WORKSHOP & REGULAR MEETING
OF THE TOWN COUNCIL

Tuesday, August 17, 2021
6:00 PM
Little Elm Town Hall
100 W Eldorado Parkway, Little Elm, TX 75068

1. Call to Order Council Workshop at 6:00 p.m.
   A. Invocation.
   B. Pledge to Flags.
   C. Items to be Withdrawn from Consent Agenda.
   D. Emergency Items if Posted.
   E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.
   F. Presentation of Monthly Updates.
   G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

2. Workshop.
   A. Present and Discuss the 2021 Citizens Government Academy and Participants.
   B. Present and Discuss Proposed Amendments to Chapter 26 (Businesses and Business Regulations) to Establish Requirements and Regulations for Food Truck Operations within the Town.

3. Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.
4. Presentations.
   A. Present a Certificate of Recognition from the Mayor to the Little Elm Citizens on Patrol.
   B. Present a Certificate of Recognition from the Town Manager for Outstanding Customer Service to Kristy McCarthy.
   C. Present Certificates of Recognition from the Town Manager to Captain Brad Wilcox and Lieutenant Stoney Ward for Graduating from the Certified Public Manager Program.
   D. Present a Certificate of Recognition from the Town Manager to Natasha Roach for Graduating from Oklahoma University’s Economic Development Institute.
   E. Present a Certificate of Recognition from the Town Manager to Kylie Brooks for her Outstanding Administration of the Employee Wellness Program.

5. Public Comments
   Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.

6. Consent Agenda
   All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.
   A. Consider Action to Approve the Minutes from the August 3, 2021, Regular Town Council Meeting.
   B. Consider Action to Approve the Minutes from the August 4, 2021, Town Council Budget Workshop.
   C. Consider Action to Approve the Joint Election Agreement and Contract for Election Services with the Denton County Elections Administrator.
   D. Consider Action to Approve Ordinance No. 1623 Approving the 2021-2022 Annual Service Plan Update for the Lakeside Estates Public Improvement District No. Two.
   E. Consider Action to Approve Ordinance No. 1624 Approving the 2021-2022 Annual Service Plan Update for the Hillstone Pointe Public Improvement District No. Two.
   F. Consider Action to Approve Ordinance No. 1625 Approving the 2021-2022 Annual Service Plan Update for the Rudman Tract Public Improvement District.
   G. Consider Action to Approve Ordinance No. 1626 Approving the 2021-2022 Annual Service Plan Update for the Valencia Public Improvement District.
   H. Consider Action to Approve Ordinance No. 1627 Approving the 2021-2022 Annual Service Plan Update for the Spiritas Ranch Public Improvement District.
I. Consider Action to Approve Ordinance No. 1628 Amending the Town of Little Elm's Employee Manual.

J. Consider Action to Approve the Performance Agreement between Hurtado Barbecue Little Elm LLC, Little Elm and the EDC.

K. Consider Action to Approve the Economic Development Corporation's Budget for FY 2021-2022.

L. Consider Action to Approve the Extension of the Professional Services Agreement between Little Elm Economic Development Corporation and the Town of Little Elm.

M. Consider Action to Approve Resolution No. 0817202102 Approving Certain Project Expenditures for TIRZ 4; Providing a Severability Clause; and Providing an Effective Date.

N. Consider Action to Approve Resolution No. 0817202103 Approving a Negotiated Settlement Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division Regarding the Company's 2021 Rate Review Mechanism Filing.

O. Consider Action to Approve Resolution No. 0817202104 Approving Certain Project Expenditures for TIRZ 6; Providing a Severability Clause; and Providing an Effective Date.

P. Consider Action to Approve Resolution No. 0817202105 for an Incentive Agreement for the American Rescue Plan Act of 2021, COVID-19 Voucher Program.

Q. Consider Action to Approve the Seventh Amendment to the Ground Lease Purchase Agreement between Hula Hut and Little Elm EDC.

R. Consider Action to Approve the Sixth Amendment of the Chapter 380 Agreement between Hula Hut and the Town of Little Elm.

S. Consider Action To Approve a Contract for $64,671.99 with Evoqua Water Technologies for Wastewater Treatment Plant (WWTP) Odor Scrubber Repair.

T. Consider Action to Approve a Facility Use Agreement with Silverado Rentals.

U. Consider Action to Approve a Concession Agreement with Frios Gourmet Pops.

V. Consider Action to Approve an Interlocal Cooperation Agreement between Denton County, Texas and Town of Little Elm, Texas for the Design, Right-of-Way Acquisition, and Utility Relocations associated with the Reconstruction of King Road from Witt Road to Rose Lane.

W. Consider Action to Approve an Interlocal Cooperation Agreement between Denton County, Texas and the Town of Little Elm, Texas for the Design, Right-of-Way Acquisition, Utility Relocation, and Construction of Union Place, Promenade Lane, and Pergola Parkway Deceleration Lanes and Right-Turn Lanes onto and off of US 380 at Promenade and Pergola Parkway, and the Two Northern Lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

X. Consider Action to Approve an Interlocal Cooperation Agreement between Highway 380 Municipal Management District #1 and the Town of Little Elm, TX for the Design, Right-of-Way Acquisition, Utility Relocation, and Construction of Union Place, Promenade Lane, and Pergola...
Parkway Deceleration Lanes and Right-Turn Lanes onto and off of US 380 at Promenade and Pergola Parkway, and the Two Northern Lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

7. Public Hearings.

8. Reports and Requests for Town Council Consideration.
   A. Present, Discuss, and Consider Action on All Matters Incident and Related to the Issuance and Sale of “Town of Little Elm, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021”, including the Adoption of Ordinance No. 1629 Authorizing the Issuance of such Certificates of Obligation.
   B. Present, Discuss, and Consider Action on Resolution 0817202101 Appointing a Mayor Pro Tem for a One-Year Term of Office and Providing an Effective Date.
   C. Present, Discuss, and Consider Action on Appointing a Town Council Member as Liaison for the Economic Development Corporation Board.
   D. Present, Discuss, and Consider Action on Appointing a Town Council Member as Liaison for the Community Development Corporation Board.
   E. Present, Discuss, and Consider Action on Appointing a Town Council Member as Liaison for the Planning and Zoning Commission.
   F. Present, Discuss, and Consider Action on Appointing one or more Town Council Members as a School Board Liaison.

