

TOWN COUNCIL AGENDA

REGULAR MEETING
THURSDAY, APRIL 11, 2024 - 5:30 PM

DAVID A. RETTIG, MAYOR
ROBERT KEEKER, COUNCILOR
MICHAEL C. GANZ, COUNCILOR
BRIAN G. MONTINI, MAYOR PRO TEM

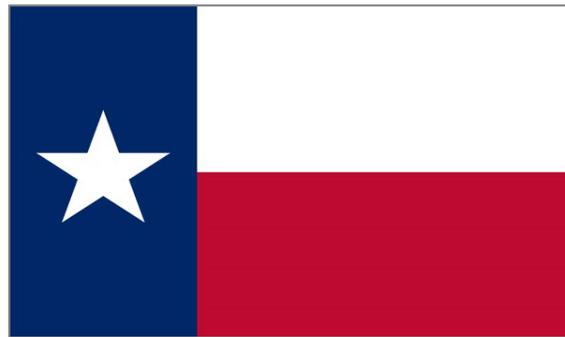
ROGER SESSIONS, COUNCILOR
MARYL LORENCZ, COUNCILOR
AARON FOWLER, COUNCILOR

REGULAR SESSION

- Call to Order
- Roll Call
- Invocation – Dr. Matthew Harding, Senior Pastor, The Well Church of Argyle
- Pledges of Allegiance to the US & Texas Flag – Mayor David Rettig

TEXAS PLEDGE OF ALLEGIANCE

Honor the Texas flag; I pledge
allegiance to thee, Texas, one state
under God, one and indivisible.



IMPORTANT DATES:

Date	Event	Location
April 15	Special Meeting – 12 pm	Town Hall Council Chambers
April 16	Planning & Zoning Commission	Town Hall Council Chambers
April 22-30	Early Voting	Town Hall Council Chambers
May 4	Election Day	Town Hall Council Chambers
May 13	Canvass	Town Hall Council Chambers
May 16	EDC & CDC Meeting	Town Hall Council Chambers
May 21	Planning & Zoning Commission	Town Hall Council Chambers
May 23	Town Council Regular Meeting	Town Hall Council Chambers
May 27	Holiday – Memorial Day	Town Offices Closed

ANNOUNCEMENTS, PROCLAMATIONS AND PRESENTATIONS

- A. Proclamation – Mental Health Awareness Month: May 2024
- B. Proclamation – National Police Week: May 12 – 18, 2024;
National Peace Officers Memorial Day: May 15, 2024
- C. Briefing – Fiscal Year 2023 Audit
- D. Briefing – Capital Projects Update
- E. Briefing – Stormwater Projects and Maintenance
- F. Briefing – Daycare Tax Exemption

MENTAL HEALTH AWARENESS AND CHILDREN'S MENTAL HEALTH AWARENESS

Town of Northlake

APRIL 11, 2024



MENTAL HEALTH AWARENESS AND CHILDREN'S MENTAL HEALTH AWARENESS

- May is Mental Health Month
- Mental health is an important part of overall health
- We must advocate for mental health and access to care
- For suicide or mental health-related crisis support, call or text 988



NATIONAL POLICE WEEK: MAY 12 – 18, 2024 NATIONAL PEACE OFFICERS MEMORIAL DAY: MAY 15, 2024

Town of Northlake

APRIL 11, 2024



FIRE LAKE NO PARKING



National Police Week offers honor, remembrance, and peer support, while allowing law enforcement, survivors, and citizens to gather and pay homage to those who gave their lives in the line of duty.

A white outline of a shield-shaped badge is centered on a dark blue background. The background features a pattern of vertical stripes and stars, reminiscent of the American flag. Inside the shield, the text "PEACE OFFICERS MEMORIAL DAY" is written in a bold, white, sans-serif font, with "DAY" being the largest word. Below the main text, "MAY 15" is written in a smaller, white, sans-serif font.

**PEACE
OFFICERS
MEMORIAL
DAY**
MAY 15





THANK YOU FOR
YOUR SERVICE



FISCAL YEAR 2023 AUDIT

Town of Northlake

APRIL 11, 2024



FISCAL YEAR 2023 AUDIT

- Town is required to complete an audit for each fiscal year
- Town has utilized Brooks & Watson for the last 3 years
- Financial statements received unmodified or “clean” opinion
- Government-Wide Highlights from Fiscal Year 2023 Audit
 - Ending Net Position of the Town: \$96,982,555
 - Unrestricted Net Position: \$26,931,998
 - Total Net Position increased: \$13,098,111

Northlake, Texas

Audit Presentation

September 30, 2023

Presented By: Austin Henderson, Audit Manager

BW&C

CERTIFIED PUBLIC ACCOUNTANTS



OVERVIEW OF THE AUDIT PROCESS

Audit Standards: The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS).

Town processes and controls are evaluated and examined as part of audit assessment procedures.

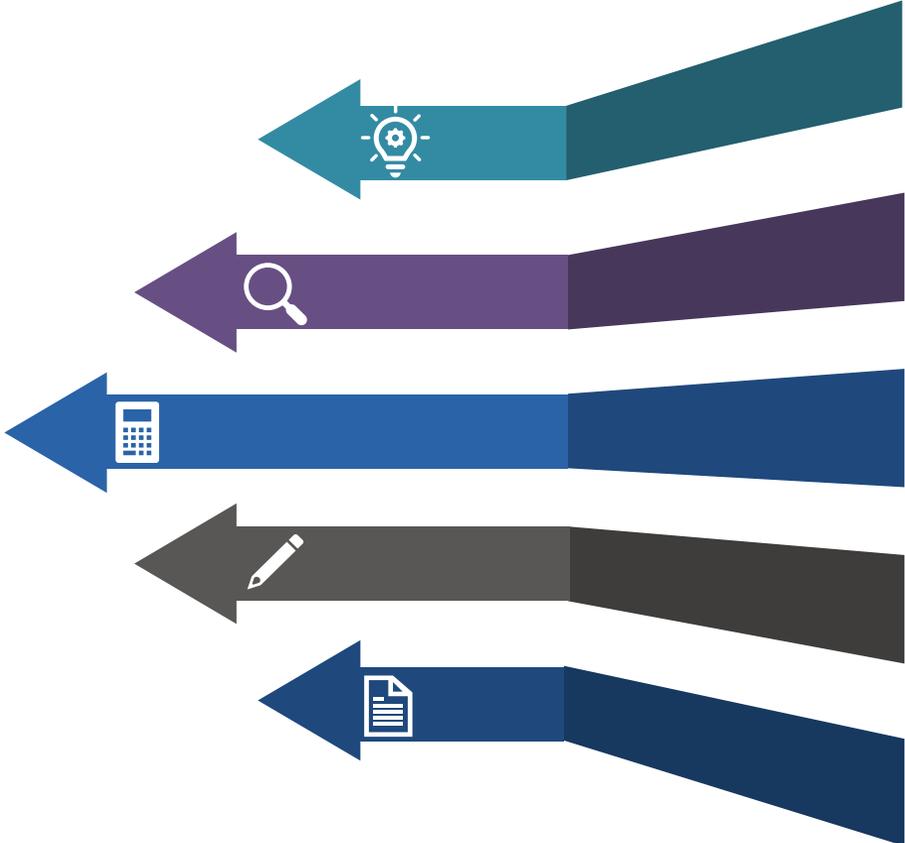
We use a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Performed testing over the Town’s compliance with provisions with laws, regulations, contracts and grant agreements, including items such as compliance with Public Funds Investment Act (PFIA).

