40205 Attn: Legal Department Phone: (502) 426-9984 Fax: (502) 426-3274 Email: legal@texasroadhose.com

With a copy to: Roadhouse Enterprises, Inc.
6040 Dutchmans Lane
Louisville, KY 40205
Attn: Sean Renfroe
Phone: (502) 638-5488
Fax: (502) 426-3274
Email: sean.renfroe@texasroadhouse.com

The parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least ten (10) days written notice to the other parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

g. ***Amendments***. The Agreement may only be amended by resolution or ordinance of the Town Council, together with written approval from all of the other Parties to this Agreement. No Town official has the authority to waive or modify the terms of the Agreement.

h. ***Time***. Time is of the essence in all things pertaining to the performance of this Agreement.

i. ***Entire Agreement; Severability***. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

j. ***Waiver***. Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

k. ***Applicable Law and Venue***. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. This Agreement is performable in Denton County, Texas. Venue shall be in Denton County, Texas.

l. ***Reservation of Rights***. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws. This Agreement shall be enforceable under state and federal law.

m. ***Further Documents***. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement.

n. ***Recitals***. The recitals contained in this Agreement (a) are true and correct as of the Effective Date, (b) form the basis upon which the Parties negotiated and entered into this Agreement, and (c) reflect the final intent of the Parties with regard to the subject matter of this

Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the recitals, would not have entered into this Agreement.

o. ***Exhibits***. The exhibits on the List of Exhibits are attached to this Agreement and are incorporated as part of this Agreement. Any proposed change to an exhibit shall be considered a proposed amendment to this Agreement.

p. ***Authority; Binding Obligation***.

(i) The Town and the EDCs represent that this Agreement has been approved by the Town Council and the board of directors of the EDCs in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the Town has been duly authorized to do so.

(ii) The Grantee represents and warrants that this Agreement has been approved by appropriate action of Grantee, that the individual executing this Agreement on behalf of Grantee has been duly authorized to do so, and that, when executed by such individual, this Agreement shall be binding upon and enforceable against Grantee.

q. ***Effective Date.*** This Agreement is effective on the last date that this Agreement is signed by a party hereto, (the "***Effective Date***").

[*Signature pages follow*]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement to be effective as of the Effective Date set forth herein and secure its parties, rights and obligations as herein expressed.

TOWN OF NORTHLAKE, TEXAS

By: ___________________________
David Rettig, Mayor

Date: _________________________

ATTEST:

By: _________________________________
Shirley Rogers, Town Secretary

Date:________________________________

NORTHLAKE ECONOMIC DEVELOPMENT CORPORATION

By: ____
Laura Montini, President of Board of Directors

Date: ____

NORTHLAKE COMMUNITY DEVELOPMENT CORPORATION

By: ____
Andy Gibson, President of Board of Directors

Date: ____

THE GRANTEE:

ROADHOUSE ENTERPRISES, INC.,
a Texas limited liability company

By: ______________________________

____
Name (print), Title

STATE OF TEXAS §
§
COUNTY OF ___________ §

Before me on this day personally appeared _____________, the ___________________ of Roadhouse Enterprises, Inc., a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this ___ day of __________, 2019.