9. Convene in Executive Session pursuant to Texas Government Code:
   - Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
     - Discuss a Resolution to terminate the development agreement between the Town of Little Elm and The Sanctuary Texas, LLC, and release property located in its extraterritorial jurisdiction to the Town of Lakewood Village upon certain obligations and conditions being satisfied; and approving the form of interlocal agreements for Fire, EMS, and Police services with the Town of Lakewood Village.
   - Section 551.072 to discuss certain matters regarding real property.
   - Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
   - Section 551.076 to discuss security matters.
   - Section 551.087 to discuss Economic Development.
10. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town’s response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
  - Discuss and Consider Action to Approve a Resolution to terminate the development agreement between the Town of Little Elm and The Sanctuary Texas, LLC, and release property located in its extraterritorial jurisdiction to the Town of Lakewood Village upon certain obligations and conditions being satisfied; and approving the form of interlocal agreements for Fire, EMS, and Police services with the Town of Lakewood Village.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

11. **Adjourn.**

Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0452 two days prior to the meeting so appropriate arrangements can be made. **BRAILLE IS NOT PROVIDED.**

Respectfully,

Town Secretary

This is to certify that the above notice was posted on the Town’s website this 13th day of August 2021 before 5:00 p.m.
Date: 08/17/2021
Agenda Item #: 2.A.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:
Present and Discuss the 2021 Citizens Government Academy and Participants.

DESCRIPTION:
The Town of Little Elm hosts a Citizens Government Academy each fall. This is an eight-week program designed to offer Little Elm residents the opportunity to learn about the daily functions and roles of local government. The goal of the program is to create more informed, engaged, and proactive members for the community to strengthen the Town’s vision for growth and development.

The class size is held to approximately 20 people so that all of the participants can have a very personal experience and really get to know the representatives from the Town. At the close of the application period, we received 41 applications. After reviewing the applications, we ended up with 38 eligible applicants.

This item will be to hold a drawing, if necessary, to select this year’s participants.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Information only, no action required.
AGENDA ITEM:
Present and Discuss Proposed Amendments to Chapter 26 (Businesses and Business Regulations) to Establish Requirements and Regulations for Food Truck Operations within the Town.

DESCRIPTION:
Currently, food trucks have been allowed as part of Special Events permitting, which are limited to the number of events held on an annual basis. Due to growing popularity of food trucks, and the Town’s desire to capture the additional revenue, there was expressed interest for the Town to become more food truck friendly and incorporate a permitting process for food truck operations, outside of the Special Events permitting process. With this guidance, working in coordination with the Economic Development Corporation (EDC), Staff evaluated ordinances of surrounding municipalities currently regulating food trucks and would like to get Council’s direction on establishing a permitting process most suitable for the Town of Little Elm.

Staff is proposing to incorporate the new permitting process under Chapter 26 (Businesses and Business Regulations), Article IV (Food and Food Permitting) by creating Section 26-128 (Food Trucks), under Division 3, to officially establish the permitting process, requirements, and regulations for food truck operations, as well as by amending Division 1, Section 26-91 (Definitions) in order to include terminology relevant to such operations.

The new permit would allow a food truck to operate outside of Special Events, through coordination from a host business, under an approved site plan, on private or EDC property, but would still be able to operate as part of a Special Events permit, through the existing permitting process, without being required to also obtain a food truck permit.

The proposed permitting process would flow as follows:
- **Host business Registration.** The host business would be required to register with the Town through the online contractor registration portal by providing their contact information, physical address, Certificate of Occupancy, and food establishment permit number.
- **Application.** Once registered, the host business would be able to apply through the online permitting portal for a bi-annual food truck permit, for each individual food truck separately, by providing the food truck operator name and contact information, food truck license plate, food truck food establishment permit number (health permit), food truck hours of operation, a site plan showing the proposed...
location and a completed food truck permit checklist.

**Review.** If the proposed food truck operation is in compliance with all the requirements and their food establishment permit is up to date, the permit will be issued.

**Permit.** The host business would then be able to print the approved food truck permit certificate through their online portal and provide it to the food truck operator. The certificate must be displayed on the food truck, in a visible location, at all times during its operation. The attached exhibits outline the text amendments and newly created food truck section in more detail.

**BUDGET IMPACT:**
This item has no budget impact.

**RECOMMENDED ACTION:**
Staff requests direction from Town Council.

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**Attachments**

Sec. 26-128 Food Trucks
Amended Sec. 26-91 Definitions
Food Truck Permit Checklist
**AGENDA ITEM:**
Present a *Certificate of Recognition from the Mayor to the Little Elm Citizens on Patrol.*

**DESCRIPTION:**
The Little Elm Citizens on Patrol are trained volunteer drivers and graduates of previous Little Elm Citizens Police Academy classes. Their objective, as non-confrontational and unarmed volunteers, is to be extra eyes and ears for the Little Elm Police Department.

As observational patrol, they drive throughout town neighborhoods and local businesses at various times of the day and night, reporting suspicious activity to the LEPD.

These volunteers assist the LEPD with local town events, such as July Jubilee, the LOCALE/LEPD Bike Rodeo, and more.

**BUDGET IMPACT:**
There is no budget impact for this item.

**RECOMMENDED ACTION:**
N/A
Date: 08/17/2021
Agenda Item #: 4.B.
Department: Administrative Services
Strategic Goal: Ensure excellence in public services while keeping up with the growth in the community
Staff Contact: Matt Mueller, Town Manager

AGENDA ITEM:
Present a Certificate of Recognition from the Town Manager for Outstanding Customer Service to Kristy McCarthy.

DESCRIPTION:
Town Manager Matt Mueller will present a Certificate of Recognition to Kristy McCarthy for her outstanding customer service at The Cove at the Lakefront.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Information only, no action required.
Date: 08/17/2021
Agenda Item #: 4.C.
Department: Administrative Services
Strategic Goal: Ensure excellence in public services while keeping up with the growth in the community
Staff Contact: Rodney Harrison, Police Chief

AGENDA ITEM:
Present Certificates of Recognition from the Town Manager to Captain Brad Wilcox and Lieutenant Stoney Ward for Graduating from the Certified Public Manager Program.

DESCRIPTION:
Chief Harrison will present certificates of graduation from the Certified Public Manager (CPM) program to Captain Brad Wilcox and Lieutenant Stoney Ward.

