



**SEAGOVILLE, TEXAS
CITY COUNCIL MEETING AGENDA
MONDAY, SEPTEMBER 11, 2017**

**City Council Chambers, City Hall
702 N. Hwy 175
Seagoville, Texas 75159**

WORK SESSION – 6:30 P.M.

Call to Order

- A. Discuss regular session agenda items**
- B. Discuss Public Improvement District**

Adjourn

REGULAR SESSION - 7:30 P.M.

ROUTINE ANNOUNCEMENTS, RECOGNITIONS, and PROCLAMATIONS

Call to Order

Invocation

Pledge of Allegiance

Mayor's Report

Citizens Public Comment Period- *This portion of the meeting is to allow each speaker up to six (6) minutes to address the council on items not posted on the current agenda. Council may not discuss these items but may respond with factual data or policy information, or place the item on a future agenda. Citizens wishing to speak on posted agenda items will be called upon at that time. Anyone wishing to speak shall submit a Speaker Request Form to the City Secretary.*

CONSENT AGENDA- The Consent Agenda contains items which are routine in nature and will be acted upon in one motion.

- 1. Consider approving City Council Work Session Meeting Minutes for August 28, 2017, and City Council Regular Session Meeting Minutes August 28, 2017(City Secretary)**

2. **Consider approving a Resolution of the City of Seagoville, Texas, entering into a Memorandum of Understanding with North Texas Municipal Water District for the purpose of establishing a model written Regional Capacity, Management, Operations and Maintenance (CMOM) Program; authorizing the City Manager to execute all necessary documents; providing for the repeal of any and all Resolutions in conflict; providing for a severability clause; and providing an effective date (Water Utilities Director)**
3. **Approval of the City of Seagoville's Financial Policies for Fiscal Year 2017-2018 (Finance Director)**
4. **Submittal of a 2018 Justice Assistance Grant (3333201) administered by the Governor's Office Criminal Justice Division, for Dual Band Portable radios (Police Chief)**

REGULAR AGENDA-

5. **Conduct interview with Board and Commission applicant and consider appointment. (City Secretary)**
6. **Discuss and consider approval of a Resolution of the City of Seagoville, Texas approving the terms and conditions of the agreement for mobile intensive care ambulance service between the City of Seagoville and Acadian Ambulance Services, LLC; authorizing the City Manager to execute necessary documents; providing a severability clause; and providing an effective date (Fire Chief)**
7. **Discuss and Consider Amending the City's Investment Policy for FY 2017 (Finance Director)**
8. **Discuss and consider approval of a Resolution of the City of Seagoville, Texas, approving the adopted budget for the Seagoville Economic Development Corporation for the Fiscal Year October 1, 2017 through September 30, 2018; providing that expenditures for said Fiscal Year; and declaring an effective date (Finance Director)**
9. **Discuss and consider approval of three (3) Hotel Occupancy Tax Grant Agreements with Seagoville Chamber of Commerce for Mayfest (\$11,000.00); Seagofest (\$11,000.00); and 4th of July Celebration (\$4,500.00) totaling Twenty-Six Thousand (\$26,500.00) Dollars for the fiscal year October 1, 2017 through September 30, 2018 (Finance Director)**
10. **Discuss and consider approval of an Ordinance approving and adopting a budget for the City for the fiscal year October 1, 2017 through September 30, 2018 and providing that expenditures for said fiscal year shall be made in accordance with said budget (Finance Director)**

- 11. Discuss and consider approval of a Resolution ratifying the budget for Fiscal Year 2017-2018 that will require raising more revenues by 16.14% or \$633,594 from property taxes than the previous year and of that amount, \$529,902 is tax revenue to be raised from new property added to the tax roll this year (Finance Director)**
- 12. Discuss and consider approval of an Ordinance levying the ad valorem taxes for the fiscal year 2018 at a rate of \$0.743800 per one hundred dollars (\$100.00) assessed valuation on all taxable property within the corporate limits of the City as of January 1, 2017; to provide revenues for current expenses and interest and sinking fund requirements; and providing for due and delinquent dates together with penalties and interest (Finance Director)**
- 13. Discuss, consider and approve the amended and restated Bylaws for the Seagoville Economic Development Corporation (Dr. Don Cole)**
- 14. Receive a presentation from City Attorney concerning legal procedures applicable to annexation, including changes to applicable law effective December 1, 2017, and direct staff concerning future annexations (City Attorney)**
- 15. Receive Councilmember Reports/Items of Community Interest - as authorized by Section 551.0415 of the Texas Government Code.**
- 16. Future Agenda Items – Council to provide direction to staff regarding future agenda items. These items will not be discussed and no action will be taken at this meeting.**
- 17. Executive Session**

Recess into Executive Session in compliance with Texas Government Code:

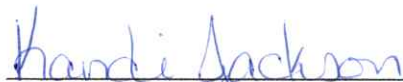
(A)Section 551.074 Personnel, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee to wit: City Manager.

18. Reconvene Into Regular Session

(A) Take any action as a result of executive session regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: City Manager

Adjourn

Posted Thursday, September 7, 2017 by 5:00 P.M.


Kandi Jackson, City Secretary



As authorized by Section 551.071(2) of the Texas Government Code, this meeting may be convened into closed executive session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item listed herein.

The City of Seagoville does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. If you have a request for services that will make this program accessible to you, please contact the City of Seagoville at least 72 hours in advance at (972) 287-6819. (TDD access 1-800-RELAY-TX)

DATES TO REMEMBER

- **Monday, September 18, 2017 Regular City Council Meeting**
- **Monday, October 2, 2017 Regular City Council Meeting**

Consent Agenda Item: 1

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Consider approving City Council Work Session Meeting Minutes for August 28, 2017, and City Council Regular Session Meeting Minutes August 28, 2017(City Secretary)

ITEM DESCRIPTION:

Approve City Council Work Session Minutes for August 28, 2017, and City Council Regular Session Meeting Minutes for August 28, 2017.

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval.

EXHIBITS

August 28, 2017 City Council Work Session Meeting Minutes
August 28, 2017 City Council Regular Session Meeting Minutes



**MINUTES OF CITY COUNCIL
WORK SESSION
AUGUST 28, 2017**

The Work Session of the City Council of the City of Seagoville, Texas was called to order at 6:30 p.m. on Monday, August 28, 2017, at City Hall, 702 N. Hwy 175, Seagoville, Texas with a quorum present, to wit:

Dennis Childress	Mayor
Jon Epps	Mayor Pro Tem (absent)
Jose Hernandez	Councilmember
Rick Howard	Councilmember
Harold Magill	Councilmember
Mike Fruin	Councilmember

The following staff members were also present: City Manager Patrick Stallings, Police Chief Ray Calverley, Community Development Director Ladis Barr, City Attorney Alexis Allen, Finance Director Patrick Harvey, Library Director Liz Gant, Public Works Director Phil DeChant, HR Director/Risk Manager Cindy Brown, and City Secretary Kandi Jackson.

A. Discuss Regular Session Agenda Items

City Manager Stallings asked if Council had questions for Consent Agenda Items #1 and #2. There were no questions.

B. Discuss Fence Ordinance (Barr)

Community Development Director Barr presented the current Ordinance requirements for screening walls.

Adjourned at 6:34 p.m.

APPROVED:

Mayor Dennis K. Childress

ATTEST:

Kandi Jackson, City Secretary



**MINUTES OF CITY COUNCIL
REGULAR SESSION
AUGUST 28, 2017**

The Regular Session of the City Council of the City of Seagoville, Texas was called to order at 7:03 p.m. on Monday, August 28, 2017, at City Hall, 702 N. Hwy 175, Seagoville, Texas with a quorum present, to wit:

Dennis Childress	Mayor
Jon Epps	Mayor Pro Tem (Absent)
Jose Hernandez	Councilmember
Rick Howard	Councilmember
Harold Magill	Councilmember
Mike Fruin	Councilmember

The following staff members were also present: City Manager Patrick Stallings, Police Chief Ray Calverley, Library Director Liz Gant, Community Development Director Ladis Barr, City Attorney Alexis Allen, Finance Director Patrick Harvey, HR Director/Risk Manager, and City Secretary Kandi Jackson.

Invocation – *Invocation was led by Mayor Childress.*

Pledge of Allegiance – *Pledge of Allegiance was led by Mayor Childress.*

Mayor's Report – *Mayor Childress asked for everyone to pray for Hurricane Harvey victims. He also stated the Fitness, Health, and Safety Fair will be on September 26, 2017 from 9:00 a.m. to 4:00 p.m. at City Hall.*

Citizens Public Comment Period- *This portion of the meeting is to allow each speaker up to six (6) minutes to address the council on items not posted on the current agenda. Council may not discuss these items but may respond with factual data or policy information, or place the item on a future agenda. Citizens wishing to speak on posted agenda items will be called upon at that time. Anyone wishing to speak shall submit a Speaker Request Form to the City Secretary.*

None.

CONSENT AGENDA- The Consent Agenda contains items which are routine in nature and will be acted upon in one motion.

- 1. Consider approving City Council Regular Meeting Minutes for August 21, 2017 and Joint Session with Seagoville Economic Development Corporation Minutes for August 21, 2017 (City Secretary)**

2. **Consider approval of a Resolution of the City of Seagoville, Texas, authorizing the Mayor to execute the Dallas Area Household Hazardous Waste Network Interlocal Agreement Amendment No.5 between the City of Seagoville and Dallas County, from October 1, 2017 until September 30, 2018; and providing an effective date (Community Development Director)**

Motion made to approve Consent Agenda Items #1 and #2 as read – Magill, seconded by Hernandez; motion passed with all ayes.

REGULAR AGENDA-

3. **Discuss and consider approving a Resolution of the City Council of the City of Seagoville, Texas approving an agreement with Halff Associates, Inc. for the purpose of providing surveying and engineering services for the Highway 175 Wastewater Main Crossing; authorizing the City Manager to sign; and providing an effective date (Jayson Melcher)**

Mr. Melcher presented the Highway 175 Wastewater Main Crossing.

City Manager Stallings stated Halff Associates will provide the design and bidding. He also stated Halff Associates will not do the construction but they will oversee the construction.

4. **Receive Storm Water Permit update presentation from Jayson Melcher with Halff Associates Inc. (Jayson Melcher)**

Mr. Melcher presented the Storm Water Permit update.

5. **Conduct a public hearing to receive citizen input on the proposed tax rate of \$0.743800 per \$100 valuation, which exceeds the effective tax rate calculated by the Dallas County Tax Assessor/Collector of \$0.7209427 or 3.17%. This rate will raise more revenue from property taxes than last year's budget by an amount of \$633,594 (Finance Director)**

Mayor Childress opened the public hearing at 7:28 p.m.

No one spoke for or against.

Mayor Childress closed the public hearing at 7:28 p.m.

6. **Discuss and consider directing staff on proposed tax rate of \$0.743800 per \$100 valuation (Finance Director)**

Council directed Staff to prepare an Ordinance for proposed tax rate of \$0.743800 per \$100 valuation.