Balances are agreed to underlying reports, and testing is performed to assure those balances are materially accurate.

The results of testing procedures are evaluated. The report is prepared, in addition to the required letters of communication.

- Assessment**
Processes and controls are evaluated
- Risk-Based Approach**
Potential areas of risk are identified
- Compliance Testing**
Test compliance with laws and regulations
- Fieldwork**
Test accuracy of financial information
- Conclusion & Reporting**
Evaluation and communication of results



COMPONENTS OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

❖ Introductory

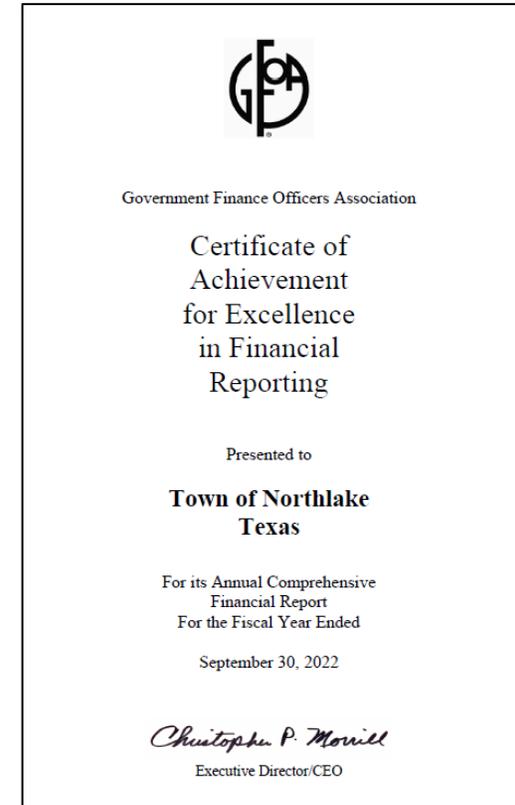
❖ Financial

- Auditor's Opinion (unmodified) 
- Management's Discussion and Analysis
- Financial Statements
- Notes to the Financial Statements
- Supplementary Information

❖ Statistical Section

Opinion Types

-  Unmodified
-  Qualified
-  Disclaimed
-  Adverse



 Unmodified/Clean
Highest level of assurance



Financial Highlights Governmental Funds

	9/30/2022	9/30/2023	Change
<u>Governmental Fund Balances</u>			
General Fund	\$ 5,363,596	\$ 5,734,217	\$ 370,621
Debt Service	\$ 659,140	\$ 509,412	\$ (149,728)
Capital Improvement	\$ 4,723,742	\$ 3,471,918	\$ (1,251,824)
Roadway Impact Fees	\$ 2,377,278	\$ 3,881,323	\$ 1,504,045
Northlake PIDs	\$ 375,825	\$ 435,247	\$ 59,422
Nonmajor Governmental Funds	\$ 1,862,847	\$ 2,767,302	\$ 904,455
Total Governmental Fund Balances	\$ 15,362,428	\$ 16,799,419	\$ 1,436,991



General Fund Balance

- **POLICY:** It is the goal of the Town to achieve and maintain an unassigned fund balance in the general fund equal to 33% of expenditures.
 - Fiscal Year 2022 – 63%
 - Fiscal Year 2023 – 58%

- **FY 2023 Budget Results (*Page 83*)**
 - Actual Revenues exceeded budgeted revenues by \$720,570 (positive variance)
 - Expenditures were under budget by \$8,403 (positive variance)
 - Other Financing Sources exceeded budget by \$6,308 (positive variance)
 - Overall budget resulted in a net positive budget variance of \$735,281



Financial Highlights Proprietary Funds

<u>Water & Sewer</u>	
Operating Income (Loss)	\$ 2,432,846
Change in Net Position	\$ (8,990,924)



Note: Water and Sewer operating are self sustaining.



Communication Letters

- **Communication with Those Charged with Governance**
 - Audit was conducted in compliance with all ethics requirements regarding independence
 - No difficulties were encountered in dealing with management
 - Audit Adjustments were identified and corrected by management.

- **Communication Regarding Internal Controls**
 - Recommendations in internal control were identified and reviewed by management.

Questions?

Contact Info:

Austin Henderson, Audit Manager

Phone 469.983.1052 | Fax
888.875.0587

AHenderson@BrooksWatsonCPA.com

The logo for BW&C features the letters 'B', 'W', and 'C' in a large, bold, serif font. The ampersand '&' is smaller and positioned between the 'W' and 'C'. The entire logo is rendered in a light gray color.

CERTIFIED PUBLIC ACCOUNTANTS

We know your questions don't end when the audit does.

We remain available throughout the year.