The CPM program is a nationally accredited comprehensive statewide management development program specifically for managers in federal, state, and local government and for managers in the not-for-profit sector. The program’s primary goal is to improve the performance of public and not-for-profit sector managers and the organizational performance of state, local and federal government. It is a comprehensive course of study by which public managers can acquire and apply the best practices and theory to their management behaviors and strategies using prescribed sets of professional standards.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Information only, no action required.
Date: 08/17/2021
Agenda Item #: 4.D.
Department: Administrative Services
Strategic Goal: Ensure excellence in public services while keeping up with the growth in the community
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Present a Certificate of Recognition from the Town Manager to Natasha Roach for Graduating from Oklahoma University's Economic Development Institute.

DESCRIPTION:
After graduating from Oklahoma University's Economic Development Institute, Economic Development Coordinator Natasha Roach was recently promoted to Assistant Director of Economic Development for the Little Elm Economic Development Corporation.

The OU EDI experience is designed to immediately impact a participant's professional career by providing comprehensive courses that align with the International Economic Development Council (IEDC) and the latest economic development trends.

Natasha has focused on employee management, project management, business operations, and process workflows. Working with the EDC allows her to apply her experience in various areas and participate in the growth of Little Elm and further supports the EDC's mission to advance economic development in Little Elm while capitalizing on the Town's lakeside character and sense of community.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Information only, no action required.
Date: 08/17/2021  
Agenda Item #: 4.E.  
Department: Administrative Services  
Strategic Goal: Ensure excellence in public services while keeping up with the growth in the community  
Staff Contact: Matt Mueller, Town Manager  

AGENDA ITEM:  
Present a Certificate of Recognition from the Town Manager to Kylie Brooks for her Outstanding Administration of the Employee Wellness Program.  

DESCRIPTION:  
Town Manager Matt Mueller will present a Certificate of Recognition to Kylie Brooks for her Outstanding Administration of the Employee Wellness Program.  

BUDGET IMPACT:  
There is no budget impact for this item.  

RECOMMENDED ACTION:  
Information only, no action required.
Date: 08/17/2021
Agenda Item #: 6.A.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:
Consider Action to Approve the Minutes from the August 3, 2021, Regular Town Council Meeting.

DESCRIPTION:
The minutes from the August 3, 2021, regular Town Council meeting are attached for approval.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments

Minutes - August 3, 2021
Date: 08/17/2021
Agenda Item #: 6.B.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:
Consider Action to Approve the Minutes from the August 4, 2021, Town Council Budget Workshop.

DESCRIPTION:
The minutes from the August 4, 2021, Town Council Budget Workshop are attached for approval.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Minutes - August 4, 2021
AGENDA ITEM:
Consider Action to Approve the Joint Election Agreement and Contract for Election Services with the Denton County Elections Administrator.

DESCRIPTION:
The Town of Little Elm contracts with the Denton County Elections Administrator to provide election services for all elections.

The contract attached to this item is in draft form because the Denton County Elections Administrator is waiting for all locations and entities joining the contract to give notice of their participation in the November 2, 2021 election. Once all entities have given notice, the final cost of the Town’s portion will be calculated.

BUDGET IMPACT:
This item is budgeted for in the General Fund operating budget.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Contract - Joint Election Agreement and Contract for Services with Denton County
Date: 08/17/2021  
Agenda Item #: 6.D.  
Department: Finance  
Strategic Goal: Maintain operational integrity and viability  
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1623 Approving the 2021-2022 Annual Service Plan Update for the Lakeside Estates Public Improvement District No. Two.

DESCRIPTION:
The Lakeside Estates Public Improvement District Number Two was created pursuant to the Public Improvement District (PID) Act and a resolution of the Town Council on August 15, 2017. The Town of Little Elm has contracted with Municap, Inc. to provide administrative and management support services associated with the Lakeside Estates Public Improvement District Number Two.

Municap, Inc.’s scope of services includes the annual determination of the special assessments to be collected from the property within the PID boundaries as well as updating the service and assessment plan and special assessment roll. In compliance with Chapter 372, Texas Local Government Code, the Service and Assessment Plan must be reviewed and updated annually.

This document is the annual update of the Service and Assessment Plan for 2021-2022. This Annual Service Plan update is related to the annual budget for the payment of PID obligations.

BUDGET IMPACT:
Lakeside Estates Annual PID Assessment for 2021-2022. Submittal to Denton County Tax office prior to October 1.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Staff Report Lakeside Estates PID No. 2  
Ordinance No. 1623  
Lakeside Estates 21-22 SAP
Date: 08/17/2021
Agenda Item #: 6.E.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1624 Approving the 2021-2022 Annual Service Plan Update for the Hillstone Pointe Public Improvement District No. Two.

DESCRIPTION:
The Hillstone Pointe Public Improvement District Number Two was created pursuant to the Public Improvement District (PID) Act and a resolution of the Town Council on April 4, 2017. The Town of Little Elm has contracted with Municap, Inc. to provide administrative and management support services associated with the Hillstone Pointe Public Improvement District Number Two.

Municap, Inc.’s scope of services includes the annual determination of the special assessments to be collected from the property within the PID boundaries as well as updating the service and assessment plan and special assessment roll. In compliance with Chapter 372, Texas Local Government Code, the Service and Assessment Plan must be reviewed and updated annually.

This document is the annual update of the Service and Assessment Plan for 2021-2022. This Annual Service Plan update is related to the annual budget for the payment of PID obligations.

BUDGET IMPACT:
Hillstone Pointe Annual PID Assessment for 2021-2022. Submittal to Denton County Tax office prior to October 1.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Staff Report Hillstone Pointe PID Number Two
Ordinance No. 1624
Exhibit A Hillstone Pointe 2021-2022 SAP
Date: 08/17/2021  
Agenda Item #: 6.F.  
Department: Finance  
Strategic Goal: Maintain operational integrity and viability  
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1625 Approving the 2021-2022 Annual Service Plan Update for the Rudman Tract Public Improvement District.

DESCRIPTION:
The Rudman Tract Public Improvement District was created pursuant to the Public Improvement District (PID) Act and a resolution of the Town Council on October 18, 2016. The Town of Little Elm has contracted with Municap, Inc. to provide administrative and management support services associated with the Rudman Tract Public Improvement District.