7. **Conduct a public hearing to receive citizen input on the proposed FY 2017-2018 budget for all City funds. This budget will raise more property taxes than last year's budget by \$633,594 or 16.14%, and of that amount, \$529,902 is tax revenue to be raised from new property added to the tax roll this year (Finance Director)**

Mayor Childress opened the public hearing at 7:31 p.m.

No one spoke for or against.

Mayor Childress closed the public hearing at 7:31 p.m.

8. **Discuss and consider directing staff on proposed FY 2017-2018 budget for all City funds (Finance Director)**

Council directed Staff to prepare an Ordinance for proposed FY 2017-2018 budget for all City funds.

9. **Discuss and consider Second and Final Reading of an Ordinance amending Chapter 19, Division 2, Rates and Charges, by amending section 19.03.061, Water Rates, to provide new rates for water services within the city; providing for a penalty clause; repealing conflicting ordinances; providing for the publication of the caption hereof; and providing an effective date (Finance Director)**

Finance Director Harvey stated Texas Commission on Environmental Quality requires the City of Seagoville to purchase a certain amount of water per connection each year. Dallas Water Utilities has increased water rates to the City of Seagoville and the increase will be passed to Seagoville water customers.

Motion to approve an Ordinance amending Chapter 19, Division 2, Rates and Charges, by amending section 19.03.061, Water Rates, to provide new rates for water services within the city – Hernandez, seconded by Magill; motion passed with all ayes.

10. **Conduct a public hearing concerning Hart Meadows request to rezone approximately 88.818 acre tract from Residential 5 (R-5) zoning to Planned Development Residential-5 (PD-17-04) zoning and amend the Comprehensive Land Use Plan (Community Development Director)**

Mayor Childress opened the public hearing at 7:36 p.m.

Community Development Director Barr stated Planning & Zoning approved Hart Meadows on August 22, 2017.

He stated written notice was provided to 16 surrounding homeowners. Two (2) letters were received back in favor, and two (2) citizens spoke at the Planning & Zoning Meeting in opposition.

He also stated Planning & Zoning recommends approval.

Mayor Childress closed the public hearing at 7:37 p.m.

- 11. Consider approval of an Ordinance of the City of Seagoville, Dallas County, Texas, amending the Comprehensive Zoning Ordinance and map of the City Of Seagoville, Dallas County, Texas, as heretofore amended, by granting a change in zoning from Residential-5 (R-5) to Planned Development-Residential -5 (PD-17-04) for 88.818 acres of land located west of Alto Road between Wooley Way and E. Farmers Road, Seagoville, Dallas County, Texas, and being legally described in Exhibit “A”, attached hereto and incorporated herein; providing for amended development regulations; providing for the approval of the Concept Plan, which is attached hereto and incorporated herein as Exhibit “B”; providing a repealing clause; providing a severability clause; providing a savings clause; providing a penalty of fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense; and providing an effective date (Community Development Director)**

Councilmember Hernandez asked if there would be a screening wall.

Community Development Director Barr stated there would be a cementitious screening wall on Wooley Way and Travers Trail.

Motion to approve an Ordinance of the City of Seagoville, Dallas County, Texas, amending the Comprehensive Zoning Ordinance and map of the City of Seagoville, Dallas County, Texas, as heretofore amended, by granting a change in zoning from Residential-5 (R-5) to Planned Development-Residential -5 (PD-17-04) for 88.818 acres of land located west of Alto Road between Wooley Way and E. Farmers Road, Seagoville, Dallas County, Texas – Hernandez, seconded by Howard; motion passed 3 for (Hernandez, Howard, and Fruin) 1 against (Magill).

12. Conduct a public hearing concerning Shepherd Place East request to rezone approximately 8.882 acre tract from Residential 2 (R-2) zoning to Planned Development Residential-2 (PD-17-03) zoning and amend the Comprehensive Land Use Plan (Community Development Director)

Mayor Childress opened the public hearing at 7:47p.m.

Community Development Director Barr stated 14 notices were provided to surrounding homeowners. One (1) letter was received in opposition. Four (4) citizens spoke at the Planning & Zoning Meeting in opposition.

He also stated Planning & Zoning recommends approval.

Community Development Director Barr stated a majority of the property is located within Dallas City Limits. There will be 29 lots with 2,000 square foot homes located in the City of Seagoville. He also stated a cementitious screening wall along Stark Road for the length of the subdivision will be constructed. The screening wall will meet the fence Ordinance requirements.

In response to a question by Councilmember Hernandez, Community Development Director Barr stated the Homeowner's Association will be responsible for maintaining the landscaped area, the screening wall, and any amenities inside the development.

Pat Atkins at 3076 Haze Lane, Rockwall, Texas, presented Shepherd Place East request to rezone approximately 8.882 acre tract from Residential 2 (R-2) zoning to Planned Development Residential -2 (PD-17-03) zoning and amend the Comprehensive Land Use Plan.

Councilmember Hernandez asked if utilities will be provided by the City of Dallas. Pat Atkins stated water and sewer services will be provided by the City of Dallas. He also stated the lots will be addressed Seagoville.

Mayor Childress closed the public hearing at 8:10 p.m.

- 13. Consider approval of an Ordinance of the City of Seagoville, Dallas County, Texas, amending the Comprehensive Zoning Ordinance and map of the City Of Seagoville, Dallas County, Texas, as heretofore amended, by granting a change in zoning from Residential-2 (R-2) to Planned Development-Residential -2 (PD-17-03) for 8.88 acres of land located at the southwest corner of Lasater Road and Stark Road, Seagoville, Dallas County, Texas, and being legally described in Exhibit “A”, attached hereto and incorporated herein; providing for amended development regulations; providing for the approval of the Concept Plan, which is attached hereto and incorporated herein as Exhibit “B”; providing a repealing clause; providing a severability clause; providing a savings clause; providing a penalty of fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense; and providing an effective date (Community Development Director)**

Motion to approve an Ordinance of the City of Seagoville, Dallas County, Texas, amending the Comprehensive Zoning Ordinance and map of the City of Seagoville, Dallas County, Texas, as heretofore amended, by granting a change in zoning from Residential-2 (R-2) to Planned Development-Residential -2 (PD-17-03) for 8.88 acres of land located at the southwest corner of Lasater Road and Stark Road, Seagoville, Dallas County, Texas – Hernandez, seconded by Fruin, motion passed with all ayes.

- 14. Conduct the third public hearing to receive input on the proposed annexation of approximately 7,277± feet in length and 80’ in width of the recorded public right-of-way of East Malloy Bridge Road, located in Kaufman County, Texas, beginning at its intersection with the northern boundary line of territorial limits of the City of Seagoville, and running north/northeast to its intersection with the southern boundary line of the territorial limits of the City of Seagoville (HR Director/Risk Manager)**

Mayor Childress opened the public hearing at 8:12 p.m.

No one spoke for or against.

Mayor Childress closed the public hearing at 8:13 p.m.

- 15. Discuss and consider adopting an Ordinance of the City of Seagoville, Texas, extending the municipal boundary limits of the City of Seagoville, Texas, in accordance with Chapter 43 of the Texas Local Government Code by the annexation of approximately 7,277 ± feet of the recorded public right-of-way of East Malloy Bridge Road, located in Kaufman County, Texas, beginning at its intersection with the northern boundary line of territorial limits of the City of Seagoville, and running northeast to its intersection with the southern boundary line of the territorial limits of the City of Seagoville (“the annexation area”); providing that the annexation area shall be subject to the ad valorem taxes levied by the City of Seagoville and that the inhabitants of the annexation area, if any, shall be entitled to all rights and privileges of all the regulations of the City of Seagoville now in effect and hereinafter adopted; adopting the Service Plan attached hereto as Exhibit “A”; providing a severability clause; and providing for an effective date (HR Director/Risk Manager)**
*Motion to approve an Ordinance of the City of Seagoville, Texas, extending the municipal boundary limits of the City of Seagoville, Texas, in accordance with Chapter 43 of the Texas Local Government Code by the annexation of **approximately** 7,277 ± feet of the recorded public right-of-way of East Malloy Bridge Road, located in Kaufman County, Texas – Magill, seconded by Howard; motion passed with all ayes.*

- 16. Receive Councilmember Reports/Items of Community Interest** - as authorized by Section 551.0415 of the Texas Government Code.
None.

- 17. Future Agenda Items** – Council to provide direction to staff regarding future agenda items. These items will not be discussed and no action will be taken at this meeting.
None

Adjourned at 8:15 p.m.

APPROVED:

Mayor Dennis K. Childress

ATTEST:

Kandi Jackson, City Secretary

Consent Agenda Item: 2

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Consider approving a Resolution of the City of Seagoville, Texas, entering into a Memorandum of Understanding with North Texas Municipal Water District for the purpose of establishing a model written Regional Capacity, Management, Operations and Maintenance (CMOM) Program; authorizing the City Manager to execute all necessary documents; providing for the repeal of any and all Resolutions in conflict; providing for a severability clause; and providing an effective date.

ITEM DESCRIPTION:

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

N/A

EXHIBITS

Resolution
Agreement

CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO. 54-R-2017

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS, ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH NORTH TEXAS MUNICIPAL WATER DISTRICT FOR THE PURPOSE OF ESTABLISHING A MODEL WRITTEN REGIONAL CAPACITY, MANAGEMENT, OPERATIONS AND MAINTENANCE (CMOM) PROGRAM; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Seagoville, Texas desires to enter into a Memorandum of Understanding with North Texas Municipal Water District; and

WHEREAS, the City Council has reviewed the Memorandum of Understanding and has determined it to be in the best interest of the City of Seagoville.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. The City Manager is hereby authorized, on behalf of the City of Seagoville, Texas, to execute the Memorandum of Understanding, with North Texas Municipal Water District, attached hereto.

SECTION 2. All resolutions of the City of Seagoville heretofore adopted which are in conflict with the provisions of this resolution be, and the same are hereby repealed, and all resolutions of the City of Seagoville not in conflict with the provisions hereof shall remain in full force and effect.

SECTION 3. If any article, paragraph, subdivision, clause or provision of this resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

SECTION 4. This resolution shall take effect immediately from and after its passage, and it is accordingly resolved.

DULY PASSED by the City Council of the City of Seagoville, Texas this 11th day of September, 2017.

APPROVED:

Dennis K. Childress, Mayor

ATTEST:

Kandi Jackson, City Secretary

APPROVED AS TO FORM:

Alexis Allen, City Attorney

INTERLOCAL AGREEMENT REGARDING REGIONAL CAPACITY, MANAGEMENT, OPERATIONS AND MAINTENANCE (RCMOM) PROGRAM

THIS AGREEMENT is made by and between the Member and Customer Cities of the North Texas Municipal Water District Regional Wastewater System (RWWS) listed herein: **CITY OF ALLEN (ALLEN)**, the **CITY OF ANNA (ANNA)**, the **TOWN OF FAIRVIEW (FAIRVIEW)**, the **CITY OF FORNEY (FORNEY)**, the **CITY OF FRISCO (FRISCO)**, the **CITY OF HEATH (HEATH)**, the **CITY OF LUCAS (LUCAS)**, the **CITY OF MCKINNEY (MCKINNEY)**, the **CITY OF MELISSA (MELISSA)**, the **CITY OF MESQUITE (MESQUITE)**, the **CITY OF PARKER (PARKER)**, the **CITY OF PLANO (PLANO)**, the **CITY OF PRINCETON (PRINCETON)**, the **TOWN OF PROSPER (PROSPER)**, the **CITY OF RICHARDSON (RICHARDSON)**, the **CITY OF ROCKWALL (ROCKWALL)**, the **CITY OF SEAGOVILLE (SEAGOVILLE)**, and the **NORTH TEXAS MUNICIPAL WATER DISTRICT (NTMWD)**, acting by and through their City Managers and Executive Director, respectively, or their duly authorized representatives.