SEAL

____
Notary Public in and for the State of Texas

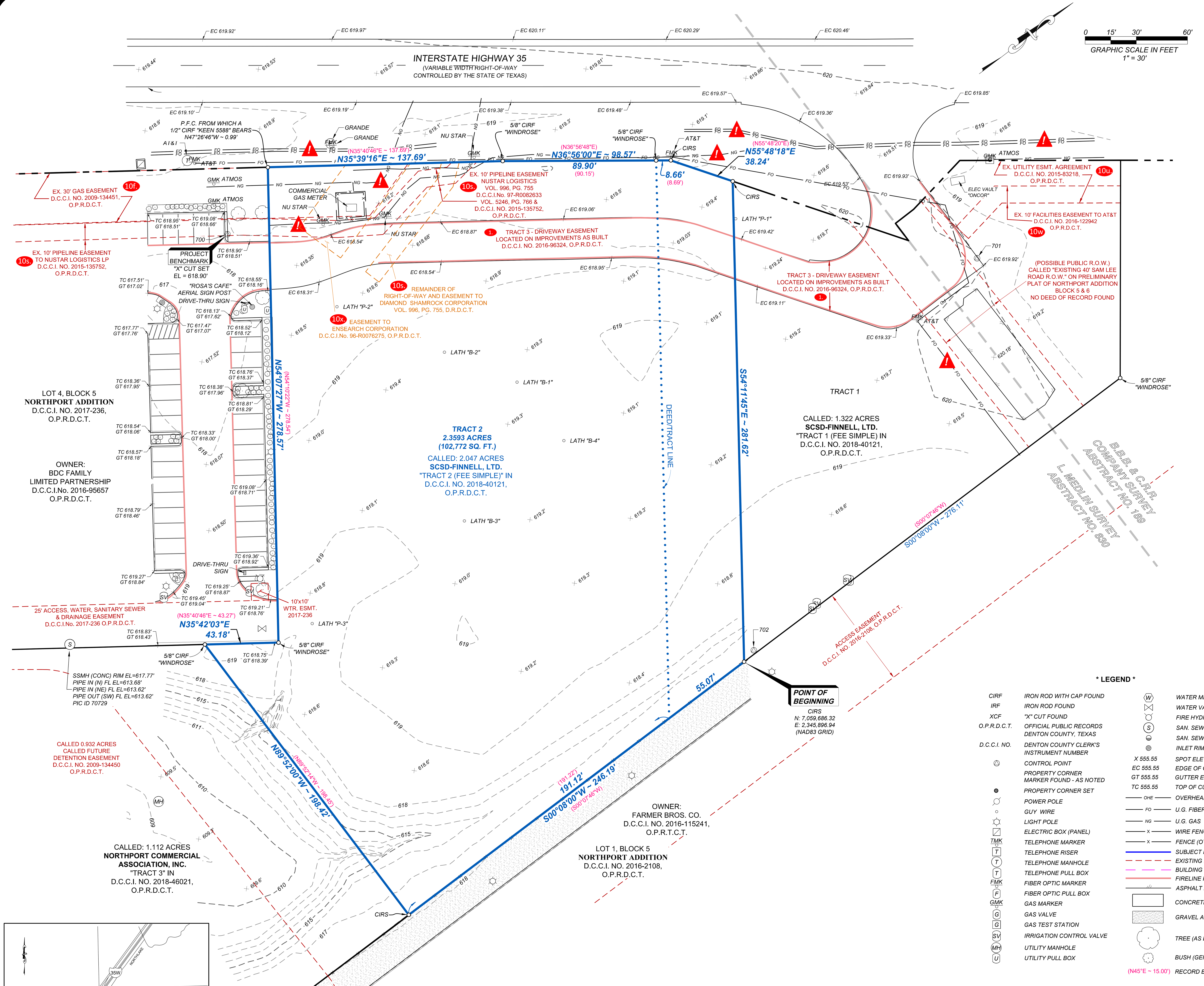
My Commission Expires:

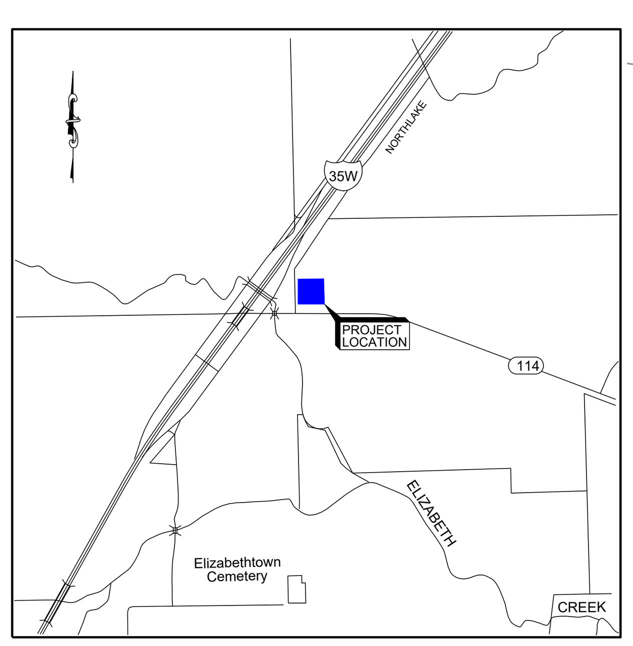
____

EXHIBIT A

DESCRIPTION OF THE PROPERTY

(see attached)





* VICINITY MAP *
(NOT TO SCALE)

* TITLE COMMITMENT NOTES *

This ALTA/NSPS Land Title Survey was prepared with the benefit of a copy of the commitment for Title Insurance prepared by First American Title Insurance Company, GF and Commitment No. NCS-957410-COL, having an effective date of April 2, 2019, and issued May 3, 2019; and only reflects those easements, covenants, restrictions, and other matters of record listed in Schedule B of said Commitment. No other research for matters of record, not listed in said Commitment, was preformed by Spooner & Associates, Inc.

Schedule "B" Items

1. Restrictive covenants described in instrument(s) recorded in:cc# 2005-102671, as affected by cc# 2005-123078, cc# 2005-130497, cc# 2008-42389; cc# 2009-134450; cc# 2014-118001, cc# 2015-93472 and cc#2016-96324 Real Property Records, Denton County, Texas; **(Affects Tracts 1 & 2, Subject tracts are a portion of said documents)**

10e. Mineral estate and interest in coal, lignite oil, gas and other minerals together with all rights, privileges and immunities, recorded in cc# 2004-146897 and cc#2005-11019, Real Property Records, Denton County, Texas; (**Subject tracts are a portion of said documents)**

10f. Easement granted by Northport Commercial Land, L.P., to Atmos Energy Corporation,filed 11/19/2009, recorded in cc# 2009-134451, Real Property Records, Denton County, Texas. **(Affects Tract 2 - Shown)**

10g. Terms, provisions, conditions, obligations, assessments, easements and liens contained in documents recorded in cc# 2005-102671, cc# 2005-123078 and cc# 2005-130497, Real Property Records of Denton County, Texas; and Amendments recorded in cc# 2008-42389; cc# 2009-134450; cc# 2014-118001 and cc# 2015-93472; **(Affects Tract 1 & 2, shown where applicable)**

10h. Easement granted by T.A. Lee and wife, Minnie Lee and J.W. Lee, to Lone Star Gas Company, filed 10/26/1950, recorded in Volume 364, Page 586, Real Property Records, Denton County, Texas. **(Affects Tract 1 & 2, blanket in nature)**

10i. Easement granted by T.A. Lee, Minnie Lee and J.W. Lee, to Denton County Electric Cooperative, Inc., filed 01/07/1954, recorded in Volume 403, Page 174, Real Property Records, Denton County, Texas. **(Affects Tract 1 & 2, blanket in nature)**

10j. Easement granted by T.A. Lee, Minnie Lee and J.W. Lee, to Denton County Electric Cooperative, Inc., filed 01/14/1954, recorded in Volume 403, Page 214, Real Property Records, Denton County, Texas. **(Affects Tract 1 & 2, blanket in nature)**

10k. Easement granted by Lart J. Hardy and wife, Janet E. Hardy to Denton County Electric Cooperative, Inc., filed 03/20/1966, recorded in Volume 536, Page 258, Real Property Records, Denton County, Texas. **(Affects Tract 1 & 2, blanket in nature)**