Municap, Inc.’s scope of services includes the annual determination of the special assessments to be collected from the property within the PID boundaries as well as updating the service and assessment plan and special assessment roll. In compliance with Chapter 372, Texas Local Government Code, the Service and Assessment Plan must be reviewed and updated annually.

This document is the annual update of the Service and Assessment Plan for 2021-2022. This Annual Service Plan update is related to the annual budget for the payment of PID obligations.

BUDGET IMPACT:
Rudman Tract Annual PID Assessment for 2021-2022. Submittal to Denton County Tax office prior to October 1.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Staff Report Rudman Tract PID  
Ordinance No. 1625  
Rudman Tract PID 2021-2022 SAP
Date: 08/17/2021
Agenda Item #: 6.G.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1626 Approving the 2021-2022 Annual Service Plan Update for the Valencia Public Improvement District.

DESCRIPTION:
The Valencia Public Improvement District was created pursuant to the Public Improvement District (PID) Act and a resolution of the Town Council on September 17, 2013. The Town of Little Elm has contracted with Municap, Inc. to provide administrative and management support services associated with the Valencia Public Improvement.

Municap, Inc.’s scope of services includes the annual determination of the special assessments to be collected from the property within the PID boundaries as well as updating the service and assessment plan and special assessment roll. In compliance with Chapter 372, Texas Local Government Code, the Service and Assessment Plan must be reviewed and updated annually.

This document is the annual update of the Service and Assessment Plan for 2021-2022. This Annual Service Plan update is related to the annual budget for the payment of PID obligations.

BUDGET IMPACT:
Valencia Annual PID Assessment for 2021-2022. Submittal to Denton County Tax office prior to October 1.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Staff Report Valencia PID
Ordinance No. 1626 Valencia PID
Valencia PID 2021-2022 SAP
Date: 08/17/2021
Agenda Item #: 6.H.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1627 Approving the 2021-2022 Annual Service Plan Update for the Spiritas Ranch Public Improvement District.

DESCRIPTION:
The Spiritas Ranch Public Improvement District was created pursuant to the Public Improvement District (PID) Act and a resolution of the Town Council on February 2, 2021. The Town of Little Elm has contracted with Municap, Inc. to provide administrative and management support services associated with the Spiritas Ranch Public Improvement District.

Municap, Inc.’s scope of services includes the annual determination of the special assessments to be collected from the property within the PID boundaries as well as updating the service and assessment plan and special assessment roll. In compliance with Chapter 372, Texas Local Government Code, the Service and Assessment Plan must be reviewed and updated annually.

This document is the annual update of the Service and Assessment Plan for 2021-2022 (Assessment Year 9/1/2021-8/31/2022. This Annual Service Plan update is related to the annual budget for the payment of PID obligations.

BUDGET IMPACT:
Spiritas Ranch Annual PID Assessment for 2021-2022. Submittal to Denton County Tax office prior to October 1.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments

Staff Report Spiritas Ranch PID
Ordinance No. 1627 Spiritas Ranch
Spiritas Ranch 2021-2022 SAP
Date: 08/17/2021
Agenda Item #: 6.I.
Department: Administrative Services
Strategic Goal: Ensure excellence in public services while keeping up with the growth in the community
Staff Contact: Deidre Hale, Director of Human Resources

AGENDA ITEM:
Consider Action to Approve Ordinance No. 1628 Amending the Town of Little Elm's Employee Manual.

DESCRIPTION:
The Town of Little Elm's Employee Manual provides written guidance for our employees related to our values, policies, procedures, and benefits. This update to the manual includes the addition of Section 4.16 Public Safety Quarantine Leave in order to be in compliance with House Bill 2073.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Ordinance No. 1628
Employee Personnel Policy
House Bill 2073
Date: 08/17/2021
Agenda Item #: 6.J.
Department: Economic Development Corporation
Strategic Goal: Promote and expand Little Elm’s identity
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve the Performance Agreement between Hurtado Barbecue Little Elm LLC, Little Elm and the EDC.

DESCRIPTION:
Term of the Agreement:
The term is a 15-year lease with a descending clawback clause, for every year of the lease, in the event of default on the agreement. The term expires on December 31, 2036.

The establishment will be approximately 5,935 square feet and will occupy Suites 100 and 120 at 100 Hardwicke. By March 1, 2022, and through the term of this Agreement, Hurtado will employ and maintain a minimum of 35 full-time, or equivalent, employees.

The owner of the building, Richard Pray, in conjunction with the tenant, Brandon Hurtado, have and are investing $1.6M in the conversion and finish out of the building. Hurtado Barbecue has a huge following and will be a great draw to the Lakefront. On the North Texas Barbecue Addicts Facebook page, Hurtado Barbecue has over 130,000 members. The Little Elm location will be the primary location that will include a full-service restaurant and bar, as well as an area for sausage production and distribution. Days of operations are Tuesday through Sunday.

BUDGET IMPACT:
The EDC is proposing incentives for the project in the amount of $400,000, which will be submitted as Qualified Expenditures accompanied by proper documentation by April 1, 2022. Funds will not be reimbursed until after Hurtado Barbecue has obtained a CO from the Town of Little Elm and is open for business.

RECOMMENDED ACTION:
Staff recommends approval.
Date: 08/17/2021
Agenda Item #: 6.K.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve the Economic Development Corporation’s Budget for FY 2021-2022.

DESCRIPTION:

Revenue

- Sales tax revenue shows a 4% increase, which mirrors the TOLE projections, less the contra accounts to TIRZ #3, Texas First, GCORE 380 Agreement and ASCO 380 Agreement
- Interest Earnings
- Other Earnings: Hydrous Lease, Hula Hut Lease, Texas First interest & Principal Loan Payment, ChadNic Lease Payment, Mustang Contract payment.

Expenses

- Debt Payments: Consolidation Loan for Lakefront Property, Loan for Rights to Lincoln Park Utility System, Texas First Loan Payment, and Tinman Shell Building Loan Payment.
- Personnel Cost & all benefits for Executive Director, Assistant Director & new staff member; Development Specialist to be shared between EDC, Development Services and Chamber of Commerce (EDC and Chamber will cover payroll & TOLE will contribute In-Kind).
- Operating Expenses: Legal, Professional Services, Office Development, Contracted Services, Website, Communications, Tuition Reimbursement, Office Supplies, Printing & Mailing, Trade Show Expenses, Employee & Public Relations, Gas & Oil, Dues & Memberships, Schools & Seminars and Uniforms.
- Incentives: 575? Pizzeria, Tinman Social, Bakery, and Hurtado Bar-B-Q
- Tinman Shell Building Loan Payment
- Transfer to the TOLE for Support Staff & Office Space through Professional Service Agreement
- TIRZ #1: Contractual obligation for EDC’s sales tax generated in the original TIRZ 1 boundaries goes back to the TOLE, as they paid off the obligation of $2.5M to the developer at a much lower interest rate & avoided the annual compounding interest.