WHEREAS, in or near September of 2015, ALLEN, FORNEY, FRISCO, HEATH, MCKINNEY, MESQUITE, PLANO, PRINCETON, PROSPER, RICHARDSON, ROCKWALL, SEAGOVILLE AND NTMWD entered into a Memorandum of Understanding making agreements to work together in good faith to establish a model written Regional Capacity, Management, Operations and Maintenance (CMOM) program. A true and correct copy of that Memorandum of Understanding (hereinafter **"MOU"**) is attached hereto as **Exhibit A** and is incorporated by reference herein; and

WHEREAS, the parties to the MOU did undertake and substantially complete the tasks outlined in the MOU and have developed a Regional Capacity, Management, Operation, and Maintenance Coordination Plan (RCMOM) as described therein. The RCMOM prepared by NTMWD on or about December 14, 2016 is incorporated herein by reference; and

WHEREAS, the MOU was executed by all Member Cities of the NTMWD RWWS (specifically, ALLEN, FORNEY, FRISCO, HEATH, MCKINNEY, MESQUITE, PLANO, PRINCETON, PROSPER, RICHARDSON, ROCKWALL, and SEAGOVILLE); and

WHEREAS, Customer Cities of the NTMWD RWWS are participating in the RCMOM developed in connection with aforementioned MOU (specifically, ANNA, FAIRVIEW, LUCAS, MELISSA, AND PARKER); and

WHEREAS, each of the Member Cities and Customer Cities who are parties to this Agreement shall hereinafter be referred to as “Communities” within this Agreement; and

WHEREAS, in order to implement portions of the RCMOM, it will be necessary for NTMWD representatives and its contractors to access wastewater pipelines and other wastewater facilities owned by the Communities; and

WHEREAS, in order to implement portions of the RCMOM, it will be necessary for NTMWD to expend funds and other NTMWD resources; and

WHEREAS, the Interlocal Cooperation Act (Texas Government Code Chapter 791) authorizes any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and

WHEREAS, implementing the RCMOM is a governmental function which will benefit the citizens of all parties to this Agreement; and

WHEREAS, the Communities and NTMWD have determined that the RCMOM may be implemented most expeditiously and economically through this Agreement.

NOW, THEREFORE, this Agreement is made and entered into by and between the Communities and NTMWD for the mutual consideration stated herein.

ARTICLE ONE

The Project

1.01 The RCMOM identifies roles and responsibilities for NTMWD and Communities. Each of the Communities and NTWMD shall endeavor to implement the components of RCMOM as appropriate for their respective systems.

1.02 This Agreement is necessary to execute the capacity coordination approach, developed in cooperation with Communities and NTMWD, as identified in the RCMOM. The purpose of the capacity coordination is to jointly establish a collaborative process and approach to capacity planning that will provide a common basis and understanding of regional system capacity, and foster interface between Communities and NTMWD systems.

1.03 The goals of the regional capacity coordination are to meet the level of service goals identified in the RCMOM, understand community system plans and operation impacts on the regional system, optimize capital and

operational improvements based on community considerations, and assist NTMWD and Communities in planning sewer capacity improvements, maintenance, and operation with an increased understanding of existing and future conditions of the regional system.

1.04 For Communities that execute this ILA, NTMWD representatives and its contractors will coordinate with signatory representatives to perform fieldwork at mutually agreeable locations within Communities' infrastructure for purposes such as field survey at critical Communities locations, installation and monitoring of rain gauges and flow meters, and other appropriate field activities to support the execution of the RCMOM plan. For Communities that do not execute this ILA, similar fieldwork will be conducted within NTMWD infrastructure at locations as near as reasonably possible to critical Communities locations.

1.05 NTMWD shall coordinate with Communities' representatives and obtain permits where required at least 14 days prior to entering Community infrastructure, and provide plans for work to be completed with the Communities' infrastructure. NTMWD shall provide, or cause its contractors to provide, adequate general liability and motor vehicle insurance protecting the Communities when conducting work within or at the Community's wastewater pipelines and other wastewater facilities; and to provide certificates of insurance and policy endorsements as applicable prior to such work.

1.06 Communities shall provide NTMWD representatives and its contractors reasonable access to each Community's wastewater pipelines and other wastewater facilities.

1.07 NTMWD and Communities will coordinate master planning efforts on a consistent and regular 5-year cycle to identify capacity needs early and prioritize Capital Improvement Plan efforts.

ARTICLE TWO

Duties and Payment

2.01 Each of the Communities participates in one or more of the following NTMWD wastewater systems and are responsible for payment of system costs in accordance with the contracts governing same:

- a. Forney Wastewater Interceptor System;
- b. Lower East Fork Wastewater Interceptor System;
- c. Buffalo Creek Interceptor System;
- d. Mustang Creek Wastewater Interceptor System; and
- e. Upper East Fork Wastewater Interceptor System.

2.02 These existing contracts define the allocation of charges between and among the Communities, based on metered volumes and others contractual

bases. The costs expended by NTMWD in furtherance of the RCMOM work contemplated by this Agreement will be funded by NTMWD through the normal budgeting process, which includes budget approval by the NTMWD Board. These RCMOM costs shall be charged to the appropriate system set forth in Section 2.01 and shall be reimbursed by Communities in accordance with said contracts.

ARTICLE THREE

Funding

3.01 The Parties agree that the payments for the performance of governmental functions or services shall be made only from funds legally available to the paying party at the time the payment becomes due.

ARTICLE FOUR

Term and Termination

4.01 This Agreement shall become effective on the earlier of either a.) the date of the last signature, or b.) November 30, 2017. It is contemplated that every Community listed in this Agreement may not execute the Agreement. In that event, the Agreement shall be valid and enforceable only as to each of the parties executing the Agreement. Unless terminated in accordance with Section 4.02, herein, This Agreement shall continue in effect annually until all obligations hereunder are completed and each party has given final acceptance of duties contemplated by this Agreement, in writing, to the other parties. This Agreement shall automatically renew annually during this period, if not terminated.

4.02. Any signatory to this Agreement may withdraw from the Agreement and terminate all duties, rights, and obligations hereunder by providing sixty (60) days' notice to each Party by providing a written notification to each signatory or their successor(s) at the applicable Town or City.

ARTICLE FIVE

Immunity

5.01 It is expressly understood and agreed that, in the execution of this agreement, no party waives, nor shall be deemed hereby to have waived, any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, expressed or implied, other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

ARTICLE SIX
Successors and Assigns

6.01 This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns. No party will assign or transfer an interest in this Agreement without the written consent of each of the other parties.

ARTICLE SEVEN
Venue

7.01 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. The parties agree that this Agreement is performable in Collin County, Texas, and that exclusive venue shall lie in the District Courts of Collin County, Texas.

ARTICLE EIGHT
Interpretation

8.01 This is a negotiated document and should any part of this Agreement be in dispute, the parties agree that the Agreement shall not be construed more favorably for either party.

ARTICLE NINE
Remedies, Non-Waiver

9.01 No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy granted by law or equity, but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of each of the parties. It is further agreed that one or more instances of forbearance by any party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

ARTICLE TEN
Entire Agreement

10.01 This Agreement, including the MOU and the RCMOM incorporated by reference herein, embodies the entire agreement between the parties as to the matters contained within it and may only be modified in writing executed by all parties to the Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

CITY OF ALLEN, TEXAS

BY: PETER H. VARGAS

TITLE: CITY MANAGER

DATE:

ADDRESS: 305 CENTURY PARKWAY, ALLEN, TEXAS 75013

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Peter H. Vargas, City Manager of the City of Allen, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF ANNA, TEXAS

BY: PHILIP SANDERS

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 776, ANNA, TEXAS 75409

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Philip Sanders, City Manager of the City of Anna, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

TOWN OF FAIRVIEW, TEXAS

BY: JULIE COUCH

TITLE: TOWN MANAGER

DATE:

ADDRESS: 372 TOWN PLACE, FAIRVIEW, TEXAS 75069

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Julie Couch, Town Manager of the Town of Fairview, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF FORNEY, TEXAS

BY: JAMES FISHER

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 826, FORNEY, TEXAS 75126

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF KAUFMAN §

Before me, the undersigned authority on this day personally appeared James Fisher, City Manager of the City of Forney, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF FRISCO, TEXAS

BY: GEORGE PUREFOY

TITLE: CITY MANAGER

DATE:

ADDRESS: 6101 FRISCO SQUARE BLVD., FRISCO, TEXAS 75064

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared George Purefoy, City Manager of the City of Frisco, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF HEATH, TEXAS

BY: BRIAN BERRY

TITLE: MAYOR

DATE:

ADDRESS: 200 LAURENCE DRIVE, HEATH, TEXAS 75032

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF ROCKWALL§

Before me, the undersigned authority on this day personally appeared Brian Berry, Mayor of the City of Heath, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF LUCAS, TEXAS

BY: JOE GORFIDA

TITLE: CITY ATTORNEY

DATE:

ADDRESS: 665 COUNTRY CLUB ROAD, LUCAS, TX 75002-7651

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Joe Gorfida, City Attorney of the City of Lucas, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF MCKINNEY, TEXAS

BY: PAUL GRIMES

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 517, MCKINNEY, TEXAS 75069

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Paul Grimes, City Manager of the City of McKinney, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF MELISSA, TEXAS

BY: JASON LITTLE

TITLE: CITY MANAGER

DATE:

ADDRESS: 3411 BARKER AVENUE, MELISSA, TEXAS 75454

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Jason Little, City Manager of the City of Melissa, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF MESQUITE, TEXAS

BY: CLIFFORD V. KEHELEY, JR.