10l. Easement granted by James R. Engelston, M.D., Substitute Trustee for Jack Evans, Trustee, to Brazos Electric Power Cooperative, Inc., filed 04/30/1985, recorded in Volume 1623, Page 641, Real Property Records, Denton County, Texas. **(Does not affect subject tracts)**

10r. Easement granted by Laut J. Hardy to Southwestern Bell Telephone Company, filed 03/22/1968, recorded in Volume 564, Page 196, Real Property Records, Denton County, Texas. **(Does not affect subject tracts)**

10s. Easement granted by Jack Evans, Trustee, to Diamond Shamrock Corporation, filed 01/16/1980, recorded in Volume 996, Page 755, Real Property Records, Denton County, Texas, and affected by Easement Modification Agreement(s) recorded in cc# 97-R0082633; Volume 5246, Page 766 and cc# 2015-135752, Real Property Records, Denton County, Texas. **(Affects Tract 2 - Shown)**

10u. Terms, provisions, conditions, and easements contained in Utility Easement Agreement, filed 07/23/2015, recorded in cc# 2015-83218, Real Property Records, Denton County, Texas. **(Affects Tract 1 - Shown)**

10w. Easement granted by Northport Partners, LLC, to Southwestern Bell Telephone Company d/b/a AT&T Texas, filed 09/30/2016, recorded in cc# 2016-122942, Real Property Records, Denton County, Texas. **(Affects Tract 1 - Shown)**

10x. Easement granted by James R. Egleston, Trustee, to Enserch Corporation, filed 10/25/1996, recorded in 96-R0076275, Real Property Records, Denton County, Texas. **(Affects Tract 2 - Shown)**

* GENERAL NOTES *

- The bearings, distances and coordinates shown hereon are referenced to the Texas Coordinate System of 1983, Texas North Central Zone 4202, and are based on the North American Datum of 1983, 2011 Adjustment. Coordinates shown are scaled to surface distances at N: 7,059,642.76 and E: 2,345,755.85 using a combined scale factor of 1.0001525298. All areas shown hereon are calculated based on surface measurements.
- Elevations shown hereon are referenced to the North American Vertical Datum of 1988 (NAVD88) and were calculated by applying vertical shifts derived from Geoid Model 2012A to ellipsoid heights calculated from GPS/GNSS observations referenced to the North American Datum of 1983, 2011 adjustment.
- According to the Flood Insurance Rate Map published by the Federal Emergency Management Agency, Department of Homeland Security, the subject property appears to be located in Zone "X" (areas determined to be outside the 0.2 % annual chance floodplain) as shown on Map No. 48121C0495C; map revised April 18, 2011 for Denton County and incorporated areas. This flood statement does not imply that the property and/or structures located in Zone "X" will be free from flooding or flood damage. This flood statement shall not create liability on the part of the Surveyor.
- This survey was prepared with the benefit of a Title Commitment prepared by a title company. The easements shown hereon are the only easements known by Spooner & Associates and does not imply that the any other easements, covenants, restrictions, or other matters of record do not affect the subject property. No other research was performed by Spooner & Associates, Inc.
- Underground utilities shown hereon were taken from record information, actual locations were not field verified except at surface structures such as manholes, fire hydrants, etc. No attempt has been made as a part of this Survey to confirm, obtain or show data concerning the depth or condition of any utility or municipal/public service facility. Subsurface and environmental conditions were not examined or considered as a part of this Survey. No statement is made concerning the existence of underground or overhead containers or facilities, which may affect the use or development of the subject tract of land.
- All visible underground utilities that were marked from Texas One Call 811 are shown on this survey. Underground Sewer, Water and Storm Drain lines shown are from visible evidence and provided utility plans. Pipe sizes of all underground utilities were unknown at the time of survey.
- The size or shape of the tree/bush symbols included hereon do not necessarily represent the actual size and shape of the corresponding trees/bushes or their canopies. They represent location only. All trees are 4" in diameter unless otherwise noted.
- The Surveyor did not observe evidence of earth moving and existing improvement demolition at the time of our field survey.
- The Surveyor has no knowledge of any changes in street right-of-way lines either completed or proposed. Surveyor hereby advises all interested parties to consult with the Town of Northlake concerning this subject prior to planning, designing or constructing improvements near any right-of-way.
- The Surveyor did not observe evidence of wetland markers set by others.