For the Budget year 2021-2022 we are showing a deficit, and we knew this going into budget preparation. The
result is due to the construction of the Tinman Social shell building, as we will carry the note for approximately two and a half years, prior to seeing incoming revenue flow. The tenant will start paying the lease + triple net eight months after they get their CO. We are adequately prepared with more than sufficient funds in reserves to cover the shortfall & still have a healthy fund balance for any unexpected challenges or opportunities that we are faced with.

**BUDGET IMPACT:**
N/A

**RECOMMENDED ACTION:**
Staff recommends approval.

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**Attachments**

Proposed Budget 2021-2022
Date: 08/17/2021
Agenda Item #: 6.L.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve the Extension of the Professional Services Agreement between Little Elm Economic Development Corporation and the Town of Little Elm.

DESCRIPTION:
The existing "Administrative Services Agreement" between Little Elm EDC and the Town of Little Elm was $30,000 in fiscal year 2016-2021 through the budget process. The amount of the contract will remain at $30,000 for the next term of this contract. The contract amount remains the same, but the scope of the services have been revised. The EDC will be adding an additional support specialist to assist with Chamber Events, Memberships and Engagement, as well as complicated administrative support to the EDC Director and the Director of Development Services.

The Town will be providing the additional office work space for the same contract amount and will extend the terms to 10 years in lieu of an increase in the contract amount. The Chamber of Commerce will be contributing approximately one-fourth of the additional staff person's salary.

The new staff member will be shared between Little Elm EDC, Development Services, and the Chamber of Commerce.

The term of the new agreement is for a period of ten (10) years commencing on October 1, 2021, and ending on September 30, 2031. The service agreement is for the purpose of compensating the Town for certain essential and necessary services:

- **Legal Services**: with the EDC reserving the right to hire their own attorney.
- **Financial Services**: assistance with budgeting, audit services, financial management services, and TIRZ calculations. The EDC has retained outside accounting and bookkeeping services for the day-to-day management of the EDC Finances.
- **Administrative Services**: meeting and consultation with the Town Manager or other Town Staff and other liaison services including contract review, assistance with setting and posting agendas, responding to inquiries, etc. The EDC has a full-time assistant that handles the secretarial and clerical services.
- **Office Space/Services**: The Executive Director and staff of the EDC shall have office space in Town Hall and have complete access to all office equipment, phone, and computer systems.
**BUDGET IMPACT:**
The contract amount for the Professional Services Agreement

- $30,000 on an annual basis to the Town of Little Elm
- The EDC shall budget Administrative Services Fees in the annual budget

The term of this contract is for 10 years, beginning October 1, 2021.

**RECOMMENDED ACTION:**
Staff recommends approval.

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**Attachments**

Administrative Services Agreement
Date: 08/17/2021
Agenda Item #: 6.M.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Resolution No. 0817202102 Approving Certain Project Expenditures for TIRZ 4; Providing a Severability Clause; and Providing an Effective Date.

DESCRIPTION:
On August 17, 2021 the Tax Increment Reinvestment Zone Four Board approved Resolution No. 0817202101T4, to approve a payment from the Incremental Tax Revenues Collected from the TIRZ Four Fund. Revenues were collected from incremental tax revenue from fiscal year 2020-2021. Funds will be disbursed to the Valencia on the Lake Public Improvement District not to exceed $574,046 as identified in Exhibit A.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Resolution No. 0817202102 TIRZ 4 2022 Budget
Valencia PID 2021-2022 SAP
Date: 08/17/2021
Agenda Item #: 6.N.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Doug Peach, Deputy Town Manager

AGENDA ITEM:
Consider Action to Approve Resolution No. 0817202103 Approving a Negotiated Settlement Between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division Regarding the Company's 2021 Rate Review Mechanism Filing.

DESCRIPTION:
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, 2021, 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, 2020, entitled it to additional system-wide revenues of $43.4 million.

Application of the standards set forth in ACSC’s RRM Tariff reduces the Company’s request to $40.5 million, $29.3 million of which would be applicable to ACSC members. ACSC’s consultants concluded that the system-wide deficiency under the RRM regime should be $22.34 million instead of the claimed $40.5 million. The amount of the $22.34 million deficiency applicable to ACSC members would be $16.8 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 $22.78 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2021. This should save ACSC cities approximately $3.8 million.

The Executive Committee recommends a settlement at $22.78 million. The Effective Date for new rates is December 1, 2021. ACSC members should take action approving the Resolution before October 1, 2021.
PROOF OF REVENUES
Atmos generated proof that the rate tariffs attached to the Resolution will generate $22.78 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 $1.28 on a monthly basis, or 2.2 percent. The increase for average commercial usage will be $4.03 or 1.61 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 Town of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on December 1, 2021, ACSC residents will maintain an economic monthly advantage over GRIP and DARR rates. See Attachment 3.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:
1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. 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 $22.78 million from ACSC Cities.
5. 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.
6. 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.
7. This section requires the Company to reimburse the Town for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
10. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
11. This section provides for an effective date upon passage. December 1, 2021 represents a two month
12. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION
The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover $43.4 million in additional system-wide revenues, the RRM settlement at $22.78 million for ACSC Cities reflects substantial savings to ACSC Cities. Settlement at $22.78 million (plus $3.8 of additional savings due to the two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of town employees of 18 ACSC members urges all ACSC members to pass the Resolution before October 1, 2021. New rates become effective December 1, 2021.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Attachments Referenced in Description
Resolution No. 0817202103
Date: 08/17/2021  
Agenda Item #: 6.O.  
Department: Finance  
Strategic Goal: Maintain operational integrity and viability  
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Consider Action to Approve Resolution No. 0817202104 Approving Certain Project Expenditures for TIRZ 6; Providing a Severability Clause; and Providing an Effective Date.

