



**NOTICE OF A SPECIAL COUNCIL MEETING
FAIRVIEW TOWN COUNCIL
TOWN HALL COUNCIL CHAMBERS
372 TOWN PL
FAIRVIEW, TX
TUESDAY, AUGUST 31, 2021
6:00 P.M.
AGENDA**

NOTICE IS HEREBY GIVEN the Town of Fairview Town Council will conduct a Special Meeting scheduled at 6:00 p.m. on Tuesday, August 31, 2021, located at Fairview Town Hall, 372 Town Place, Fairview, TX 75069 by telephone or video conference. The meeting will be accessible through in person or virtual attendance. The use of masks or face coverings is recommended.

This Notice and the Meeting Agenda will be posted online at fairviewtexas.org.

The telephonic/video meeting is hosted through RingCentral. To access the meeting via telephone/video conference click the below link:

<https://webinar.ringcentral.com/j/1461116115>

The public will be permitted to offer public comments as provided by the agenda and as permitted by the presiding officer during the meeting.

1. Call to Order
2. Pledge of Allegiance.
3. Texas Pledge
4. Citizen's Comment

At this time, any person may address the Council regarding an item on this meeting agenda that is not scheduled for public hearing. Also, at this time, any person may address the Council regarding an item that is not on this meeting agenda. Each person will have up to five minutes. No discussion or action may be taken at this meeting on items not listed on this agenda, other than to make statements of specific factual information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.

5. Conduct a public hearing regarding the Fiscal Year 2021-2022 proposed budget.
6. Conduct a public hearing regarding the Fiscal Year 2021-2022 proposed tax rate.
7. Discuss proposed Fiscal Year 2021-2022 budget, capital planning, budget process, meeting dates, and other related matters and take any necessary action.

8. Adjourn

I, Tenitrus Bethel, Town Secretary, hereby certify that notice of the above-named meeting was posted on the bulletin board of the Town Hall of the Town of Fairview, Texas, a place readily accessible to the public at all times, on the 27th day of August, 2021 at or before 5:00 p.m. and will remain continuously posted for at least 72 hours immediately preceding said meeting.

Tenitrus Bethel, Town Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The Town of Fairview Council Chambers is wheelchair accessible. Access to the building and special parking is available at the primary southwest and northwest entrance into the Town Hall parking lot. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, or readers, are requested to contact the Town Secretary's office at 972-562-0522, Ext 4234 or by fax at 972-886-4203.



Memorandum

August 26, 2021

TO: Mayor & Council

FROM: Julie Couch, Town Manager
Steven Ventura, Chief Financial Officer

SUBJECT: **Budget public hearings and discussion**

We will be holding public hearings on the tax rate and the budget on Tuesday. There will be a presentation on each of the items with no action being taken. Additionally, we will be ready to continue any budget discussion that we need to follow up on related to the components of the budget. We have included the list of capital projects discussed at the last meeting.

Below is a review of some of the budget information related to property taxes, a summary overview of the rate adjustments included in the budget, and the significant operating expenses in both the General Fund and the Water and Sewer Funds. This provides a breakdown of the major additions to the two major funds. Some of the expenses will be offset with the inclusion of some of the ARP funds in both the General Fund and the Water and Sewer fund. Also included is the total increase in expenditures in both funds.

Property Tax information

The final numbers from the Appraisal District certify the total tax base at \$2,236,478,486, which is a 7.066% increase over FY20-21. Of that value, \$63,785,948 is new construction which represents 3.053% of the increase. Existing values increased by 4.012%.

The taxes on an average home value of \$571,719 at the proposed rate of .345580 would be \$1,976. The average home value in FY20-21 was \$537,020 and the taxes for that value at the 20-21 tax rate of .347156 would have been \$1,864, or \$112 less.

Rate Adjustments included in the FY21-22 Budget

Reduction in tax rate

No increase in water rates

Increase in solid waste rates = 3.4% pass through

Increase in sewer rates – 10% pass through

Significant Operating Expense Adjustments in the General and Water and Sewer Funds

General Fund	
Funds for Merit increases and market study (5%)	295,000
Added a police patrol position starting in January	84,000
Replace outdated in-car police camera systems	38,300
Replace part time and overtime for one full time fire fighter	0
Increase in street maintenance funds	<u>65,000</u>
Total Itemized General Fund Expenses	482,300
Total General Fund expenses over Adopted FY20-21	574,212
Water and Sewer Fund	
Funds for Merit increases and market study	47,500
Capital equipment replacement	100,000
Added an additional maintenance worker	48,000
Water yard security expenses	30,000
Increased NTMWD sewer costs	128,800
personnel transition in utility billing	<u>30,000</u>
Total Itemized WS Fund Expenses	400,900
Total WS expenses over Adopted FY20-21	484,162