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 850137, MESQUITE, TEXAS 75185-0137

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF DALLAS §

Before me, the undersigned authority on this day personally appeared Clifford V. Keheley, Jr., City Manager of the City of Mesquite, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF PARKER, TEXAS

BY: JEFFRY FLANIGAN

TITLE: CITY ADMINISTRATOR

DATE:

ADDRESS: 5700 E PARKER RD PARKER, TEXAS 75002-6767

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Jeffry Flanigan, City Administrator of the City of Parker, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF PLANO, TEXAS

BY: BRUCE D. GLASSCOCK

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 860358, PLANO, TEXAS 75086-0358

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Bruce D. Glasscock, City Manager of the City of Plano, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF PRINCETON, TEXAS

BY: DEREK BORG

TITLE: CITY MANAGER

DATE:

ADDRESS: 123 W. PRINCETON DRIVE, PRINCETON, TEXAS 75407

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Derek Borg, City Manager of the City of Princeton, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

TOWN OF PROSPER, TEXAS

BY: HARLAN JEFFERSON
TITLE: TOWN MANAGER
DATE:
ADDRESS: P.O. BOX 397, PROSPER, TEXAS 75078

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Harlan Jefferson, Town Manager of the Town of Prosper, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF RICHARDSON, TEXAS

BY: DAN JOHNSON

TITLE: CITY MANAGER

DATE:

ADDRESS: P.O. BOX 830309, RICHARDSON, TEXAS 75083

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF DALLAS §

Before me, the undersigned authority on this day personally appeared Dan Johnson, City Manager of the City of Richardson, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF ROCKWALL, TEXAS

BY: RICHARD CROWLEY

TITLE: CITY MANAGER

DATE:

ADDRESS: 385 S. GOLIAD, ROCKWALL, TEXAS 75087

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF ROCKWALL§

Before me, the undersigned authority on this day personally appeared Richard Crowley, City Manager of the City of Rockwall, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

CITY OF SEAGOVILLE, TEXAS

BY: PATRICK STALLINGS

TITLE: CITY MANAGER

DATE:

ADDRESS: 702 N. HIGHWAY 175, SEAGOVILLE, TEXAS 75159

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF DALLAS §

Before me, the undersigned authority on this day personally appeared Patrick Stallings, City Manager of the City of Seagoville, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

NORTH TEXAS MUNICIPAL WATER DISTRICT

BY: THOMAS W. KULA
TITLE: EXECUTIVE DIRECTOR
DATE:
ADDRESS: 501 E. BROWN STREET, WYLIE, TEXAS 75098

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF COLLIN §

Before me, the undersigned authority on this day personally appeared Thomas W. Kula, Executive Director of the North Texas Municipal Water District, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged and swore to me that he executed the same for the purposes and the consideration therein expressed, and as the act and deed of said entity.

Notary Public, State of Texas

[Notary Seal]

EXHIBIT A

MEMORANDUM OF UNDERSTANDING REGARDING DEVELOPMENT OF A REGIONAL CAPACITY, MANAGEMENT, OPERATIONS, AND MAINTENANCE (CMOM) PROGRAM

NORTH TEXAS MUNICIPAL WATER DISTRICT

MEMORANDUM OF UNDERSTANDING REGARDING DEVELOPMENT OF A REGIONAL CAPACITY, MANAGEMENT, OPERATIONS, AND MAINTENANCE (CMOM) PROGRAM

WHEREAS, the City of Allen, the City of Forney, the City of Frisco, the City of Heath, the City of McKinney, the City of Mesquite, the City of Plano, the City of Princeton, the Town of Prosper, the City of Richardson, the City of Rockwall and the City of Seagoville, (individually and collectively the “Communities”), have entered into various contracts (the “Contracts”) for the collection, conveyance, and treatment of wastewater from their various systems (the “Systems”); and

WHEREAS, the Contracts do not include explicit provisions related to maintenance, management, and operation of the Systems; and

WHEREAS, each entity has its own unique collection system and appropriations approval by their respective governing body, the program will be implemented consistent with the needs and appropriated funding of each entity; and

WHEREAS, North Texas Municipal Water District (“NTMWD”) and the Communities have a goal to improve wastewater collection capacity, management, operations, and maintenance programs of the Systems; and

NOW THEREFORE, NTMWD and the Communities agree to the following:

NTMWD and the Communities shall work together in good faith to establish a model written Regional Capacity, Management, Operations, and Maintenance (CMOM) program related to the following aspects of NTMWD’s and Communities’ practices, assets, and programs.

- a. Emergency response and mitigation plan,
- b. Collection system cleaning program,
- c. Comprehensive Fats, Roots, Oil, and Grease (FROG) program,
- d. Condition assessment: Force mains, lift stations, manholes, gravity sewers, and service laterals,
- e. Hydraulic modeling capacity assessment,
- f. Formalized operation and maintenance (“O&M”) training program including standard operating procedures and classroom training,
- g. Point of entry and flow metering program,
- h. Maintenance management system, and
- i. Framework for identification and implementation of NTMWD and Community capital project needs resulting from condition and capacity assessments.

This Memorandum of Understanding will be effective the date of the last signature with an awareness all Communities may not participate.

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

AGREED:



Thomas W. Kula
Executive Director, NTMWD



Date

Peter H. Vargas
City Manager, City of Allen

Date

Brian Brooks
City Manager, City of Forney

Date

George Purefoy
City Manager, City of Frisco

Date

Ed Thatcher
City Manager, City of Heath

Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

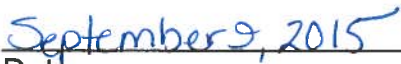
AGREED:

Thomas W. Kula
Executive Director, NTMWD

Date



Peter H. Vargas
City Manager, City of Allen



Date

Brian Brooks
City Manager, City of Forney

Date

George Purefoy
City Manager, City of Frisco

Date

Ed Thatcher
City Manager, City of Heath

Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

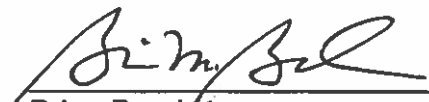
AGREED:

Thomas W. Kula
Executive Director, NTMWD

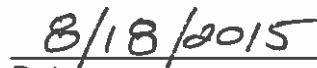
Date

Peter H. Vargas
City Manager, City of Allen

Date



Brian Brooks
City Manager, City of Forney



Date

George Purefoy
City Manager, City of Frisco

Date

Ed Thatcher
City Manager, City of Heath

Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

AGREED:

Thomas W. Kula
Executive Director, NTMWD

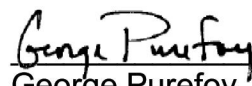
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Peter H. Vargas
City Manager, City of Allen

Date

Brian Brooks
City Manager, City of Forney

Date



George Purefoy
City Manager, City of Frisco

September 1, 2015
Date

Ed Thatcher
City Manager, City of Heath

Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

AGREED:

Thomas W. Kula
Executive Director, NTMWD

Date

Peter H. Vargas
City Manager, City of Allen

Date

Brian Brooks
City Manager, City of Forney

Date

George Purefoy
City Manager, City of Frisco

Date



Ed Thatcher
City Manager, City of Heath



Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

AGREED:

Thomas W. Kula
Executive Director, NTMWD

Date

Peter H. Vargas
City Manager, City of Allen

Date

Brian Brooks
City Manager, City of Forney

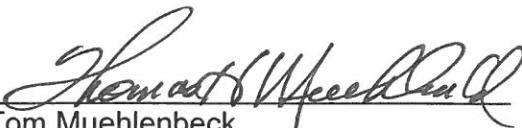
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George Purefoy
City Manager, City of Frisco

Date

Ed Thatcher
City Manager, City of Heath

Date



Tom Muehlenbeck
Interim City Manager, City of McKinney



Date

Ted Barron
City Manager, City of Mesquite

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 2

AGREED:

Thomas W. Kula
Executive Director, NTMWD

Date

Peter H. Vargas
City Manager, City of Allen

Date

Brian Brooks
City Manager, City of Forney

Date

George Purefoy
City Manager, City of Frisco

Date

Ed Thatcher
City Manager, City of Heath

Date

Tom Muehlenbeck
Interim City Manager, City of McKinney

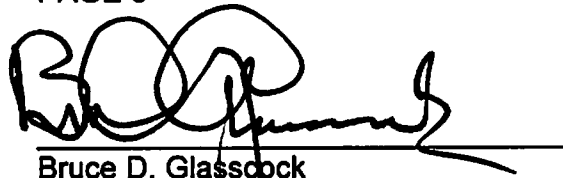
Date



Ted Barron
City Manager, City of Mesquite

9-17-15
Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3



Bruce D. Glasscock
City Manager, City of Plano

8/10/15

Date

Derek F. Borg
City Manager, City of Princeton

Date

Harlan Jefferson
Town Manager, Town of Prosper

Date

Dan Johnson
City Manager, City of Richardson

Date

Rick Crowley
City Manager, City of Rockwall

Date

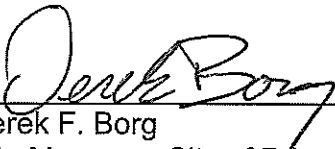
Pat Stallings
Acting City Manager, City of Seagoville

Date

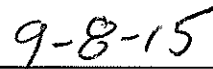
MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3

Bruce D. Glasscock
City Manager, City of Plano

Date



Derek F. Borg
City Manager, City of Princeton



Date

Harlan Jefferson
Town Manager, Town of Prosper

Date

Dan Johnson
City Manager, City of Richardson

Date

Rick Crowley
City Manager, City of Rockwall

Date

Pat Stallings
Acting City Manager, City of Seagoville

Date

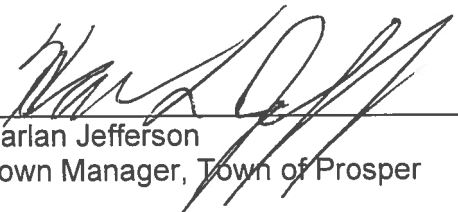
MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3

Bruce D. Glasscock
City Manager, City of Plano

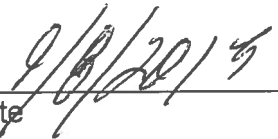
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Derek F. Borg
City Manager, City of Princeton

Date



Harlan Jefferson
Town Manager, Town of Prosper



Date

Dan Johnson
City Manager, City of Richardson

Date

Rick Crowley
City Manager, City of Rockwall

Date

Pat Stallings
Acting City Manager, City of Seagoville

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3

Bruce D. Glasscock
City Manager, City of Plano

Date

Derek F. Borg
City Manager, City of Princeton

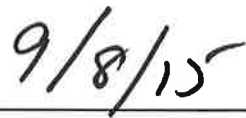
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Harlan Jefferson
Town Manager, Town of Prosper

Date



Dan Johnson
City Manager, City of Richardson



Date

Rick Crowley
City Manager, City of Rockwall

Date

Pat Stallings
Acting City Manager, City of Seagoville

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3

Bruce D. Glasscock
City Manager, City of Plano

Date

Derek F. Borg
City Manager, City of Princeton

Date

Harlan Jefferson
Town Manager, Town of Prosper

Date

Dan Johnson
City Manager, City of Richardson

Date

TMT 
Rick Crowley
City Manager, City of Rockwall

Date

11/9/15

Pat Stallings
Acting City Manager, City of Seagoville

Date

MEMORANDUM OF UNDERSTANDING: REGIONAL CMOM PROGRAM
PAGE 3

Bruce D. Glasscock
City Manager, City of Plano

Date

Derek F. Borg
City Manager, City of Princeton

Date

Ray Smith
Mayor, Town of Prosper

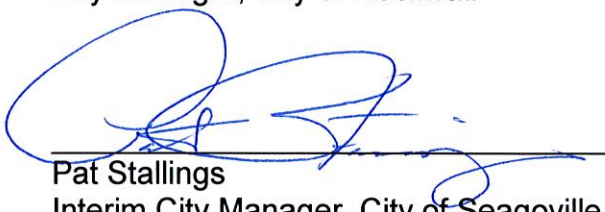
Date

Dan Johnson
City Manager, City of Richardson

Date

Rick Crowley
City Manager, City of Rockwall

Date



Pat Stallings
Interim City Manager, City of Seagoville

08/10/2015

Date

Consent Agenda Item: 3

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Approval of the City of Seagoville's Financial Policies for Fiscal Year 2017-2018.