CAPITAL PROJECTS UPDATE

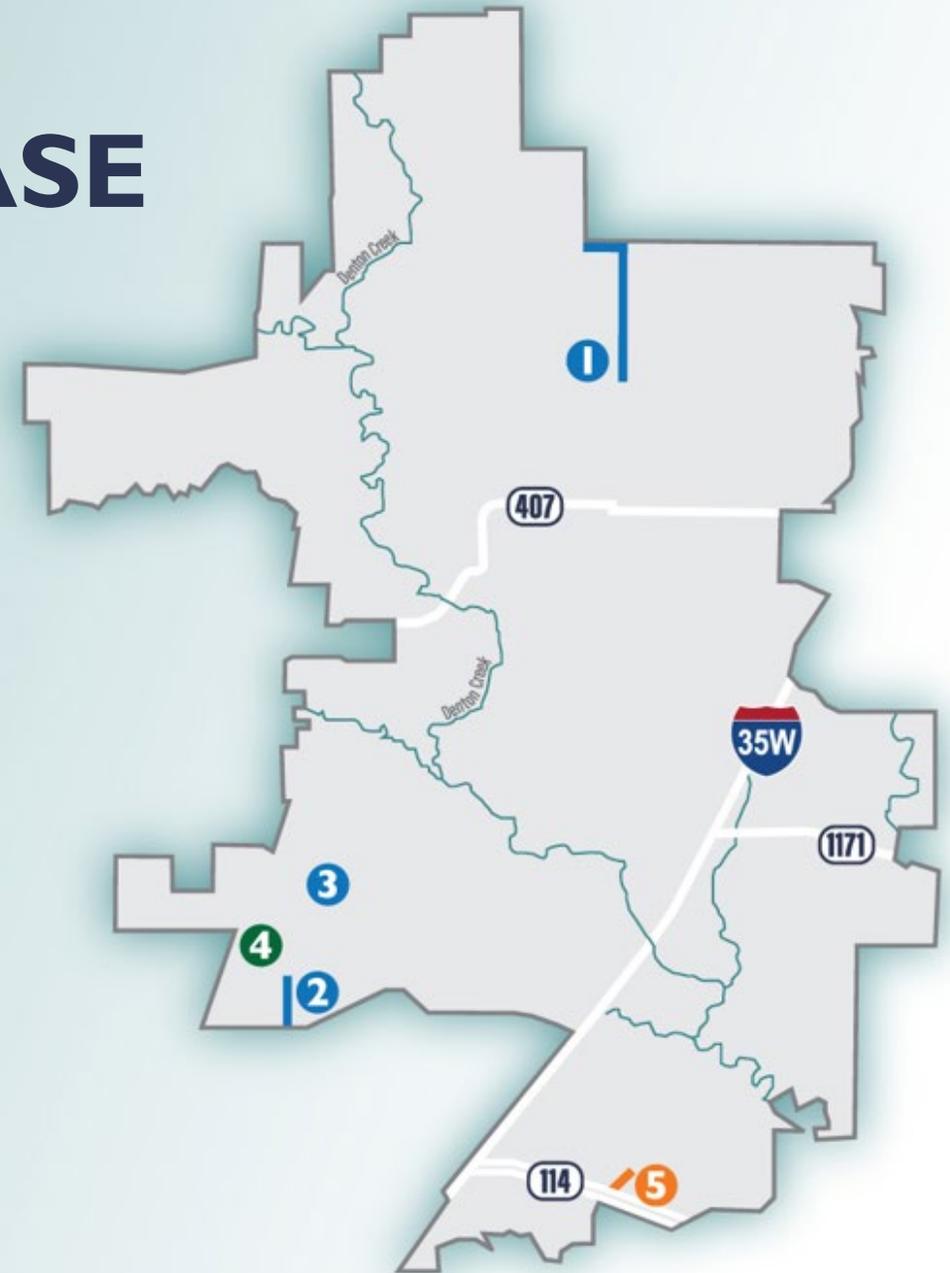
Town of Northlake

APRIL 11, 2024



PROJECTS: BIDDING PHASE

- Water
 - Faught Roadway & Water Line
 - Fort Worth Additional Capacity
 - Southwest Water Tower
- Wastewater
 - Catherine Branch – Phase II
- Road
 - Dale Earnhardt Way South



FAUGHT ROADWAY AND WATER LINE



- Timeline:
 - Bid April 2024
 - Completion by February 2026
- Costs **\$5.4 Million**
- Location: Between FM 407 and Robson Ranch
- Improvements- Road paving and water line installation.
- Next actions- Town Review Process

FORT WORTH ADDITIONAL CAPACITY



- Timeline: Projected Bidding in May
- Costs: **\$6.5 Million**
- Location: South pressure plane
- Improvements: Additional southside water capacity
- Next actions: Design approval

CATHERINE BRANCH SEWER LINE PHASE 2



- Timeline: Construction ending February 2025
- Costs: **\$8 Million**
- Location: NW of Texas Motor Speedway
- Improvements: Component of overall sewer improvements
- Next actions: June Bidding

SOUTHWEST WATER TOWER



- Timeline: Pre-bid
- Costs: **\$6 Million**
- Location: NW of Texas Motor Speedway
- Improvements: Added Storage capacity of .5 MG
- Next actions: June Bidding

DALE EARNHARDT SOUTH

- Timeline: Construction through July 2024
- Costs: **\$1 Million**
- Location: North of 114
- Improvements: Road Widening
- Next actions: 100% Plans