Memorandum

August 31, 2021

TO: Mayor & Council

FROM: Julie Couch, Town Manager
Steven Ventura, Chief Financial Officer

SUBJECT: **PUBLIC HEARING ON THE FISCAL YEAR 2021-22 PROPOSED BUDGET**

BACKGROUND: In accordance with the Texas Local Government Code, the Town Council must hold a public hearing on the proposed budget. The public hearing must be set for a date occurring after the 15th day after the proposed budget is filed with the Town Secretary, but before the date the Town Council adopts its tax rate. As budget officer for the Town, the Town Manager filed the proposed budget on Monday, July 26th to allow the public the ability to review the budget prior to the public hearing. As required by State law, notice of the public hearing regarding the budget was published in the Allen American on Thursday, August 19. In addition, the public hearing notice was posted on the Town's website.

Section 102.007 of the Local Government Code requires a budget that raises more revenue from property taxes than in the previous year to contain the following note:

“THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR’S BUDGET BY AN AMOUNT OF \$470,143, WHICH IS A 6.48% INCREASE FROM LAST YEAR’S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$220,431.”

The above statement is based on the calculation using the methodology required by the state.

Section 102.007 of the Local Government Code also requires a vote of the Town Council, in addition to and separate from the vote to adopt the budget, to ratify the property tax increase reflected in the budget when a proposed budget raises more revenue from property taxes than in the previous year.

STATUS OF ISSUE: The Town Manager is required by ordinance to prepare the Town's annual budget and submit the budget to the Town Council. The Town Manager filed the proposed budget for fiscal year 2021-22 with the Town Secretary on Monday, July 26. After filing the budget with the Town Secretary, the Town Council met to discuss the budget at the budget work session on Wednesday, July 28th. The proposed budget includes a budget for the Fairview Economic Development Corporation (EDC) and Fairview Community Development Corporation (CDC). The EDC and CDC approved the budget at their meeting on Wednesday, August 25th.

The Collin County Tax Office provides tax assessment and collection services to the Town and has calculated the Town's No New Revenue rate, Voter Approval rate and De Minimus rate as \$0.331565 per \$100 of property valuation and \$0.345580 per \$100 of valuation, and \$0.353867 per \$100 of valuation respectively. The No New Revenue rate is a calculated rate that would provide the taxing unit with about the same amount of revenue it received in the year before on properties taxed in both years. If property values rise, the effective tax rate will go down and vice versa. The Voter Approval rate is a calculated maximum rate allowed by law without voter approval. The voter approval rate provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations, plus an extra three and a half (3.5) percent increase for those operations, in addition to sufficient funds to pay debt in the coming year. The De Minimus rate is calculated for cities under 30,000. This rate would allow smaller cities to generate an additional \$500,000 in tax revenue, however, a petition could still be submitted to require an election to approve or deny the proposed rate.

The proposed budget is based on a combined tax rate of 0.345580. The combined tax rate consists of an interest and sinking (I&S) rate of \$0.100044 and a maintenance and operations (M&O) rate of \$0.245536. The proposed combined tax rate exceeds the No New Revenue rate and is equal to the Voter Approval rate, therefore a public hearing is required.

The Town Council is scheduled to take final action on the proposed budget and the tax rate at the regularly scheduled council meeting September 7th by adopting the budget and tax rate by ordinance.

BUDGET: The Town Council must adopt a budget and tax levy to support the maintenance, operation, and debt obligations of the Town.

RECOMMENDATION: After conducting a public hearing to receive input on the FY 2021-22 Town of Fairview proposed budget, Town staff recommends that the Town Council direct Town staff to prepare ordinances to adopt the budgets and the associated tax and fee rates for consideration, at their meeting on Tuesday September 7th, 2021.