DESCRIPTION:
On August 17, 2021 the Tax Increment Reinvestment Zone Six Board approved Resolution No. 0817202101T6, to approve a payment from the Incremental Tax Revenues Collected from the TIRZ Six Fund. Revenues were collected from incremental tax revenue from fiscal year 2020-2021. Funds will be disbursed to the Rudman Tract Public Improvement District not to exceed $46,803 as identified in Exhibit A.

BUDGET IMPACT:
N/A

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Resolution No. 0817202104 TIRZ 6 2022 Budget  
Rudman Tract PID 2021-2022 SAP
Date: 08/17/2021
Agenda Item #: 6.P.
Department: Economic Development Corporation
Strategic Goal: Promote and expand Little Elm’s identity
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve Resolution No.0817202105 for an Incentive Agreement for the American Rescue Plan Act of 2021, COVID-19 Voucher Program.

DESCRIPTION:
This Resolution is for the Incentive Program and Request for Grant money established by the Town of Little Elm in partnership with Little Elm EDC in an effort to support our local businesses. The program allows vouchers in the amount of $25 to be mailed to residents of Little Elm and surrounding neighboring communities to drive business to our area. The businesses acknowledge participation by signing the Incentive Agreement and Grant Request Application, providing the $25 discount to the customer, and agreeing to submit the required paperwork for reimbursement from the EDC.

BUDGET IMPACT:
The EDC will issue reimbursements to restaurants from the operating budget, but will then be reimbursed by the Town from the funds collected from the American Rescue Plan. The total amount allotted to the EDC for this program is $100,000 per year for the next 3 years. This program will end on December 31, 2024.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Resolution 0817202105 Voucher Program
Date: 08/17/2021
Agenda Item #: 6.Q.
Department: Economic Development Corporation
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve the Seventh Amendment to the Ground Lease Purchase Agreement between Hula Hut and Little Elm EDC.

DESCRIPTION:
The Agreement amends the following items:

- Starting October 1, 2021, Hula Hut will pay rent equal to 1% of the revenue quarterly, at the end of every three (3) month period on or before the 10 day of each month.
- On October 1, 2022, Hula Hut will pay rent equal to 2% of the revenue quarterly, at the end of every three (3) month period on or before the 10 day of each month.
- On October 1, 2023, Hula Hut will pay rent equal to 3% of the revenue quarterly, at the end of every three (3) month period on or before the 10 day of each month.

Hula Hut will consent to a 3rd party firm evaluating the restaurant for overall customer experience, customer service and cleanliness, after which the company will provide a summary of their evaluation with benchmarks and timelines for improvements, if needed. If Hula Hut does not heed the recommendations in the allocated proposed time, rent will go to 3% and will not revert to a lesser percentage.

The advertising requirements stated in the 5th Amendment of $35,000 with a marketing firm agreeable to the EDC is still in effect.

Section 9.2 Future Competition, 9.3 First Right of Refusal for 290 Restaurant, 9.4 Right of First Refusal for Cable Park Site at 280 East Eldorado Parkway, 9.5 Beach Snack Bar; and 9.6 First Option for Other Retail have all been removed from this amendment.

BUDGET IMPACT:
Starting October 1, 2021, the EDC will now receive annual rent payments from Hula Hut in the amount of 1% of the revenue, quarterly, at the end of every three (3) month period on or before the 10th day of each month. That amount increases to 2% in year two and 3% in year three.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments

Hula Hut 7th Amendment Ground Lease
Date: 08/17/2021
Agenda Item #: 6.R.
Department: Economic Development Corporation
Strategic Goal: Promote and expand Little Elm’s identity
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:
Consider Action to Approve the Sixth Amendment of the Chapter 380 Agreement between Hula Hut and the Town of Little Elm.

DESCRIPTION:
The Town will replace all landscaping, excluding the sand/smooth stones, both on the Town and EDC footprint and Hula Hut footprint. This amendment extends the period of time commencing on July 1, 2021, ending on June 30, 2024. The Town agrees to maintain all landscaping, palm trees, and irrigation (including both the irrigation meter and the pond meter) on the Property.

After June 30, 2024, such obligations revert to Hula Hut as the operator of the Property.

BUDGET IMPACT:
The Parks department will incur the costs of the landscape maintenance and landscape replacement.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Sixth Amendment 380 Hula Hut
Town Council Meeting

Date: 08/17/2021
Agenda Item #: 6.S.
Department: Public Works
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jason Shroyer, Director of Public Works

AGENDA ITEM:
Consider Action To Approve a Contract for $64,671.99 with Evoqua Water Technologies for Wastewater Treatment Plant (WWTP) Odor Scrubber Repair.

DESCRIPTION:
The Wastewater Treatment Plant (WWTP) utilizes an odor scrubbing devices manufactured by Siemens to cleanse the air of nuisance odors that are created during the treatment process in order to maintain a good relationship with our neighbors and visitors. The odor scrubber system is a critical piece of our infrastructure at the Wastewater Treatment plant.

The odor scrubber system has been in place since 2009, and has significantly reduced the number of odor complaints that the Town receives about the Wastewater Treatment Plant. The system utilizes a process of chemical application that helps to eliminate the odors created by the wastewater treatment process. The system is currently off-line and in need of repairs. This contract with Evoqua will provide the following:

- replace the main recirculation pump
- replace all of the diaphragms, pressure gauges and probes
- recalibrate the entire system

Evoqua is the only authorized dealer for this system. The cost for this work will be paid for out of the Wastewater Treatment operating budget with savings from chemicals.

BUDGET IMPACT:
The cost for this purchase will be paid for from the Wastewater Treatment operating budget.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments

Evoqua Scrubber Quote
Evoqua Scrubber Inspection
Date: 08/17/2021
Agenda Item #: 6.T.
Department: Community Services
Strategic Goal: Maximize community recreation and leisure activities
Staff Contact: Chad Hyde, Director of Community Services

AGENDA ITEM:
Consider Action to Approve a Facility Use Agreement with Silverado Rentals.

DESCRIPTION:
This agreement is to provide jet ski concessions at Lile Elm Park for the purpose of providing a location for watercraft rentals and services. This operation will be out of the Lile Elm Park Boat Ramp for the period of April 1 - October 1, 2021. This agreement may be extended twice, each for one-year increments, not to exceed a total of three years.