BACKGROUND OF ISSUE:

The Financial Policies constitute the framework upon which the City conducts its financial operations and builds the annual budget. The attached policies are consistent with those enacted in prior years and include no current revisions. The purpose of the City's financial policies is to provide guidelines to enable City staff to achieve a long-term stable financial condition while conducting daily operations and providing services to the community. The scope of the policies cover accounting, auditing, financial reporting, internal controls, fiscal, financial condition and reserves, revenue management, expenditure control and capital financing/debt management. As an integral part of the annual budget and commencement of the fiscal year, Council is asked to reaffirm its commitment to the City's financial policies.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

EXHIBITS

Financial Policy

City of Seagoville Financial Policies

Purpose Statement

The policies set forth below provide guidelines to enable the City staff to achieve a long-term, stable financial condition while conducting daily operations and providing services to the community. The City Manager and senior management follow these policies while developing the annual operating budget. The scope of these policies cover accounting, auditing, financial reporting, internal controls, fiscal, financial condition and reserve, revenue management, expenditure control and capital financing/debt management.

The long-range policies regarding financial management are as follows:

1. Exercise a discipline which allows the City to retain a sound financial condition.
2. Give recognition to the community's needs and ability to pay
3. Strive to retain the best possible rating on bonds

Accounting, Auditing and Financial Reporting

Accounting – The City's Director of Finance is responsible for establishing the chart of accounts and for properly recording financial transactions.

External Auditing – The City will be audited annually by outside independent accountants (auditors). The auditors must be a CPA firm and must demonstrate experience in the field of local government auditing. They must conduct the City's audit in accordance with generally accepted auditing standards and be knowledgeable in the Government Finance Officers Association (GFOA) Certificate of Achievement Program. The City will follow a five year rotation of outside independent auditors. The audited financial statements should be prepared within 180 days after the close of the fiscal year.

External Financial Reporting – The City will prepare and publish a Comprehensive Annual Financial Report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles and will be presented annually to the Government Finance Officers Association (GFOA) for evaluation and awarding of the Certificate of Achievement for Excellence in Financial Reporting.

Interim Reporting – The Finance Department will prepare and issue timely reports on the City's fiscal status to the Mayor/Council and staff. This includes the following:

1. Monthly budget status reports to the City Manager and all Department Heads
2. Mid Year status report and fiscal year end projection of major funds (General and Water & Sewer funds)
3. Quarterly financial reports to Mayor and Council

Internal Controls

Written Procedures – The Director of Finance is responsible for developing written guidelines on accounting, cash handling and other financial matters which will be approved by the City Manager. The Finance Department will assist Department Directors, as needed, in tailoring such guidelines to fit each department's requirements.

Department Directors' Responsibility – Each Department Director is responsible to the City Manager to ensure that proper internal controls are followed throughout his or her department, that all guidelines on accounting and internal controls are implemented and that all independent auditor control recommendations are addressed.

Fiscal

Balanced Budget – Current available unrestricted operating revenue shall be sufficient to support current operating expenditures. Temporary shortages, or operating deficits, can and do occur, but they are not tolerated as extended trends. Measures are developed to provide additional revenue and/or reduced expenditures to eliminate operating deficits.

Long Range Planning – The budget process will be coordinated so as to identify major policy issues for City Council consideration in advance of the budget approval date so that proper decision analysis can be made.

Fixed Assets – Such assets will be reasonably safeguarded, properly accounted for and prudently used. The fixed asset inventory will be updated regularly.

Cash Management – The City's cash flow will be managed to maximize the investable cash in accordance with the City's investment policy.

Financial Condition and Reserve

Reserve Accounts – The General Fund unreserved undesignated fund balance should be adequate to handle unexpected decreases in revenues and a reasonable level for extraordinary unbudgeted expenditures. The General Fund balance policy should also be flexible enough to allow the City to weather economic downturns without raising taxes and/or reducing vital services. The General Fund is required to maintain a minimum 60 day reserve of budgeted expenditures.

City Enterprise Funds will compensate the General Fund for the general and administrative services thereby provided such as management, finance and personnel. The City will adopt annual utility rates which will generate revenues sufficient to cover operating expenses and meet the legal requirements of bond covenants. Rates will also fund adequate capital replacement of water distribution and sewerage collection systems. The Water and Sewer Fund is required to maintain a minimum of 60 days of budgeted expenses. These reserves are needed to protect against the possibility of temporary revenue shortfalls or unpredicted one-time expenditures.

Should either the General Fund reserve or the Water and Sewer Fund reserve fall below the minimum reserve requirement, revenue raising measures or expenditure reductions will be implemented to return the General Fund reserve and the Water and Sewer Fund reserve to the minimum level no later than the end of the following fiscal year.

Reserves (fund balance) will be used only for emergencies or to reduce balances in excess of current guidelines (60 days for the General Fund and 60 days for the Water and Sewer Fund), as long as they are spent for non-recurring items.

Revenue Management

Revenue Diversification – A diversified and stable revenue system will be maintained to shelter the City from short run fluctuations in any one revenue source.

Fees and Charges – The City will maximize utilization of user charges in lieu of property taxes for services that can be individually identified and where the costs are directly related to the level of service. There will be periodic review of fees and charges to ensure that fees provide adequate coverage of costs of service.

Use of One-time Revenues – One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund mainstream services.

Use of Unpredictable Revenue – The City will try to understand its revenue sources, and enact consistent collection policies so that assurances can be provided that the revenue base will materialize according to budgets and plans. Use of unpredictable revenue will depend upon management's determination whether the revenue is considered a one time revenue or will recur annually.

Sufficiency – The benefits of revenue shall exceed the cost of producing the revenue.

Grants – Any potential grants shall be examined for matching requirements so that the source and availability of these funds may be determined before the grant application is made.

Utility Rates – The City shall review and adopt utility rates that shall generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs.

Expenditure Control

Appropriations – The City Manager's level of budgetary control is at the fund level for all funds. Modifications within a respective fund's operating categories (materials, supplies and services) and/or modifications within the personnel and capital categories may be made with the approval of the City Manager. When a budget amendment among funds is necessary, it must be approved by the City Council.

Purchasing – All purchases shall be in accordance with both the City's purchasing policy and state law.

Prompt Payment – All invoices will be paid upon 30 days of receipt in accordance with state law. Procedures will be used to take advantage of all cost effective purchase discounts. Payments will be processed to maximize the City's investable cash.

Department Directors' Responsibility - Each Department Director is held accountable for meeting program objectives and monitoring the use of budget funds expended to ensure compliance with the annual appropriated budget approved by the City Council.

Capital Financing and Debt Management

Debt Capacity, Issuance and Management – Long term debt will not be used for operating purposes. Capital projects financed through bond proceeds shall be financed for a period not to exceed the useful life of the project. When

appropriate, self-supporting revenues will pay debt service in lieu of property taxes. The Debt Service current fiscal year debt requirement shall not exceed debt service property tax, self-supporting revenue and balances carried forward from the prior year. Unspent capital project proceeds are transferred to debt service at the completion of the capital project.

The Finance Department will monitor all City debt annually with the preparation of the annual budget. The Finance Department will diligently monitor the City's compliance to its bond covenants. The Finance Department will maintain ongoing communications with bond rating agencies about the City's financial condition and follow a policy of full disclosure on every financial report. The City has and will continue to retain a Financial Advisor in connection with any debt issuance.

Consent Agenda Item:4

Meeting Date: September 9, 2017

ITEM DESCRIPTION:

Submittal of a 2018 Justice Assistance Grant (3333201) administered by the Governor's Office Criminal Justice Division, for Dual Band Portable radios.

BACKGROUND OF ISSUE:

The Police Department is in need of newer updated portable radios with interoperability P-25 compliant dual band capabilities. These radios will give our officers the capability of communicating with neighboring agencies in critical and non-critical situations. The department's current portable radio equipment is a single narrow band VHF configuration that only allows communication with other narrow band VHF configurations. The department has located a grant funding source that will fund the purchase and programming of these portable radios. Each of these radios will be programmed with all City of Seagoville radio frequencies as well as neighboring agencies such as Dallas County Sheriff's Department, Balch Springs Police Department and Fire Department, Mesquite Police Department, Forney Police and Fire Department, Terrell Police Department, Kaufman County Sheriff's Department, Crandall, Kaufman, and Combine Police Departments, etc.

FINANCIAL IMPACT:

There are no matching funds required for this grant project. The Department is asking to purchase thirty of these dual band VHF, 700 / 800 MHz portable radios at a total cost of \$79,868.20.

EXHIBITS:

Resolution

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO. 58-R-2017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, AUTHORIZING THE CITY MANAGER AS THE AUTHORIZED OFFICIAL FOR GRANT NUMBER 3333201 TITLED, PORTABLE P-25 PROJECT, AND AUTHORIZING THE SUBMISSION OF THE GRANT APPLICATION TO THE OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION; PROVIDING FOR THE REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Seagoville, Texas finds it in the best interest of the citizens of Seagoville, that the Portable P-25 Project be operated for 2017; and

WHEREAS, the City Council of the City of Seagoville, Texas agrees to provide applicable matching funds for the said project as required by the Justice Assistance Grant Application; and

WHEREAS, the City Council of the City of Seagoville, Texas, agrees that in the event of loss or misuse of the Criminal Justice Division Funds, the City Council of the City of Seagoville, Texas assures that the funds will be returned to the Criminal Justice Division in full; and

WHEREAS, the City Council of the City of Seagoville, Texas designates the City Manager as Seagoville's authorized official, and authorizes him to apply for, accept, reject, alter or terminate the grant on behalf of the City of Seagoville.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS THAT:

Section 1. The City Council of the City of Seagoville, Texas, approves the submission of the grant application for the Portable P-25 Project to the Office of the Governor, Criminal Justice Division.

Section 2. The City Council for the City of Seagoville, Texas designates the City Manager as the City's authorized official, and fully authorizes him to apply for, accept, reject, alter or terminate the grant on behalf of the City.

Section 3. If any article, paragraph, subdivision, clause or provision of this Resolution, as hereby amended, be adjudged invalid or held unconstitutional for any reason, such judgment or holding shall not affect the validity of this Resolution as a whole or any part or provision thereof, as amended hereby, other than the part so declared to be invalid or unconstitutional.

Section 4. That this Resolution shall take effect immediately from and after its passage as the law and Charter in such cases provide.

DULY ORDERED by the City Council of the City of Seagoville, Texas on the 11th day of September, 2017.