Memorandum

August 27, 2021

TO: Mayor & Council

FROM: Julie Couch, Town Manager
Steven Ventura, Chief Financial Officer

SUBJECT: PUBLIC HEARING ON THE PROPOSED TAX RATE FOR FISCAL YEAR 2019-20

BACKGROUND: The Collin County Tax Office has calculated the Town's No New Revenue rate, Voter Approval rate and De Minimus rate as \$0.331565 per \$100 of property valuation and \$0.345580 per \$100 of valuation, and \$0.353867 per \$100 of valuation respectively. Although the proposed tax rate is lower than last year's tax rate of \$0.347156, the Town Council must hold a public hearing on the proposed rate because the Town's proposed tax rate of \$0.345580 exceeds the No New Revenue tax rate.

STATUS OF ISSUE: On August 16th, the Town Council took a record vote recognizing the proposed tax rate and established the date, time, and location of the public hearing as Tuesday, August 31st at 6:00 p.m. in the Town Hall Council Chambers located at 372 Town Place in Fairview, Texas and via telephonic/video access. Taxpayers shall be given an opportunity to express their views on the proposed rate at the hearing. The governing body may not adopt the tax rate at the hearing. At the hearing, the governing body must announce the date, time, and place of the meeting at which it will vote on the tax rate.

State law also requires that the City publish a "Notice of 2021 Tax Year Proposed Property Tax Rate" in its official newspaper, the Allen American, and post the same notice on its website. The notice was published on Thursday, August 19th and has also been posted on the website since August 19th. The Town Council is scheduled to take final action on the proposed budget and tax rate, on September 7th by adopting the FY 2021-22 budget and 2021 tax rate by ordinance.

The average taxable value of a residential homestead in the Town of Fairview last year was \$537,020. Based on last year's tax rate of \$0.347156 per \$100 of taxable value, the amount of

taxes imposed last year on the average home was \$1,864.30. The average taxable value of a residential homestead in the Town of Fairview increased to \$571,719 this year. When the proposed tax rate of \$0.345580 per \$100 of taxable value is applied to the increased home value, the amount of taxes imposed this year on the average home would be \$1,975.75.

BUDGET: The Town's tax rate directly impacts the Town's budget. The proposed tax revenues for fiscal year 2021-22 are based on a tax rate of \$0.345580.

RECOMMENDATION: Town staff recommends the Town Council conduct the public hearing on the proposed tax rate of \$0.345580. At the end of the public hearing, the mayor should announce that the Town Council will take final action on the 2021 tax rate on September 7th, 2021 at 7:30 p.m. Meetings will be in the Town Hall Council Chambers located at 372 Town Place in Fairview and via telephonic/video access.



Memorandum

August 10, 2021

TO: Mayor and Councilmembers
FROM: Julie Couch, Town Manager

SUBJECT: **Overview of CIP planning and Funding**

Attached you will find the updated 2021 draft Capital Improvement Plan for the town. This document encompasses planning that has occurred including the CPDD plan; water, sewer, and roadway planning; park and trail components; drainage projects that have been discussed; large equipment needs, and facility needs. The value of such a plan is to ensure that long range projects are recognized and programmed when needed.

The plan encompasses a 10 year period. It is important to remember that this is a plan. The plan will change over time with projects being added, deleted, moved and amended as needed. Included in the document is a listing of the various types of funds that would be used to finance this plan. Consideration of this plan by the Council does not grant approval of the items that are included. All items or projects would be submitted as a part of the budget process or as part of a specific capital program for any given year and would have to be approved through those processes. As you will see, there are several items that are listed with no costs assigned at this time. Those costs are dependent on either the design being initiated to better determine the costs or, in the case of the park and trail capital planning, dependent on the adoption of the proposed updated park plan by the council once it is finally submitted by the Park Board.

In addition to the longer term 10-year plan, included is a more focused detail outline proposed for the next two fiscal years addressing projects that are addressing immediate needs, and use of the AR Funds that will be received over the next two years. There are equipment and planning items that are identified on the larger plan for FY22-23 that are not discussed here. Those items will be addressed as the budget is developed for FY22-23. Below is a discussion of each of the items on the 2-year list with an estimated cost. We have identified funding sources for each item. Some of the identified funds can only be used for the items that are being proposed. Other funds can be moved or replaced as the Council may determine.

Camera Upgrades

The Town has security cameras on most of its facilities but many of them are older technology that is no longer supported. We have been programming to replace a portion each year. This is critical infrastructure and it is recommended that we utilize available court security and tech fees to fully replace the cameras in all locations. The cost is estimated at \$83,000.

Public Works Service Center Remodel

With the move of the fire department to the new station, we need to refurbish the existing site to function as a public works service center. Attached is a plan that provide the public works department with a facility that will provide them with a working site that will meet their needs. The cost is estimated at \$600,000.