* LEGEND *

CIRF	IRON ROD WITH CAP FOUND
IRF	IRON ROD FOUND
XCF	"X" CUT FOUND
O.P.R.D.C.T.	OFFICIAL PUBLIC RECORDS DENTON COUNTY, TEXAS
D.C.C.I. NO.	DENTON COUNTY CLERK'S INSTRUMENT NUMBER
	CONTROL POINT
	PROPERTY CORNER MARKER FOUND - AS NOTED
	PROPERTY CORNER SET
	POWER POLE
	GUY WIRE
	LIGHT POLE
	ELECTRIC BOX (PANEL)
TMK	TELEPHONE MARKER
T	TELEPHONE RISER
T	TELEPHONE MANHOLE
T	TELEPHONE PULL BOX
FMK	FIBER OPTIC MARKER
F	FIBER OPTIC PULL BOX
GMK	GAS MARKER
G	GAS VALVE
G	GAS TEST STATION
SV	IRRIGATION CONTROL VALVE
MH	UTILITY MANHOLE
U	UTILITY PULL BOX
W	WATER METER
	WATER VALVE
	FIRE HYDRANT
S	SAN. SEWER MANHOLE
	SAN. SEWER CLEANOUT
	INLET RIM
X 555.55	SPOT ELEVATION
EC 555.55	EDGE OF CONCRETE ELEVATION
GT 555.55	GUTTER ELEVATION
TC 555.55	TOP OF CURB ELEVATION
OHE	OVERHEAD ELEC.
FO	U.G. FIBER OPTIC
NG	U.G. GAS
X	WIRE FENCE
X	FENCE (OTHER)
	SUBJECT PROPERTY LINE
	EXISTING EASEMENT LINE
	BUILDING SETBACK LINE
	FIRELINE PAINT MARKS
	ASPHALT EDGE
	CONCRETE AREA
	GRAVEL AREA
	TREE (AS DESCRIBED)
	BUSH (GENERAL)
(N45°E ~ 15.00')	RECORD BEARING - DISTANCE

* METES AND BOUNDS DESCRIPTION *

BEING a 2.3593 acre tract of land situated in the L. Medlin Survey, Abstract No. 830, City of Northlake, Denton County, Texas, said 2.3593 acre tract of land being all of a called 2.047 acre tract of land identified as "Tract 2" and a portion of a called 1.322 acre tract of land identified as "Tract 1", conveyed to **SCSD-FINNELL, LTD.**, by Special Warranty Deed recorded in Denton County Clerk's Instrument Number 2018-40121, Official Public Records, Denton County, Texas (O.P.R.D.C.T.), said 2.3593 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with a cap stamped "SPOONER 5922" (hereinafter referred to as an iron rod set) on the east property line of the said Tract 1, same being the west lot line of Lot 1, Block 5, Northport Addition, being an Addition to the said City and State according to the plat thereof file for record in D.C.C.I. No. 2016-2108, O.P.R.T.C.T., said iron rod set being South 00°08'00" West (called South 00°07'46"West), a distance of 276.11 feet from a 5/8" iron rod with a cap stamped "WINDROSE" found (hereinafter referred to as an iron rod found) at the most easterly northeast property corner of said Tract 1, said beginning point also having a NAD83 Texas North Central Zone (4202) grid coordinate of N: 7,059,686.32 and E: 2,345,896.94;