PROJECTS: UNDER CONSTRUCTION

StarCenter



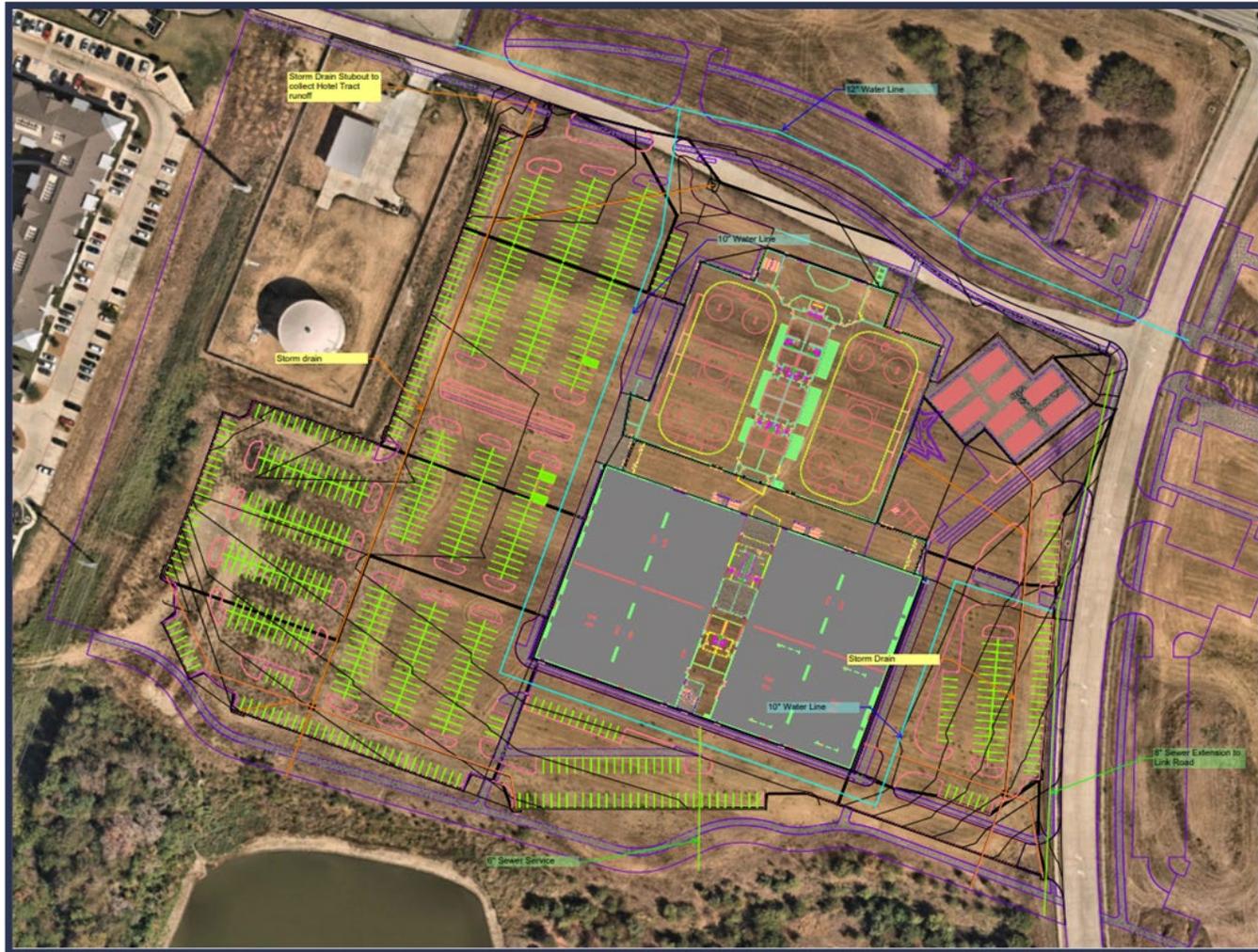
Hotel Conference Center



Cellular Meters



STARCENTER



- Timeline: Construction Completion September 2025
- Costs: **\$45 Million** General Obligation Bonds
- Location: SH 114
- Improvements: Water, wastewater, storm, roads.
- Next actions: Design and mass grading

HOTEL CONFERENCE CENTER



- Timeline:
 - Construction completion January 2025
- Costs: **\$6,000,000**
- Location: Northport Dr. and Dale Earnhardt Blvd.
- Improvements: New Convention Center
- Next actions: Continued Construction

CELLULAR METER



- Timeline:
 - Parts Arrival May 2024
 - Installation Completion August 2024
- Costs: **\$2,500,000**
- Location: Town-wide
- Improvements: Upgraded Meter responsiveness, reliability, access
- Next actions: Meter Installation

PROJECTS: NEARING COMPLETION

- North Ground Storage Tank
- Cleveland Gibbs South
- Catherine Branch phase 1

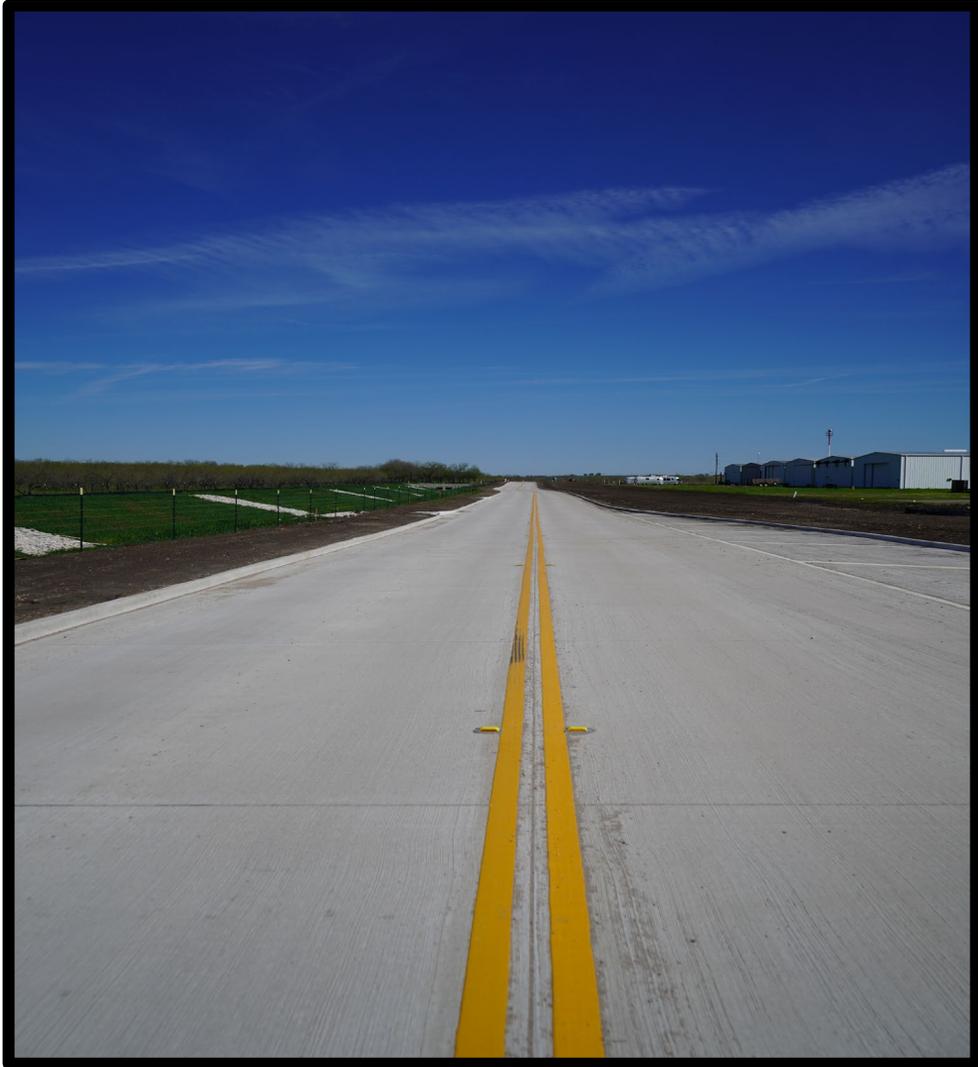


NORTH GROUND STORAGE TANK



- Timeline: Finalized completion by June
- Costs: **\$2,300,000**
- Location: Harvest Pump Station
- Improvements: 0.6 MGD of storage and Pump Upgrades
- Next actions: Pump upgrades