BUDGET IMPACT:
No expense will be incurred by the Town. The Concessionaire pays 10% of the gross revenue of any and all rentals or sales for up to six jet skis, and 15% once the fleet exceeds six jet skis.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Facility Use Agreement
Date: 08/17/2021
Agenda Item #: 6.U.
Department: Community Services
Strategic Goal: Maximize community recreation and leisure activities
Staff Contact: Chad Hyde, Director of Community Services

AGENDA ITEM:
Consider Action to Approve a Concession Agreement with Frios Gourmet Pops.

DESCRIPTION:
This agreement is to provide popsicles, ice cream, and ice cream treat concessions at McCord Park Splash Pad, Beard Park, Cottonwood Sports Complex, and other facilities as agreed/approved. The term of the agreement is April 1 - September 30, 2021, and may be extended twice in one-year increments, not to exceed a total of three years.

BUDGET IMPACT:
No expense will be incurred by the Town. The Concessionaire pays 10% of the gross revenue of any and all sales.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Concession Agreement
**AGENDA ITEM:**
Consider Action to Approve an *Interlocal Cooperation Agreement between Denton County, Texas and Town of Little Elm, Texas for the Design, Right-of-Way Acquisition, and Utility Relocations associated with the Reconstruction of King Road from Witt Road to Rose Lane.*

**DESCRIPTION:**
The Town has been working with Denton County to develop a funding plan for the King Road improvement project. This project has been on the Town’s Capital Improvements program for many years. The project includes the widening of King Road from a two-lane asphalt barrow ditch section to a four and three-lane concrete curb and gutter section. The improvements will include a four-lane divided section from Witt Road west to approximately Anthem Drive, a three-lane from Anthem Drive to Rose Lane, underground stormwater, and sidewalks. The overall scope is from Witt Road to Rose Lane.

The probable construction cost for the project including right-of-way, engineering, construction, and testing is $6,000,000. In the proposed Interlocal Cooperation Agreement, Denton County has agreed to pay up to $4,500,000 of the qualified cost. The remaining cost or $1,500,000 will be paid by the Town and the City of Frisco. Town Staff and Frisco Staff are currently working on a companion Interlocal Agreement that will split the remaining cost not paid by the County and designate responsibility for design and construction. The Little Elm/Frisco agreement will be presented for Council consideration in September. This partnership with Denton County will greatly reduce the financial responsibility of the Town to complete the King Road Improvement Project. This ICA has been reviewed by Town Staff and the Town Attorney.

**BUDGET IMPACT:**
There is no budget impact for this item.

**RECOMMENDED ACTION:**
Staff recommends approval.

**Attachments**
ICA - Denton County King Road
Date: 08/17/2021
Agenda Item #: 6.W.
Department: Administrative Services
Strategic Goal: Provide a safe and welcoming environment for Little Elm residents and visitors
Staff Contact: Doug Peach, Deputy Town Manager

AGENDA ITEM:
Consider Action to Approve an Interlocal Cooperation Agreement between Denton County, Texas and the Town of Little Elm, Texas for the Design, Right-of-Way Acquisition, Utility Relocation, and Construction of Union Place, Promenade Lane, and Pergola Parkway Deceleration Lanes and Right-Turn Lanes onto and off US 380 at Promenade and Pergola Parkway, and the Two Northern Lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

DESCRIPTION:
The Town and Denton County has developed an Interlocal Cooperation Agreement to provide funding for the design, right-of-way acquisition, utility relocation, and construction of Union Place Drive, Promenade Lane, and Pergola Parkway deceleration lanes and right-turn lanes onto and off US 380 at Promenade and Pergola Parkway, and the two northern lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

The estimated cost of the project is $1,730,924. In this agreement, the County commits to contribute an amount not to exceed $1,730,924. The Town agrees to secure a contract for the design, right-of-way acquisition, utility relocation, and construction which will be required for satisfactory completion of the project. The Town intends to secure a contract with the US 380 Municipal Management District. This will be a separate Interlocal Cooperation Agreement between the Town and US 380 MMD. The Town will not have any financial contribution to the project. This ICA has been reviewed by Town Staff and the Town Attorney.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
ICA - Denton County Union Park
Date: 08/17/2021  
Agenda Item #: 6.X.  
Department: Administrative Services  
Strategic Goal: Provide a safe and welcoming environment for Little Elm residents and visitors  
Staff Contact: Doug Peach, Deputy Town Manager

AGENDA ITEM:
Consider Action to Approve an Interlocal Cooperation Agreement between Highway 380 Municipal Management District #1 and the Town of Little Elm, TX for the Design, Right-of-Way Acquisition, Utility Relocation, and Construction of Union Place, Promenade Lane, and Pergola Parkway Deceleration Lanes and Right-Turn Lanes onto and off of US 380 at Promenade and Pergola Parkway, and the Two Northern Lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

DESCRIPTION:
The Town and Highway 380 Municipal Management District #1 (MMD) has developed an Interlocal Cooperation Agreement to provide funding from the Town for the design, right-of-way acquisition, utility relocation, and construction of Union Place Drive, Promenade Lane, and Pergola Parkway deceleration lanes and right-turn lanes onto and off of US 380 at Promenade and Pergola Parkway, and the two northern lanes of Union Park Blvd from Winn Ridge Blvd to FM 1385.

The estimated cost of the project is $1,730,924. In this agreement, the Town commits to contribute an amount not to exceed the $1,730,924 to the MMD for the construction of the project. This financial contribution will be collected by the Town from Denton County by way of a separate ICA previously approved between the Town and Denton County. The MMD agrees to secure a contract for the design, right-of-way acquisition, utility relocation and construction which will be required for satisfactory completion of the project. As the MMD completes the work, they will invoice the Town. The Town will submit these invoices to the County in accordance with the Denton County/Little Elm ICA. Upon collection from the County, the Town will reimburse the MMD. This ICA has been reviewed by Town Staff and the Town Attorney.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff recommends approval.

Attachments
Town Council Meeting

Date: 08/17/2021
Agenda Item #: 7.A.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Hold a Public Hearing, Present, Discuss, and Consider Action on the Proposed Budget for the Town of Little Elm for Fiscal Year 2021-2022.

DESCRIPTION:
The purpose of this agenda item is to comply with Local Government Code and the Town Charter requirements for budget adoption. The Proposed Budget has been placed on file with the Town Secretary in addition to being placed on the Town’s website for public inspection.