Grant Number: 3333201

APPROVED:

DENNIS CHILDERS, MAYOR

ATTEST:

KANDI JACKSON, CITY SECRETARY

APPROVED AS TO FORM:

ALEXIS ALLEN, CITY ATTORNEY

Regular Agenda Item: 5

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Conduct interview with Board and Commission applicant and consider appointment. (City Secretary)

BACKGROUND OF ISSUE:

Lorin Mullens currently serves as Alternate #2 on the Board of Adjustments. He is applying to fill the vacancy for Place 5.

In the past the City Council has interviewed all board and commission applicants. At this time, brief interviews may be conducted with each applicant individually. For your convenience, a list of applicant's has been provided.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

N/A

EXHIBITS

List for Appointments

CITY PLANNING & ZONING COMMISSION, 2nd & 4th Tuesday, 6:30 p.m.; City Hall

Staff Contact: Ladis Barr / Casey Fillmore	Place	Appt. Date	Term Expires
James Sudduth	1	7/2010	6/2018
Mike Dupuis	2	6/2016	6/2018
Garry Adams	3	6/2015	6/2019
Lowell Sherman	4	7/2017	6/2019
Ritha Edwards	5	7/2017	6/2019
Brian Williams	6	7/2017	6/2019
Raymond Covert	7	11/2016	6/2019

BOARD OF ADJUSTMENTS, 4th Monday as needed, 6:30 p.m., City Hall

Staff Contact: Ladis Barr / Casey Fillmore	Place	Appt. Date	Term Expires
Jerry Yearout	1	7/2015	6/2019
Sidney M. Sexton, Jr.	2	8/2013	6/2018
George Edwards	3	7/2015	6/2019
Nancy Ashley	4	6/2016	6/2018
Vacant	5		6/2017
Vacant	Alt. #1		6/2017
Lorin Mullens	Alt. #2	6/2016	6/2018

PARK & RECREATION COMMISSION, 1st Tuesday, 6:30 p.m., City Hall

Staff Contact: Ladis Barr	Place	Appt. Date	Term Expires
Tiffany Sowell	1	8/2017	6/2019
Aaron Cade	2	8/2017	6/2019
Wayne Pekrul	3	8/2017	6/2019
Vacant	4		6/2018
Vacant	5		6/2017
Blanche Gattis	6	6/2008	6/2018
Vacant	7		7/2017

ANIMAL SHELTER OVERSIGHT COMMITTEE, Once a Quarter on a Tuesday, Noon, City Hall

Staff Contact: Kandi Jackson	Place	Appt. Date	Term Expires
Dr. Ronnie Mohr	1	6/2009	6/2019
Sgt. Karl Bailey	2		
Bettye Baker	3	8/2012	6/2018
Justin Harley	4		
Vacant	5	7/2015	6/2017

Regular Agenda Item: 6

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Discuss and consider approval of a Resolution of the City of Seagoville, Texas approving the terms and conditions of the agreement for mobile intensive care ambulance service between the City of Seagoville and Acadian Ambulance Services, LLC; authorizing the City Manager to execute necessary documents; providing a severability clause; and providing an effective date

ITEM DESCRIPTION:

The emergency medical contract with Acadian Ambulance Service expires at midnight on September 30, 2017.

Acadian Ambulance Services has been our provider since 2014 when they purchased Texas Lifeline Corporation. During that time they have been an excellent partner in all aspects of EMS service for the citizens of Seagoville as well as the employees.

The city has paid the same subsidy amount since October of 2008.

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

The annual cost for services agreed to have been \$164,079.96 to be paid in monthly installments of \$13,673.33. This contract for the first year would remain the same with a 2% increase for the remaining two years of the agreement.

Second year of contract increased by 2% total would be \$167,361.55 annual with monthly installments of \$13,946.80.

Third year of contract increased by 2% total would be \$170,708.78 annual with monthly installments of \$14,225.73.

RECOMMENDATION:

Staff recommends the approval and award of a new three year contract to Acadian Ambulance Services with year one annual cost of \$164,079.96, year two annual cost of \$167,361.55, and the year three annual cost of \$170,708.78.

EXHIBITS

Resolution
Agreement

CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO. 55-R-2017

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS APPROVING THE TERMS AND CONDITIONS OF THE AGREEMENT FOR MOBILE INTENSIVE CARE AMBULANCE SERVICE BETWEEN THE CITY OF SEAGOVILLE AND ACADIAN AMBULANCE SERVICES, LLC; AUTHORIZING THE CITY MANAGER TO EXECUTE NECESSARY DOCUMENTS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City has previously contracted with Acadian Ambulance Services, LLC for ambulance service to residents and other persons within the City of Seagoville; and

WHEREAS, the City Council has elected to continue service with Acadian Ambulance Services, LLC; and

WHEREAS, an agreement for provision of mobile intensive care ambulance service has been prepared for this purpose, which is attached hereto and incorporated herein as Exhibit "A" (hereinafter, the "Agreement"); and

WHEREAS, it is the desire of the City Council to approve the same;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS THAT:

SECTION 1. That the Agreement attached hereto as Exhibit A, between the City of Seagoville, Texas, and Acadian Ambulance Services, LLC, for the purpose of providing ambulance service within the City is hereby approved, and the City Council finds that any and all fees allowable under the City's Code of Ordinances is calculated into the subsidy as provided in Exhibit "A".

SECTION 2. That the City Manager of the City of Seagoville is hereby authorized and directed to execute the Agreement on behalf of the City.

SECTION 3. All resolutions of the City of Seagoville heretofore adopted which are in conflict with the provisions of this resolution be, and the same are hereby repealed, and all resolutions of the City of Seagoville not in conflict with the provisions hereof shall remain in full force and effect.

SECTION 4. That should any sentence, paragraph, subdivision, clause, phrase or section of this resolution or the approved agreement be adjudged or held to be

unconstitutional, illegal or invalid, the same shall not affect the validity of this resolution as a whole, or any part or provision thereof, or of the agreement, other than the part declared to be unconstitutional, illegal or invalid.

SECTION 5. That this resolution shall take effect on October 1, 2017 after its passage.

DULY PASSED BY THE City Council of the City of Seagoville, Texas, on the 11th day of September, 2017.

APPROVED:

Dennis K. Childress, Mayor

ATTEST:

Kandi Jackson, City Secretary

APPROVED AS TO FORM:

Alexis G. Allen, City Attorney

STATE OF TEXAS §
 § **PROFESSIONAL SERVICES AGREEMENT FOR PROVISION**
 § **OF MOBILE INTENSIVE CARE AMBULANCE SERVICE**
COUNTY OF DALLAS §

THIS AGREEMENT FOR PROVISION OF MOBILE INTENSIVE CARE AMBULANCE SERVICE (the "Agreement") is made and entered into effective the 1st day of October 2017, by and between the City of Seagoville, a Texas Home Rule municipality ("City") and Acadian Ambulance Service of Texas, LLC, a Louisiana Limited Liability Company, licensed to do business in the state of Texas ("Acadian").

RECITALS:

WHEREAS, the City has previously approved a resolution on November 17, 2014, for ACADIAN to provide ambulance service for its residents and other persons within the City of Seagoville which Acadian has continued in same capacity; and

WHEREAS, the parties wish to memorialize their agreement by executing the within agreement detailing the terms of such agreement and incorporating further terms and specifications as heretofore set within the proposal;

NOW, THEREFORE, in consideration of the above stated premises and in further consideration of the promises and conditions hereinafter set forth, City grants ACADIAN the right to provide mobile intensive services, advance, intermediate and basic life (hereinafter, "ambulance service") to residents and other persons within the confines of the City, and ACADIAN agrees to perform such services, on the following terms and conditions;

A. DEFINITIONS

The following definitions shall apply throughout this Agreement:

1. *MICU* shall mean Mobile Intensive-Care Unit as that term is defined in the Texas Emergency Medical Service Act.
2. *ALS* shall mean Advanced Life Support, emergency pre-hospital care that utilizes invasive medical acts and that is provided under the medical supervision and control of a licensed physician.
3. *BLS* shall mean Basic Life Support, emergency pre-hospital care that uses non-invasive medical actions and that is provided under the medical supervision and control of a licensed physician.
4. *Emergency Medical Service Advisory Board* shall mean a five (5) member body that may be appointed by the City Council and who may be empowered to review

and settle disputes between citizens and ACADIAN and to recommend to the City Manager all designated aspects of system performance which may affect patient care.

5. *Field personnel* shall mean all those employees of ACADIAN who have direct telephone or in-person contact with the public in the routine course of rendering the services which are the subject of the agreement.

6. *Response Time* shall mean the total elapsed time between the moment ACADIAN's control center personnel have acquired a callback number, patient location, and nature of problem information (i.e. time call received), and the moment the responding unit arrives upon the scene of the emergency incident (i.e. time unit arrived).

B. PURPOSE

The purpose of the agreement is to provide ambulance services to the residents and persons within the confines of the City of Seagoville in a manner and time frame consistent with the expectations and standards of the Texas Department of State Health Services-EMS Trauma Systems and to procure such services from a qualified professional ambulance company with extensive experience in the provision of ambulance services to small cities.

D. TERM

This Agreement shall be for a three term commencing on October 1, 2017 at 12:01 am, and shall continue through September 30, 2020 at 12:00 am. The parties shall have the option to renew this Agreement for two (2) additional one (1) year terms. The City reserves the right to extend, at the sole option and election of the City Council and upon acceptance by Acadian. Such renewals shall be mutually agreed to in writing.

E. SCOPE OF SERVICES

1. ACADIAN agrees, during the term of this Agreement to provide MICU service to all areas within the corporate limits of the City and within the areas for which the City bears primary, first response responsibility pursuant to contract with any other political subdivision.
2. The MICU service to be provided by ACADIAN shall include all responsibilities outlined in this Agreement, specifically including with limitation Mobile Intensive Care Units (MICU) which carry drugs, cardiac monitoring and defibrillator capabilities, as well as any and all other equipment or supplies or personnel required by law to provide ALS service. ACADIAN agrees at all times that its field personnel who man such ambulances will fully be trained paramedics and/or emergency medical technicians who are certified and qualified under state law to operate an MICU Ambulance.

3. City agrees to dispatch all E-911 calls for emergency ambulance service within the areas covered by this Agreement to ACADIAN through the ACADIAN Dispatch Service during the term of this Agreement or any renewal thereof.
4. This Agreement is based on the promise that ACADIAN has, and will throughout the life of the Agreement and any renewal period, maintain its own Medical Control Program under the direction of its Medical Directors, to provide all medical control services, including telemetry to a qualified doctor for stabilization of patients at the scene of emergencies to meet the minimum standards for MICU as required by applicable law.
5. ACADIAN agrees to abide by the applicable rules of the Texas Department of State Health Services-EMS Trauma Systems with regard to medical direction/supervision of pre-hospital care and MICU vehicle requirements when rendering BLS or ALS service under the provisions of the Agreement.
6. ACADIAN agrees to provide Medical Control to all City of Seagoville First Responders.
7. ACADIAN agrees to provide on-going continuing education training to all City of Seagoville First Responders.
8. ACADIAN agrees to provide at no charge to the City, MICU service that is required as the result of an illness or injury sustained to any City employee during the normal course of their duties with the City.