CLEVELAND-GIBBS SOUTH



- Timeline: Completion by April 2024 (Delayed)
- Costs: **\$5,600,000**
- Location: South of 1171
- Improvements: Road Widening and relocation
- Next actions: 70-day extension for Utilities relocation

CATHERINE BRANCH PHASE I



- Timeline: Completed
- Costs: **\$17.8 million**
- Location: North of Dale Earnhardt Way
- Improvements: Water, sewer, road, and storm Improvements: Wastewater treatment plant
- Next actions: Catherine Branch phase II

Water Projects

1. Catherine Branch – Phase 1
2. Cellular Meter Upgrade
3. Faught Road Waterlines
4. Ft. Worth Additional Capacity
5. Ft. Worth Second Point of Delivery
6. Northwest Water Tower
7. Southwest Water Tower
8. 2nd Ground Storage Tank
9. 3rd Ground Storage Tank

Sewer Projects

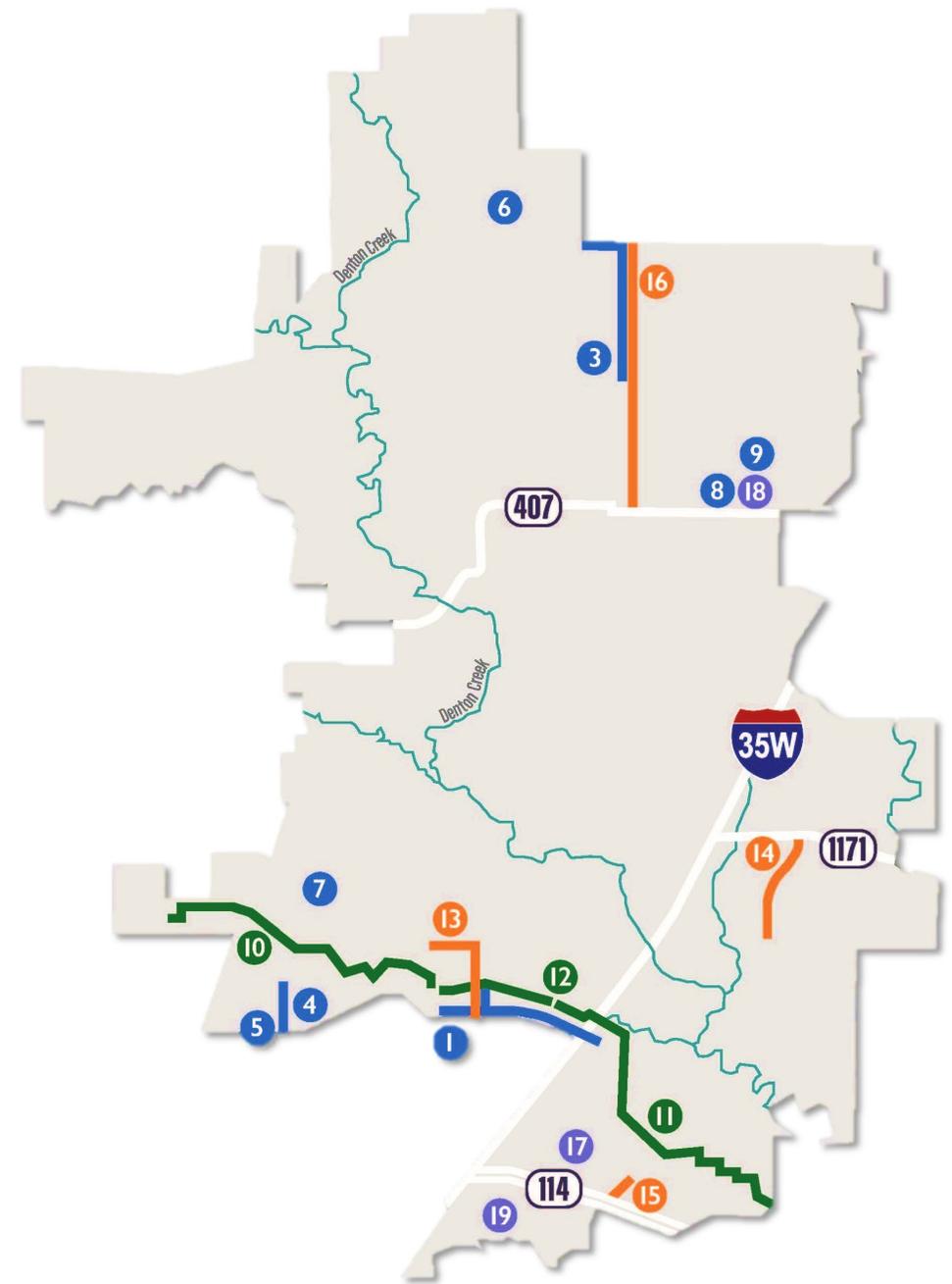
10. Catherine Branch – Phase 2
11. Denton Creek Trunk Line Engineering
12. Wastewater Treatment Plant Expansion

Road Projects

13. Catherine Branch – Phase 1
14. Cleveland Gibbs South
15. Dale Earnhardt Way South
16. Faught Road

Building Projects

17. Hotel Conference Center
18. Public Works Building
19. Sports Venue
20. Town Hall & Police Facility





STORMWATER PROJECTS AND MAINTENANCE

Town of Northlake

APRIL 11, 2024



TOTAL LABOR COSTS



Crew Leader-
\$60,724



Equipment
Operator- \$49,684



Maintenance Worker-
\$44,163

Yearly Total:

\$154,571

DAILY TASKS



**Following Segments.
Cleaning inlets and
drainage culverts**



**Field Drainage issue
callouts**



**Inspections of future
segments for cleaning
and repairs**



**Pouring new head walls
on existing culverts**



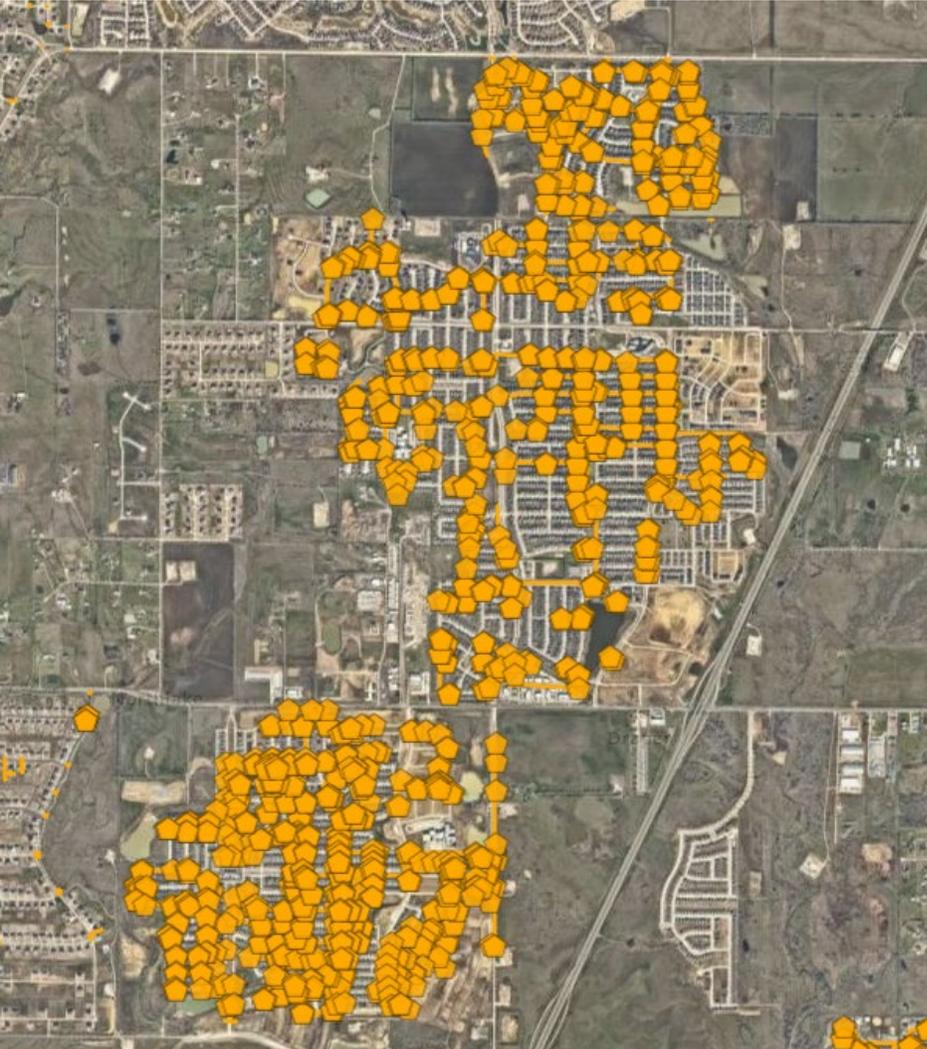
**Completing daily tasks
logged into asset
management system**



**Record drainage assets
into Geographic
Information System
(GIS)**



WEEKLY TASKS



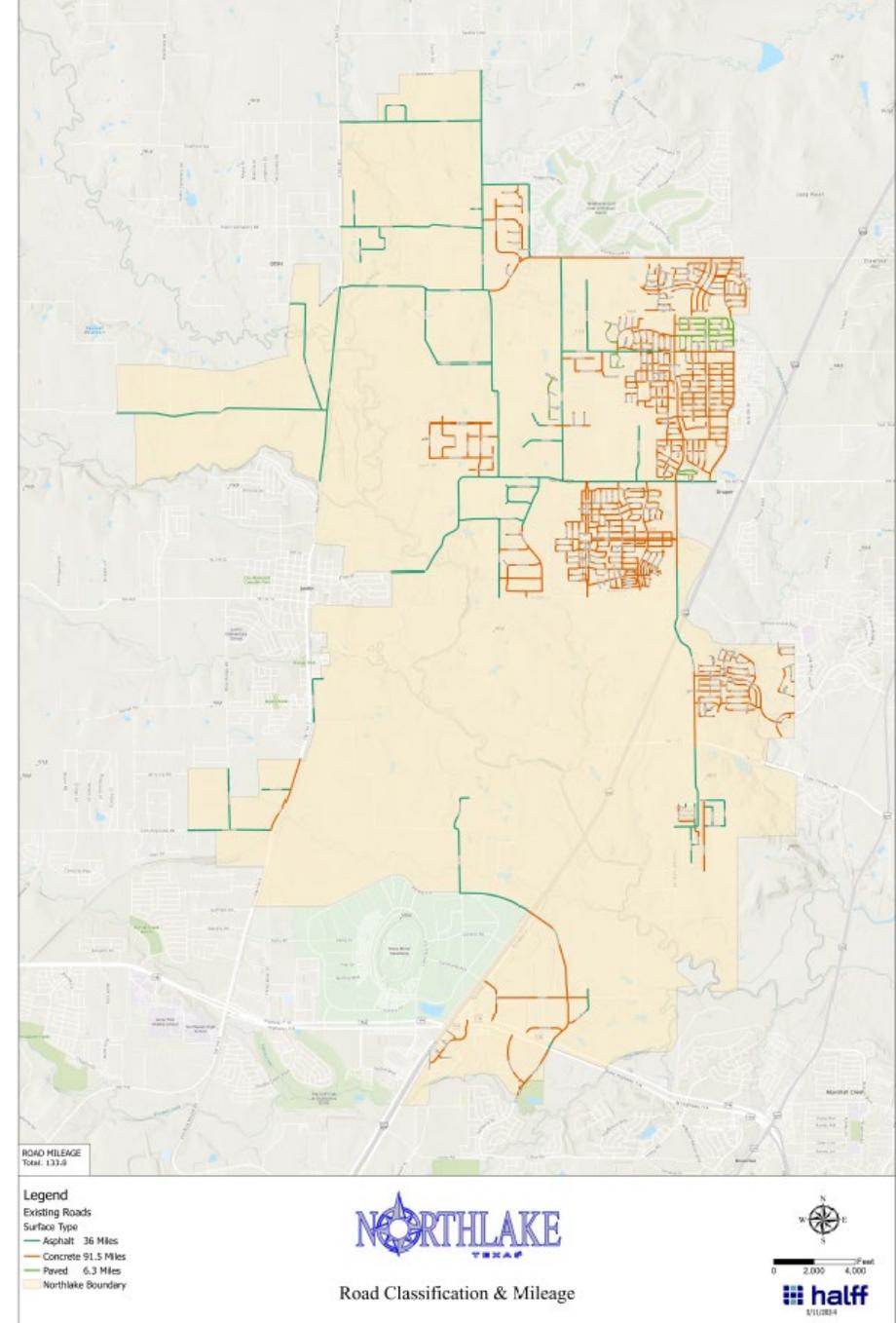
- Creating new segments for cleaning inlets and drainage culverts
- Inspector oversight of construction site runoff control
- Pollution Prevention
- Review accuracy of GIS corrections