THENCE, South 00°08'00" West (called South 00°07'46" West), along the said east property line of said Tract 1 and along the said west lot line of Lot 1, at a distance of 55.07 feet passing the southeast property corner of the said Tract 1, same being the northeast property corner of the said Tract 2, and continuing along the southeast property line of the said Tract 2 and the said lot line, in all a total distance of 246.19 feet to an iron rod set at the southeast property corner of said Tract 2, same being the northeast property corner of a called 1.112 acre tract of land identified as "Tract 3" conveyed to Northport Commercial Association, Inc. by deed recorded in D.C.C.I. No. 2018-46021, O.P.R.D.C.T.;

THENCE, North 89°52'00" West (called North 89°52'14" West), along the south property line of said Tract 2, same being the north property line of the said 1.112 acre tract, 198.42 feet (called 198.45 feet) to an iron rod found at the most southerly southwest property corner of said Tract 2, same being the northwest property corner of the said 1.112 acre tract, said iron rod found also being on the east lot line of Lot 4, Block 5, Northport Addition, being an Addition to the said City and State according to the plat thereof filed for record in D.C.C.I.No. 2017-236, O.P.R.D.C.T.;

THENCE, North 35°42'03" East (called North 35°40'46" East), along a west property line of said Tract 2, same being the said east lot line of Lot 4, 43.18 feet (called 43.27 feet) a south property corner of said Tract 2, same being the northeast lot corner of said Lot 4;

THENCE, North 54°07'27" West (called North 54°10'22" West), along a south property line of said Tract 2, same being the north lot line of said Lot 4, 278.57 feet (called 278.54 feet) to the southwest property corner of said Tract 2, same being the northwest lot corner of said Lot 4 and further being on the southeast right-of-way line of Interstate Highway 35, being a variable width right-of-way controlled by the State of Texas, from which a 1/2" iron rod with cap stamped "KEEN 5588" found bears North 47°26'46" West 0.99 feet;

THENCE, along the westerly property line of the said Tract 2 and along the said right-of-way line of Interstate Highway 35 the following courses and distances;

North 35°39'16" East (called North 35°40'46" East), 137.69 feet (called 137.69 feet) to an iron rod found;

North 36°56'00" East (called North 36°56'48" East), at a distance of 89.90 feet (called 90.15 feet) passing an iron rod found at the northwest property corner of said Tract 2, same being the southwest property corner of the aforesaid Tract 1, and continuing along a westerly property line of said Tract 1 and along the said right-of-way line, in all a total distance of 98.57 feet to an iron rod set;

THENCE North 55°48'18" East (called North 55°48'20" East), continuing along the said westerly property line of said Tract 1 and along the said right-of-way line, 38.24 feet to an iron rod set;

THENCE, South 54°11'45" East, departing the said property line and the said right-of-way line, over and across said Tract 1, 281.62 feet to the **POINT OF BEGINNING.**

The herein described tract of land has a computed area of **2.3593 acres (102,772 Sq. Ft.).**

* ZONING INFORMATION *

According to the Town of Northlake Zoning Map, the subject property appears to be located within the limits of "C" (Commercial)

The Surveyor hereby advises all interested parties to consult with the Town of Northlake Planning and Zoning Department to further verify all zoning restrictions and regulations prior to designing, planning, or developing on the subject property.

CONTROL POINT TABLE				
POINT	DESCRIPTION	NORTHING	EASTING	ELEV.
700	CP "X" CUT SET	7,059,596.349	2,345,514.384	618.90'
701	CP "MAG" NAIL SET	7,059,937.942	2,345,791.020	619.97'
702	CP~5/8" CIRS "S&A CONTROL"	7,059,694.878	2,345,895.011	617.74'
703	CP~5/8" CIRS "S&A CONTROL"	7,059,329.402	2,345,893.798	617.74'

Underground utilities denoted with this symbol are a representation of the lines shown on the ground at the time of survey marked by Texas811. Spooner & Associates, Inc. hereby waives all liability to the location and/or existence of underground utilities denoted with this symbol.