F. SUBSIDY

1. The parties agree that ACADIAN's operations as hereunder contemplated could not be conducted without significant dollar loss to ACADIAN but for a subsidy paid to ACADIAN by the City. Consequently, the City agrees to provide ACADIAN an annual subsidy of \$164,079.96 for the first year of this Agreement. Said subsidy shall be paid in monthly installments of \$13,673.33 payable on the 1st day of the calendar month, with the first such installment being payable not later than the 1st day of October 2017 and remain the same amount through September 30, 2018. Thereafter, the subsidy amount will increase by 2% each year that the contract is deemed effective. The parties further agree that any and all franchise fees, if any, to the City have been calculated into the subsidy amount provided for herein.
2. In the event that this Agreement is terminated in accordance with its terms on other than the anniversary date of the Agreement, the requirement to pay the balance of the annual subsidy shall likewise terminate, and the City shall be responsible to pay for only the pro-rata portion thereof for the period which ACADIAN performed its duties hereunder. Further, Acadian shall refund the City any prorated overpayment.

G. CONDITIONS OF SERVICE

1. ACADIAN agrees to abide by all the requirements and standards of the Emergency Medical Services act, Vernon's Texas Civil Statutes, as amended, insofar as the same is applicable to MICU and ALS ambulance service to be provided by ACADIAN to the City under the provisions of this Agreement.
2. ACADIAN agrees to:
 - a. Be responsible for all hiring of employees, dispatching, billing and collections.
 - b. Save, indemnify, and hold harmless the City, its officers, agents, and employees from any claim, suit, damage, judgment, or attorneys' fees arising out of or in any way related to any claim by third parties against ACADIAN or its employees which arises as a result of providing the ambulance services outlined in this Agreement.
 - c. Cooperate with and respond to the Emergency Service Advisory Board and the City Manager on matters related to ambulance service and patient care.
 - d. Provide monthly run statements to the City, including type of run, response time, disposition of patients if requested, and any unusual circumstances.
 - e. ACADIAN is a **"Participating Medicare Provider"** who will automatically accept assignment for Medicare and Medicaid for any patient provided that the condition including illness, injury, or physical condition meets the medical necessity requirement for ambulance service reimbursement. Furthermore, ACADIAN is a preferred provider with many of the health plans and PPO's that are purchased by residents in the north Texas area. Patients will be billed privately for any non-covered services, deductible amounts, or co-payment if required by their contract. Patients refusing treatment and transport may be billed according to Acadian's standard procedure.
 - f. Patients who receive ALS treatment, but refuse transport will be billed for ½ of the ALS-1 Base Rate.
 - g. Dispatch an ambulance to the scene of all reported structure fires to remain on the scene and dedicated at the request of the on duty officer in charge of the scene. The officer will release the ambulance when the emergency no longer exists.
 - h. Provide an annual financial statement to the City upon request.
 - i. On no less than 92% of all presumptively defined "Priority 1" (life threatening emergency requests), as determined by the dispatcher in

accordance with approved telephone protocols, originating within the primary area of responsibility set out herein, ACADIAN shall produce an ambulance Response Time of 7 minutes and 59 seconds or less from dispatch time to arrival at the scene. In "Priority 2" (non-life threatening emergency requests), ACADIAN shall provide a Response Time of not more than 10 minutes 59 seconds.

- j. Late response penalties will be assessed for late "Priority 1" calls in excess of performance guidelines. If ACADIAN fails to meet or exceed the 92% mark on Priority 1 calls, the City of Seagoville will assess a \$15.00 per minute, per call, late time penalty for each late "Priority 1" call in excess of the 8% tolerance. No late fees will be assessed against the 8% tolerance in any event. If ACADIAN meets or exceeds the 92% mark, the calls in the 8% and below mark shall not be subject to a late penalty. All late time penalties will be withheld from the next month's payment.
- k. Priority Levels:
 - "Priority 1"- Potential airway, breathing, or circulatory compromise – including but not limited to: chest pain, decreased level of consciousness, unconscious person, bleeding, gun-shot wounds, stabbing, assault, motor-vehicle crash, car-pedestrian collision.
 - "Priority 2"- Non-scheduled emergency call that does not involve any potential airway, breathing, or circulatory compromise.
 - "Priority 3"- Scheduled and routine non-emergency transfers.
- l. Notify the Police Department of the City immediately upon observance of any unusual circumstances in conducting an ambulance run either emergency or non-emergency.
- m. Receive and respond accordingly to the City dispatchers directly from the emergency number system or to citizens referred by the City directly in the manner required by this Agreement.
- n. ACADIAN may utilize mutual aid with other ALS providers in order to meet the Response Time requirements contained in this section.
- o. Keep in force and maintain throughout the duration of this Agreement policies of insurance to protect ACADIAN and the City by insurance carriers licensed to transact business in Texas, in the following forms: 1) comprehensive/commercial general liability in an amount of not less than One Million Dollars per occurrence, 2) automobile liability insurance in the amount of not less than Five Hundred Thousand Dollars combined single limit per occurrence, and 3) workers compensation insurance at the statutory rates. ACADIAN shall furnish the City upon request with certificates of insurance establishing the existence of such policies and shall not change or amend such policies without 10 day written notice to the City, and such policies of insurance and certificates shall reflect such 10- day notice requirements on the face thereof.

- p. ACADIAN shall be allowed to use the City's Fire Station located at 1717 N. Hwy. 175 to house its operation. Occupancy is at the risk of ACADIAN, and City makes no representations or warranties as to the condition or suitability of the premises and ACADIAN waives any liability which may arise as a result of such occupancy;
 - q. Causes its operations to be conducted in a professional and workman like manner.
 - r. Be bound by all the responsibilities and duties imposed upon it by this Agreement.
4. The City agrees to:
- a. That ACADIAN shall be the sole provider of emergency mobile medical services of ground ambulance service within the jurisdictional city limits and service area of the City.
 - b. Call ACADIAN directly when a call is received for emergency ambulance services through the City's E-911 emergency service number system and to give non-emergency callers ACADIAN's direct telephone number provided to the City for such purposes by ACADIAN.
 - c. Dispatch emergency and non-emergency ambulance service calls exclusively to ACADIAN during the term of this Agreement.
 - d. Provide liaison by the City Manager or the City Manager's representative between the City, the Emergency Medical Service Advisory Board and ACADIAN.
 - e. Abide by and perform all the responsibilities and duties imposed upon it by this Agreement.
 - f. Provide first responders on EMS calls when possible.

H. TERMINATION

Unless otherwise terminated as herein provided, this Agreement shall remain in effect until its stated expiration date or any extension thereof. Either party shall be free to terminate this Agreement by providing ninety (90) days written notice to the other party.

The City reserves the right to terminate the Agreement immediately in the event ACADIAN has failed to perform a material term or provision of the Agreement or is in material breach of this Agreement if such failure or breach directly affects the MICU, ALS or BLS services delivered under this Agreement, after notice and reasonable opportunity to cure under the circumstances; fails to meet the Response Time requirements of this Agreement on more than eight percent of its calls; or fails to have in

full force and effect a Medical Control Agreement or equivalent as required by ACADIAN for unreasonable period of time.

The City further reserves the right to cancel this Agreement as soon as reasonably practical, or 30 days written notice in the event of a failure of the City Council to appropriate sufficient funds for the next ending fiscal year to enable the City to comply with and fulfill its obligations hereunder; or, the filing of bankruptcy insolvency proceedings of receivership by ACADIAN or committing acts evidencing insolvency or giving rise to a conclusion that ACADIAN is unable to fulfill its obligations hereunder.

ACADIAN shall be entitled to terminate the Agreement immediately in the event that the City fails to make any payment under this Agreement within ten days after ACADIAN shall have given notice to the City of such failure of payment, provided, that the City shall be entitled to such notice as a condition of termination on no more than two occasions within any twelve month period and on the third or any subsequent failure of payment within a twelve month period ACADIAN shall be entitled to terminate without notice, or in the event the City breaches any other provision of this Agreement and fails to remedy such breach within 30 days after ACADIAN shall have given notice to the City of such breach.

I. MISCELLANEOUS PROVISIONS

1. This agreement is performable in the City of Seagoville, Texas.
2. This agreement constitutes the sole and entire agreement of the parties and no prior or contemporaneous written or oral agreements shall modify any term or provision hereof. No amendment of any provision hereof shall be effective unless and until executed in writing by the parties hereto.
3. Amendments hereto on behalf of the City shall not be effective unless and until such amendments has been approved by appropriate action of its City Council and accepted by ACADIAN in writing.
4. This agreement shall be construed under the laws of the State of Texas and venue of any cause of action with regard hereto shall be in Dallas County, Texas.
5. No public office shall have any interest in this Agreement.
6. ACADIAN shall not accept or offer gifts or anything of value, nor enter into any business arrangement, with any employee, official, or agent of the City during the term of this Agreement.
7. All information disclosed by ACADIAN for the purpose of this Agreement or the services to be performed hereunder, to the extent such information is proprietary and its dissemination would give unfair advantage to competitors, shall be held strictly confidential to the extent permitted by law.
8. The parties shall have the right to enforce performance of this Agreement in any manner prescribed by law or deemed to be in the best interest of such party in

the event of breach or default hereof, and successful party shall be entitled to recover its reasonable costs of enforcement, including reasonable attorney's fees and court costs.

9. All notices to be given under this Agreement shall be delivered by certified mail, returned receipt requested, or by hand-delivery to:

Acadian Ambulance Service
of Texas, LLC
Attn: David L. Kelly
PO Box 98000
Lafayette, LA 70509-8000

City of Seagoville
Attn: City Manager
702 N. Hwy 175
Seagoville, Texas 75159

10. Force Majeure. The performance by Acadian Provider shall be excused in the event and during an event of Force Majeure. For purposes of this Agreement an Event of Force Majeure shall be defined as an event such that performance is rendered unsafe or prevented by the following: acts of God; acts of war, riot, accident, flood or sabotage; unavailability of adequate fuel, labor, power or materials; judicial or governmental laws, regulations, requirements, orders or actions; injunctions or restraining orders which are ultimately determined to have been wrongfully granted.
11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
12. **Access to Records.** As an independent contact, ACADIAN shall, in accordance with 42 U.S.C. §1395 x(v)(1)(I) [Social Security Act §1861 (v)(1)(I)] and 42 C.F.R., Part 420, Subpart D, § 420.300, et. Seq., until the expiration of four (4) years after the furnishing of Medicare reimbursable Services pursuant to this Agreement, upon proper written request, allow the Comptroller General of the United States, the Department of Health and Human Services, and their duly authorized representatives access to this Agreement and the ACADIAN's books, documents and records (as such terms are defined in 42 C.F.R. §420.301) necessary to verify the nature and extent of costs of Medicare reimbursable Services provided under this Agreement. In accordance with such laws and regulations, if Medicare or Medicaid reimbursable services provided by ACADIAN under this Agreement are carried out by the means of subcontract with an organization related to ACADIAN, and such related organization provides the services at a value or cost of \$10,000 or more over a twelve (12) month period, then the subcontract between ACADIAN and the related organization shall contain a clause comparable to the clause specified in the preceding sentence. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by ACADIAN or City by virtue of this Agreement.