MONTHLY TASKS

- Complete MS4* Paperwork with completed segments
- Illicit Discharge Detection
- Post-Construction Stormwater management
- Inspecting of contractor's sweeping projects
- Superintendent review of completed work

*MS4: Municipal Separate Storm Sewer System



EQUIPMENT PURCHASE OPTIONS



**Mini
Excavator**

\$194,382

**Crew Cab
Truck-
Dump Body**

\$ 95,000

**Street
Sweeper**

\$300,000

INTERNAL COSTS SUMMARY

Yearly Costs	Crew Cab Truck	Street Sweeper	Excavator
Fuel	\$7,000	\$7,500	\$5,540
Maintenance	\$6,000	\$10,000	\$10,000



Total yearly cost for Supplies:

\$ 30,000



Supplies, Fuel, Maintenance Total:

\$ 76,040



One-time equipment Cost total:

\$589,382



All equipment, supplies, labor total:

\$820,093

SWEEPING OPTIONS

Third Party Sweeping Service

Per Curb Mile	\$55.70
Per Cycle	\$7452.66
Total Yearly Cost	\$59,621.28

Sweeper Purchase

Purchase Price (one time)	\$300,000
Fuel and Maintenance(annual)	\$17,500
Total Cost	\$317,500

PILOT CHANNELS

- Pilot channels work by redirecting stormwater from streets and other impervious surfaces into natural or artificial channels, where it can be stored, treated, or gradually released back into the environment.
- Three initial proposed projects, with additional projects possible for future consideration.
 - Stardust Ranch: \$1.9 million
 - Creek Meadows: \$1.4 million
 - Prairie View Farms: \$900,000



Stardust Ranch
Projected Cost: \$1.9 Million

Prairie View Farms
Projected Cost: \$900,000

Creek Meadows
Projected Cost: \$1.4 Million

35W

DAYCARE TAX EXEMPTION

Town of Northlake

APRIL 11, 2024



BACKGROUND

- April 24, 2023: Texas Senate Bill 1145 passed
 - Municipalities may grant up to **100%** property tax exemption to childcare centers
 - Centers must be licensed by Health and Human Services Commission and meet various other requirements
 - If accepted by Council, minimum exemption: **50%**
 - Based on recent Attorney General opinion, exemption **cannot** be reversed
- March 21, 2024: Office of Senator Royce West requests to know if Northlake contemplates implementing tax abatement for childcare centers

BACKGROUND (CONT.)

- Six active daycares in Northlake and ETJ
 - Besides drop-in facility, all with waitlists ranging from 3 months to 1 year
- Six future daycares in development
 - One under construction
 - Two in platting process
 - Three in planning stage

PUBLIC INPUT, CONSENT & ACTION ITEMS

Town of Northlake

APRIL 11, 2024



PUBLIC INPUT

- Residents and guests may address Council on any matter
- Speakers encouraged to complete public input information card
- Presiding officer may redirect comments to item discussion
- No deliberation may occur for item not posted
- Presiding officer may impose time limit on comments

CONSENT ITEMS

- A. Town Council Meeting Minutes for March 14, 2024
- B. Consider a Resolution accepting the Fiscal Year 2023 annual financial audit
- C. Consider a Resolution amending the list of authorized representatives on behalf of the Town of Northlake for the Texas Local Government Investment Pool
- D. Consider a Resolution approving and authorizing the Town Manager to execute an Interlocal Agreement with Denton County Sheriff's Office for 911 Dispatch Agreement for budget year 2024-25

CONSENT ITEMS (CONT.)

- E. Consider a Resolution approving and authorizing Town Manager to execute a purchase agreement/contract with GMcivil, for Chadwick Farms link road paving and drainage construction plans, in an amount not to exceed \$99,900
- F. Consider a Resolution declaring certain personal property owned by the Town of Northlake to be surplus property and authorizing Town Manager to dispose of such property
- G. Consider a Resolution approving an agreement with Valley View Consulting, L.L.C., for investment advisory services for a two-year term; and authorizing the Town Manager to execute said agreement on behalf of the Town of Northlake

ACTION ITEMS

- A. Consider an Ordinance amending the Code of Ordinances by creating new subsections under chapter “12” “Utilities” to establish a Municipal Drainage Utility System; providing for drainage service, billing, exemptions, drainage charges, and appeals; providing a severability clause; providing a penalty for violation; providing for publication; and providing an effective date
 - i. Public Hearing
 - ii. Consider Approval

ESTABLISH A MUNICIPAL DRAINAGE UTILITY SYSTEM

- Municipal Separate Storm Sewer System (MS4) Permit
 - Town's size requires a Municipal Separate Storm Sewer System (MS4) Permit
 - MS4 permit required by Federal and State agencies for regulation and management of urban stormwater runoff
 - \$150k study is required as part of the MS4 permit process
- Drainage Fee
 - Monthly \$5 fee for residential household (excludes Harvest)
 - Commercial accounts charged at rate based on amount of impervious surface area
 - Feasibility study estimated fee to generate about \$300k annually prior to exceptions
 - Mid-year implementation estimated to cover the costs of the MS4 study

ESTABLISH A MUNICIPAL DRAINAGE UTILITY SYSTEM

- Adoption and Implementation of fee
 - Hold separate public hearings for creation of drainage utility and adoption of drainage fee
 - Consider and approve separate ordinances for creation of drainage utility and adoption of drainage fee
 - If approved, fee will be applied to May 2024 utility bill

ACTION ITEMS (CONT.)