Street Capital Projects

Frisco Road – this project has been approved and we are moving ahead with design. The original budget estimated costs of \$5,000,000 including a water line, street lighting, median improvements and sidewalks. The original request was for \$4,000,000 in funding from the EDA and \$1,000,000 coming from the Town. Those funds were planned to come from the Street impact fees. The EDA reduced their share by \$1,000,000. By eliminating the water line, the street lighting, median improvements and sidewalks the estimate was reduced to the approved \$4,000,000. We indicated to the council at the time of the grant approval that we could bid the full project and depending on how the bids come in elect to fund the full cost or choose not to fund certain elements. We have presented options on funding all of the costs if the bids are in the \$5,000,000 range.

Hart Road – the council has indicated that you want us to proceed with engineering on the reconstruction of Hart Road. We are currently developing a design proposal. We are proposing to undertake the design of the road in FY21-22. There will be a number of design considerations and questions that will need to be answered as we complete the engineering. Once the design is complete the council can then make decisions as to how to move forward with construction of the road. While we don't have an engineer estimate of cost it will likely come in around \$3,000,000. We are proposing to use general fund reserves to complete the design and to begin right of way acquisition in FY21-22.

Fairview Parkway – in 2016 the town applied for a grant from the county to share in the cost of the design and right of way acquisition for both Frisco Road and Fairview Parkway. A grant was received from the county in the amount of \$1,349,500 for design of the roads and a total of \$2,250,000 was approved for the purpose of right of way acquisition. The town also issued debt to provide matching funds for the design costs and some of the funds for right of way acquisition. Both roadways have been designed to 30%. Funds are available to proceed with the remaining design work for Fairview Parkway. Additionally, right of way could be initiated on some of the out parcels associated with the project.

Parks and Trails Capital Projects

Land acquisition and park planning – with the planning occurring on the Billingsley project there has been discussion about additional park land in the area of our recent trail project. It would be very timely to work with the Billingsley group on planning the town's future park needs in this area. General fund reserves are proposed for these efforts.

Trail connection from Apple Crossing to Stoddard Road – the town recently submitted a small grant application to the county for completion of one of our trail connections. If funded \$50,000 would be provided by the County and \$50,000 would be provided from the park funds.

Medians on Stacy or other use – these funds have been set aside for the last couple of years to be allocated by the council.

Sewer Capital Projects

The town has entered into agreements with the NTMWD and the City of Allen to partner with them in a regional lift station to provide sewer capacity to the undeveloped portions of the CPDD. The Town's original plan had been to construct a parallel line along the current force main all the way to the southern end of the CPDD. That would have been much more expensive and intrusive to build. Our commitment to the regional lift station is to pay for 25% of the construction cost. The current estimate for our share is \$2,200,000. Our obligation is to pay this at the end of 5 years after the execution of the agreement, which occurred at the end of 2018, or when we actually begin to tie sewer into the lift station, whichever occurs first. We are estimating that the town will pay our portion in FY23-24. TIF funds and American Rescue funds are proposed for funding this project.

Water Capital Projects

The town's current meter reading system is primarily a radio read system that requires staff to drive through town and pick up the radio signals from the meters that are then downloaded into the billing system. This system works but it is a challenge for customers to obtain detailed information on how and when they are using water. Many cities have moved to AMI systems that allows for the installation of smart meters that customers can access directly to monitor their usage and be able to actively control their use of water. Over the years we have explored such systems and they have been cost prohibitive. As with all technology, the costs have come down over the years and with the availability of the funding from the American Rescue funds and the limitations on how those funds can be used, it is proposed to consider such a system. Rather than moving forward with a complete replacement of the system at once it is proposed to use AR funds for an initial set up and installation of a pilot project for approximately 500 meters. Additional funding for other areas would be added in the utility fund for 5 years to complete the project. We will have some information on the system at the meeting.

Drainage Capital Projects

Fox Glen drainage study – the council authorized the completion of a study of the Fox Glen area to evaluate options to address drainage issues. That study is underway. Once it is complete and we have estimated construction costs funding can be considered. Sources of funds can include the American Rescue funds and drainage reserves.

Farmstead drainage project – this project would be done with town resources and could be absorbed in the drainage operating budget.

Bluebird drainage project – this is a project that has been discussed but no plan of action has been finalized. Should a project be finalized funding can then be considered.