* SURVEYOR'S STATEMENT *

To: **TEXAS ROADHOUSE HOLDINGS LLC:**

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 minimum standard detail requirements for ALTA/NSPS land title surveys, jointly established and adopted by ALTA and NSPS, and includes items 1, 2, 3, 4, 5, 6(a)(b), 7(b), 8, 9, 11, 13, 14, 15, 16, 17, 18, 20, and 21 of Table A thereof.

Surveyed on the ground in the month of May, 2019.

8-27-19
Date

Eric S. Spooner, R.P.L.S.
Texas Registration No. 5922
TBPLS Firm No. 10054900

STATE OF TEXAS
REGISTERED
ERIC S. SPOONER
5922
PROFESSIONAL
LAND SURVEYOR

SPOONER & ASSOCIATES
REGISTERED PROFESSIONAL LAND SURVEYORS
OVER 25 YEARS OF SERVICE
309 BYERS STREET, SUITE 100, EULESS, TEXAS 76039
(817) 685-8448 WWW.SPOONERSURVEYORS.COM
TBPLS FIRM NO. 10054900

ALTA/NSPS SURVEY OF
TEXAS ROADHOUSE
NORTHLAKE, TEXAS

GreenbergFarrow

DATE: 06/05/2019
S&A JOB NO. 19047
G.F. JOB NO. 20190376
SCALE: 1" = 30'
DRAWN BY: A. BENTON
CHECKED BY: E. SPOONER

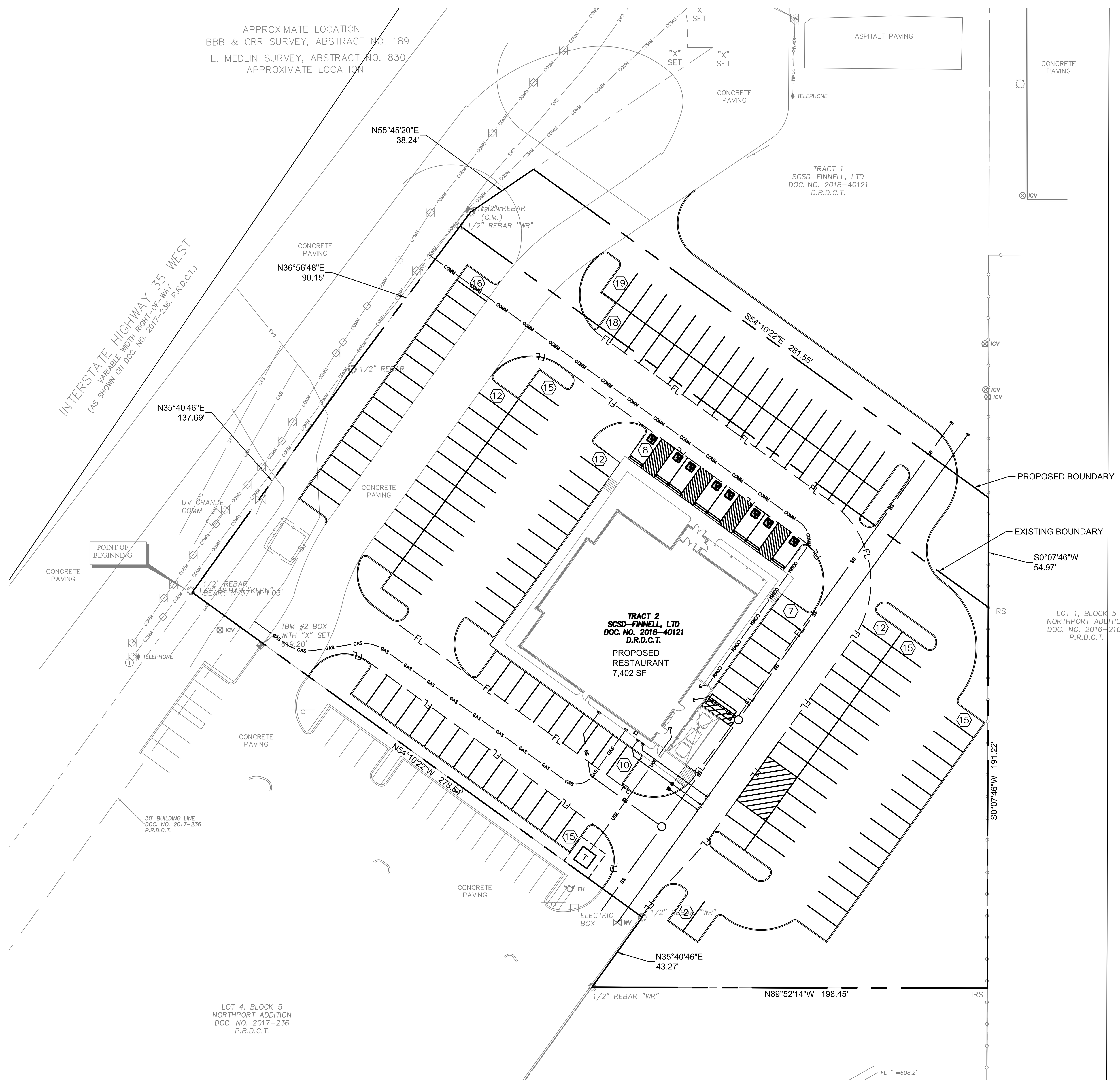
REVISIONS:
1 8/27/19 update to reflect new boundary line