- B. Consider an Ordinance amending the Code of Ordinances Article A4.00 “Water and Sanitary Sewer Service Fees”, of Appendix A “Fee Schedule” by adopting a new Section A4.004 setting charges for a drainage utility fee schedule; providing that this ordinance is cumulative; providing a severability clause; providing a penalty for violation; providing a savings clause; providing for publication; and providing for an effective date
 - i. Public Hearing
 - ii. Consider Approval

CHARGES FOR DRAINAGE UTILITY FEE

- Monthly \$5 fee for residential households (excludes Harvest)
- Commercial to be charged a fee based on impervious area and a median equivalent residential unit (ERU) of 5,000 sq ft
- Fee table and example commercial calculation:

Property Type	Monthly Drainage Utility Fee per ERU
Single Family Residential	\$5.00
Commercial and Non-Residential Property	\$5.00

**Median ERU for impervious area is 5,000 sq ft*

- Calculation for commercial and non-residential monthly drainage fee:

$$\text{Monthly Fee} = \text{Monthly Fee per ERU} \times \left(\frac{\text{Impervious surface of property}}{\text{Median ERU for impervious area}} \right)$$

ACTION ITEMS (CONT.)

- C. Consider an Ordinance amending the Adopted Budget for Fiscal Year October 1, 2023, through September 30, 2024; providing that expenditures for the said fiscal year shall be made in accordance with the said Amended Budget

BUDGET AMENDMENT #1

- Amendments fall under three categories:



Mid-Year 3% Cost of Living Adjustment

Adjustment to keep pace with inflation and regional market



Additional Positions

Fund Police Captain, Police Officer, and Equipment Operator



Criminal Investigation Division Building Finish-Out

Additional funds needed to complete CID finish out

BUDGET AMENDMENT #1

Fund	Description	Amount
General	<ul style="list-style-type: none"> • \$168,000 for 3% Cost of Living Adjustment • \$126,900 for Police Captain position • \$57,600 for Patrol Officer • \$50,000 CID Building Finish Out 	\$402,500
Hotel Occupancy	<ul style="list-style-type: none"> • 3% Cost of Living Adjustment 	\$2,500
EDC/CDC	<ul style="list-style-type: none"> • 3% Cost of Living Adjustment 	\$6,000
Water and Wastewater Fund	<ul style="list-style-type: none"> • \$92,000 for 3% Cost of Living Adjustment • \$44,500 for Equipment Operator 	\$136,500
Total		\$547,500

BUDGET AMENDMENT #1

- Amendment supported by following adjustments to Revenue
 - Development Revenues and Fees: \$100k increase
 - Court Fine Revenue: \$200k decrease
 - Franchise Fees: \$50k increase
 - Sales Tax: \$439k increase
 - \$154k in one-time sales tax from large, one-time sales
 - \$285k increase in estimated sales taxes for the year
 - Split between General Fund and Development Corporations (EDC/CDC)
 - Contracted Police Services: \$205k increase



EXECUTIVE SESSION

Town of Northlake

APRIL 11, 2024



EXECUTIVE SESSION

a. Section 551.071 - Consultation with Attorney

- i. Potential annexation and development agreement of property consisting of 38.1-acre, 20.0-acre, and 2.8-acre tracts generally located at southeast corner of Harmonson Road and McPherson Drive in extraterritorial jurisdiction of Town
- ii. Potential Development Agreement and annexation of property consisting of 156.8-acre tract of land generally located east of FM 156 and northwest of Victory Circle in extraterritorial jurisdiction of Town
- iii. Potential annexation and Development Agreement for property consisting of 3.7-acre, 3.2-acre, and 5.0-acre tracts of land generally located at northeast corner of SH 114 and Dale Earnhardt Way in extraterritorial jurisdiction of Town
- iv. Potential annexation and Development Agreement for property consisting of a 137.6-acre tract, an 84.3-acre tract, and a 53.8-acre tract of land generally located northwest of the intersection of McPherson Drive and Harmonson Road in the extraterritorial jurisdiction of the Town

EXECUTIVE SESSION (CONT.)

a. Section 551.071 - Consultation with Attorney (cont.)

- v. Potential annexation and Development Agreement for Oneta Lee Cope Revocable Trust tracts consisting of 69.0-acre, 0.8-acre, 1.5-acre, 3.9-acre, 4.0-acre, and 1.0-acre tracts of land generally located at northwest corner of Sam Reynolds Road and FM 156 in extraterritorial jurisdiction of Town
- vi. Potential annexation and development agreement of a property consisting of a 5.001-acre tract of land generally located on the north side of FM 407, northeast of the intersection with Pecan Parkway, in the extraterritorial jurisdiction of the Town
- vii. Discuss submission of motion for rehearing for the Oncor Transmission Line Project, Public Utility Commission Docket No. 55067
- viii. Discuss actions related to Public Utility Commission Docket No. 54243

EXECUTIVE SESSION (CONT.)

a. Section 551.071 - Consultation with Attorney (cont.)

- ix. Development agreements related to sewer line construction, capacity and financing with Northlake Municipal Management District #1, Hillwood Communities, and homebuilder development group
- x. Potential regulation of and enforcement of restrictions related to residential property rentals
- xi. Eminent domain action for the acquisition of real property for the construction and maintenance of sanitary sewer improvements for Phase 2 of the Catherine Branch Trunk Line project and for other public purposes permitted by law

EXECUTIVE SESSION (CONT.)

b. Section 551.072 Real Property

- i. Deliberation regarding the purchase, exchange, lease, or value of real property to be acquired for the construction and maintenance of sanitary sewer improvements for Phase 2 of the Catherine Branch Trunk Line Project

EXECUTIVE SESSION (CONT.)

- Reconvene into Open Session
 - Consider use of eminent domain to condemn property and consider a Resolution authorizing the filing of eminent domain proceedings for the purpose of obtaining the necessary real property for construction and maintenance of sanitary sewer improvements for Phase 2 of the Catherine Branch Trunk Line Project and for other public purposes permitted by law
 - Consider a resolution authorizing Town Manager to negotiate and execute a development agreement providing municipal services and authorizing fee waivers and other economic development incentives related to the voluntary annexation and development of property consisting of a 38.1-acre tract, a 20.0-acre tract, and a 2.8-acre tract of land generally located at the southeast corner of Harmonson Road and McPherson Drive in the extraterritorial jurisdiction of the Town
- Adjournment