The proposed budget was discussed at Council Workshop on August 4th and filed with the Town Secretary. A Notice of Budget Hearing was published in the Denton Record Chronicle.

The Town Council cannot take any action regarding the budget at this public hearing. The sole purpose of the public hearing is to provide the public an opportunity to address the Council regarding the proposed budget for Fiscal Year 2021-2022.

For the FY 2021-2022 Proposed Budget, please follow this link.  [https://www.littleelm.org/DocumentCenter/View/14500/Proposed-Budget-Book-FINAL](https://www.littleelm.org/DocumentCenter/View/14500/Proposed-Budget-Book-FINAL)

BUDGET IMPACT:
Proposed FY 2021-2022 Town of Little Elm Budget


RECOMMENDED ACTION:
Town recommends that the Town Council conduct a public hearing to receive feedback from the community and provide Town staff with direction on any changes to the proposed budget.
Town Council Meeting

Date: 08/17/2021
Agenda Item #: 8.A.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:
Present, Discuss, and Consider Action on All Matters Incident and Related to the Issuance and Sale of “Town of Little Elm, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021”, including the Adoption of Ordinance No. 1629 Authorizing the Issuance of such Certificates of Obligation.

DESCRIPTION:
The Town has been working closely with our Financial Advisor, Mark McLiney, with SAMCO Capital Markets, Inc. and Bob Dransfield with Norton Rose Fulbright US LLP to issue Certificate of Obligation Bonds.

The “Notice of Intention to Issue Town of Little Elm, Texas, Certificates of Obligation” was published in the Denton Record-Chronicle on June 6, 2021, and June 13, 2021. The Town authorized in the Notice of Intention an amount not to exceed $30,800,000 but now due to other funds being available and different budgetary priorities, the Town intends to issue an amount not to exceed of $24,000,000.

The 2021 Certificates of Obligation should be issued in one or more series in an aggregate principal amount not to exceed $30,800,000 for the purpose of paying contractual obligations to be incurred for (i) constructing, improving and equipping park and recreation facilities, including the acquisition of land therefor, (ii) constructing improvements and extensions to the Town’s Waterworks and Sewer System, including the acquisition of land and rights-of-way therefor, (iii) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, signage, traffic signalization and street noise abatement incidental thereto and the acquisition of land and rights-of-way therefor, (iv) professional services rendered in connection with the construction and financing of the foregoing project.

Outlined Projects-total issuance $24,000,000:

- TIRZ 3 Supported Debt - The Lawn at the Lakefront™ - $2,000,000
- CDC Supported Debt - Cottonwood Park - $4,000,000
- I&S Supported Debt - $9,000,000
  - Youth Softball Complex
  - Cottonwood Youth Baseball Improvements
  - Little Elm Park Camping Improvements
- Utility Supported Debt - $9,000,000
  - Service Center Expansion
  - Mansell 24-inch Transmission Line
  - WWTP Lab Building Expansion
  - WWTP Clarifier Rehabilitation
  - Cottownwood Park Utility Improvements

The Town is provided a bond rating that helps investors know the financial, management, and economic conditions of the Town. The Town has received two upgrades this year from Moody's and S&P rating agencies.

- Moody's from Aa3 to Aa2
- S&P from AA to AA+

**BUDGET IMPACT:**
All debt service payments have been outlined in the proposed FY 2021-2022 Town of Little Elm budget.

**RECOMMENDED ACTION:**
Staff recommends approval.

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**Attachments**

Ordinance No. 1629 2021 COs Issuance
Paying Agent/Registrar Agreement
Date: 08/17/2021
Agenda Item #: 8.B.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:
Present, Discuss, and Consider Action on Resolution 0817202101 Appointing a Mayor Pro Tem for a One-Year Term of Office and Providing an Effective Date.

DESCRIPTION:
Each year after the general election, the Town Council appoints a Council Member to serve as Mayor Pro-Tem for a one-year period. In case of the failure, inability, or refusal of the Mayor to act, the Mayor Pro-Tem shall perform the duties of the Mayor. If both the Mayor and the Mayor Pro-Tem are absent, any council member may be appointed to preside at the Town Council Meeting.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff requests direction from Town Council.

Attachments
Resolution No. 08172021
Date: 08/17/2021
Agenda Item #: 8.C.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Mayor Curtis J. Cornelious

AGENDA ITEM:
Present, Discuss, and Consider Action on Appointing a Town Council Member as Liaison for the Economic Development Corporation Board.

DESCRIPTION:
The Town Council has liaison positions for the Community Development Corporation Board, the Economic Development Corporation Board, and the Planning and Zoning Commission. The current appointment for the Economic Development Corporation Board is Michael McClellan.

Staff requests direction from Town Council for the appointment for 2021 - 2022.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff requests direction from Town Council.
Date: 08/17/2021
Agenda Item #: 8.D.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Mayor Curtis J. Cornielous

AGENDA ITEM:
Present, Discuss, and Consider Action on **Appointing a Town Council Member as Liaison for the Community Development Corporation Board.**

DESCRIPTION:
The Town Council has liaison positions for the Community Development Corporation Board, the Economic Development Corporation Board, and the Planning and Zoning Commission. The current appointment for the Community Development Corporation Board is Lisa Norman.

Staff requests direction from Town Council for the appointment for 2021 - 2022.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff requests direction from Town Council.
Date: 08/17/2021
Agenda Item #: 8.E.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Mayor Curtis J. Cornelious

AGENDA ITEM:
Present, Discuss, and Consider Action on **Appointing a Town Council Member as Liaison for the Planning and Zoning Commission.**

DESCRIPTION:
The Town Council has liaison positions for the Community Development Corporation Board, the Economic Development Corporation Board, and the Planning and Zoning Commission. The current appointment for the Planning and Zoning Commission is Tony Singh.

Staff requests direction from Town Council for the appointment for 2021 - 2022.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff requests direction from Town Council.
Date: 08/17/2021
Agenda Item #: 8.F.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Mayor Curtis J. Cornелиous

AGENDA ITEM:
Present, Discuss, and Consider Action on Appointing one or more Town Council Members as a School Board Liaison.

DESCRIPTION:
The Town Council has had a liaison position for school districts that serve Little Elm residents. This item is to discuss bringing back this liaison position and making an appointment, if applicable.

BUDGET IMPACT:
There is no budget impact for this item.

RECOMMENDED ACTION:
Staff requests direction from Town Council.