SHEET
1
OF 1

EXHIBIT B

CONCEPT PLAN FOR THE RESTAURANT PROJECT

(see attached)



GRAPHIC SCALE

30 0 15 30 60

1 inch = 30 ft.

SITE DATA TABLE	
BUILDING SF	7,402
PARKING REQUIRED (1 PER 100 SF)	75 SPACES (4 ADA)
PARKING PROVIDED (ADA)	176 SPACES (6 SPACES)
PROPOSED AREA	98,913 (2.27 AC)

NOTE: THIS IS A CONCEPTUAL SITE PLAN AND FINAL DESIGN IS SUBJECT TO CHANGE.

BENCHMARKS:

TMB #1: X CUT INTO CURB, ON WEST SIDE OF EXISTING DRIVE, 1.5 FEET SW OF PROPERTY LINE. ELEV 619.20

TMB #2: X CUT INTO CURB AT NORTHEAST CORNER OF EXISTING DRIVE. 190' NE OF EXISTING PROPERTY LINE. ELEV 619.88

PLOTTED BY: LYNN ROWLAND
PLOT DATE: 9/5/2019 9:33 AM
LOCATION: Z:\PROJECTS\PROJECTS\2019-078 TEXAS ROADHOUSE NORTHLAKE\CADD\BASE\XSITE.DWG
LAST SAVED: 8/26/2019 5:00 PM

TEXAS REGISTRATION #14199

CLAYMOORE ENGINEERING

1903 CENTRAL DRIVE, SUITE #406
BEDFORD, TX 76021
PHONE: 817.281.0572
WWW.CLAYMOOREENG.COM

P R E L I M I N A R Y

FOR REVIEW ONLY
Not for construction purposes.

CLAYMOORE ENGINEERING

ENGINEERING AND PLANNING CONSULTANTS

Engineer DREW DONOSKY
P.E. No. 125651 Date 09/05/2019

TEXAS ROADHOUSE I-35W & HWY 114 NORTHLAKE, TX

No.	DATE	REVISION	BY

SITE PLAN

DESIGN: LRR
DRAWN: LRR
CHECKED: ASD
DATE: 09/05/2019

SHEET

SP-1

File No. 2019-078

Executive Session

Agenda Item 8