13. **No waiver of sovereign immunity.** The City reserves the right to claim all immunities granted to the state and its political subdivisions by the Constitution, common law and the legislature.
14. **5.4 Independent Contractors.** This Agreement may not be interpreted or construed to create an association, joint venture, joint enterprise, or partnership between the parties or to propose any partnership obligation or liability upon either party. Neither party has any right, power, or authority to enter any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other party. The parties to this Agreement are, and shall be considered for all purposes, independent contractors.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

CITY OF SEAGOVILLE

**ACADIAN AMBULANCE SERVICE
Of TEXAS, LLC**

By _____
Patrick Stallings
City Manager

By _____
Justin Back
Regional Vice President

Regular Agenda Item:7

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Discuss and Consider Amending the City's Investment Policy for FY 2017

BACKGROUND OF ISSUE:

The Investment Policy for the City of Seagoville provides a list of authorized broker/dealers, local investment pool and financial institutions in Section XI – List of Attachments. Under the current Investment Policy, the list of authorized dealers is as follows

- American National Bank
- Home Bank
- TexPool
- TexSTAR
- MultiBank Securities
- LOGIC

The above list of authorized broker/dealers is unchanged from the previous Investment Policy.

This Investment Policy contains current industry best practices for City compliance with the Public Funds Investment Act and the Public Funds Collateral Act.

FINANCIAL IMPACT:

None

RECOMMENDATION:

Staff recommends approval

EXHIBITS

Investment Policy

CITY OF SEAGOVILLE, TEXAS

INVESTMENT POLICY

September 2017

CITY OF SEAGOVILLE, TEXAS INVESTMENT POLICY

PREFACE

It is the policy of the City of Seagoville (the “City”) that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City’s portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. The City will invest public funds in a manner that will provide the highest rate of return with the maximum security while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written Investment Policy for the investment of public funds. These policies serve to satisfy the statutory requirement (including but not limited to the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [PFIA] and the Public Funds Collateral Act, Chapter 2257 of the Texas Government Code) to define, adopt and review a formal investment strategy and policy.

**CITY OF SEAGOVILLE
INVESTMENT POLICY
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LIST

SAMPLE CERTIFICATION

CURRENT AUTHORIZED DEALERS

1. PURPOSE. The purpose of this investment policy (the “Policy”) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety and liquidity and achieve a market rate of return in all investment activities. On an annual basis, the City Council shall review the investment strategy and policy and shall approve Policy revisions, if any, by formal resolution.

2. SCOPE. The Investment Policy shall govern the investment of all financial assets considered to be part of the City entity, managed as separately invested assets and includes the following funds or fund types:

General Fund – used to account for resources traditionally associated with government, which are not required to be accounted for in another fund.

Special Revenue Funds – used to account for the proceeds from specific revenue sources which are restricted to expenditures for specific purposes.

Debt Service Fund – used to account for resources to be used for the payment of principal, interest and related costs on general obligation debt.

Capital Projects Funds – used to account for resources to enable the acquisition or construction of major capital facilities which are not financed by enterprise funds, internal service funds, or trust funds.

Enterprise Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises.

This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. Additionally, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

3. INVESTMENT STRATEGY. The City maintains a comprehensive and proactive cash management program that is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the City’s funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the investment officers. The allowable investment instruments as defined in Section 6 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification (PFIA 2256.005 (b)(3)). The management of maturities refers to structuring the maturity dates of the direct investments so that investments mature as cash needs require.

3.1 The primary investment strategy and objectives of the City as specified in this Policy (See Section 4.) are listed below, in their order of importance:

- Safety and preservation of principal (PFIA 2256.005(b)(2);
- Maintenance of sufficient liquidity to meet operating needs (PFIA 2256.005 (b)(2); and
- Achieve a market rate of return on the investment portfolio (PFIA 2256.005 (b)(3))

3.2 The list of investments authorized by this Policy intentionally excludes some investments allowed by state law. The restrictions limit possible credit risk and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the City. To increase the interest earnings

for funds identified as being available for investment over longer periods of time based upon a cash requirements projection, the City will consider the following strategies:

3.2.1 **Strategy No. 1. - Diversification** Diversifying the City's investment opportunities through the use of local government investment pools as authorized by the City Council. An investment pool is an entity created to invest public funds jointly on behalf its' participants and whose investment objectives in order of priority match those objectives of the City. Funds are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

3.2.2 **Strategy No. 2. - Ladder** Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- It represents a prudent diversification method;
- All investments remain within the approved maturity horizon;
- It will normally allow the City to capture a reasonable portion of the yield curve; and
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

3.2.3. **Strategy No. 3. – Investment Management Firm** At this time, the City does not use an investment management firm. Should the City determine a need, the following strategy will apply:

Pursuant to the Public Funds Investment Act (Texas Government Code 2256.003(4)(b), the City may, at its discretion, contract with an investment management firm registered under the Investment Advisors Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for investment and non-discretionary management of its public funds or other funds under its control.

An appointed Investment Advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy. At no time shall the advisor take possession of securities or funds or otherwise be granted discretionary authority to transact business on behalf of the City. Any contract awarded by the City Council for investment advisory services may not exceed two years, with an option to extend by mutual consent of both parties (PFIA 2256.003(4)(b)).

Duties of the Investment Advisor shall include, but not be limited to, assistance in purchasing securities, securities clearance, producing required reports, pricing the portfolio, performing due diligence on broker/dealers, market monitoring and economic review.

Any Investment Advisor contracted by the City shall abide by the *Prudent Expert Rule*, whereby investment advice shall, at all times, be given with the judgment and care, under

circumstances then prevailing, which persons paid for their special prudence, discretion and intelligence in such matters exercise in the management of their client's affairs, not for speculation by the client or production of fee income by the advisor or broker, but for investment by the client with emphasis on the probable safety of the capital while considering the probable income to be derived.

3.2.4. **Strategy No. 4. – Fund Investment Strategy** The City will maintain portfolio(s) that utilize four specific investment strategy considerations designed to address the unique characteristics of the fund group(s) represented in the portfolio(s):

3.2.4.1 Investment strategies for general fund and enterprise funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio that will experience minimal volatility during economic cycles through diversification by security type, maturity date and issuer. All security types, as authorized by this policy, are considered suitable investments for the aforementioned funds.

3.2.4.2 Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s). These funds have predictable payment schedules. Therefore investment maturities shall not exceed the anticipated cash flow requirements.

3.2.4.3 Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund. Managing the Debt Service Reserve Fund's portfolio maturities to not exceed the call provisions of the bond issue will reduce the investment's market risk if the City's bonds are called and the reserve fund liquidated. No investment maturity shall exceed the final maturity of the bond issue.

3.2.4.4 Investment strategies for special projects or capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. Market conditions and arbitrage regulations will influence the investment of capital project funds.

3.2.5 **Strategy No. 5 - Hold until Maturity.** The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell a security prior to maturity. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Investment Officer at or above their book value at any time. The result of all sales of securities prior to maturity shall be reported to the City Manager within two business days of the sale. The report shall provide the amount of proceeds from the sale, including accrued interest to the date of sale, less the current book value and the dollar amount of gain on the sale.

3.2.6 **Strategy No. 6 - Depository Bank Relationships.** This Policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract that will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

3.2.7 **Strategy No. 7 - Maximizing Investable Cash Balances.** Procedures shall be established and implemented in order to maximize investable cash by decreasing the

time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

4. INVESTMENT OBJECTIVES. Funds of the City shall be invested in accordance with all applicable Texas statutes, this Policy and any other approved, written administrative procedures. The four objectives of the City's investment activities shall be as follows (in the order of priority):

4.1 Suitability. Understanding the suitability of the investment to the financial requirements of the City is important. Any investment eligible in the Investment Policy is suitable for all City funds.

4.2 Safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities, as defined in this Policy, by qualifying the financial institutions with whom the City will transact business and through portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

4.3 Liquidity. The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as will provide the liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements, or to otherwise favorably adjust the City's portfolio, in accordance with Section 2.2.5 above.

4.4 Marketability. Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement.

4.5 Diversification. Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.

4.6 Market Rate-of-Return (Yield). The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner that seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and liquidity. Rate of return (yield) is defined as the rate of annual income return on an investment, expressed as a percentage.

5. INVESTMENT RESPONSIBILITY. As provided in this policy, the daily operation and management of the City's investments are the responsibility of the following person(s).

5.1 Delegation of Authority. The City Manager and the Director of Finance are authorized to deposit, withdraw, invest, transfer or manage in any other manner the funds of the City. Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. All persons involved in investment activities will be referred to in this Policy as "Investment Officers", pursuant to Texas Government Code 2256.005(f) . No persons may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the

Director of Finance. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and
- (2) the valuation of costs and benefits requires estimates and judgments by management.

Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the City Council.

5.2 Prudence. The standard of prudence to be applied by the Investment Officer shall be the "prudent person" rule (as set forth in Texas Government Code 2256.006(a-b), which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

5.2.1 the investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

5.2.2 whether the investment decision was consistent with the written investment Policy and procedures of the City.

5.3 Due Diligence. The Investment Officer acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

5.4 Ethical Standards and Conflicts of Interest. All City Investment Officers having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer has a personal business relationship with a business organization if any one of the following three conditions are met:

- a. The Investment Officer owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization.
- b. Funds received by the Investment Officer from the business organization exceed 10% of the investment officers' gross income for the prior year.

- c. The Investment Officer has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for their personal account (Texas Government Code 2256.005 (i)(1-3).

5.5 An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

5.6 Investment Training. The Investment Officers shall attend at least one training session of at least ten (10) hours relating to the officer's responsibility under the Public Funds Investment Act within twelve (12) months after assuming duties, and attend an investment training session not less than once every two years, receiving an additional eight (8) hours of training. Such training from an independent source shall be approved by the City Council and endorsed by one or more of the following entities: the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, the North Central Texas Council of Governments, or the University of North Texas Center for Public Management (Texas Government Code 2256.008).

6. AUTHORIZED INVESTMENTS. As stated previously, safety of principal is the primary objective in investing public funds and can be accomplished by limiting two types of risk — credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to repay principal and interest in full. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by law. These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to City funds.

6.1 Authorized and Acceptable Investments. The authorized list of investment instruments are as follows:

- (1) Obligations (including letters of credit) of the United States or its agencies and instrumentalities.
- (2) Direct obligations of the State of Texas, or its agencies and instrumentalities.
- (3) Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
- (4) Collateralized Certificates of Deposit. A certificate of deposit issued by a depository institution that has its main office or a branch office in the state and is:
 - guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - secured by obligations that are described by Section 2256.009(a) of the Public Funds Investment Act, including mortgage backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage backed securities of the nature described in Section 2256.009(b) of the Act; or

- secured in any other manner and amount provided by law for deposits of the City.

This depository shall act as the custodian for the various certificates on behalf of the City.

(5) Eligible Local Government Investment Pools. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:

- the investment pool has been authorized by the City Council;
- the pool shall have furnished the Investment Officer an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
- the pool shall furnish the Investment Officer investment transaction confirmations with respect to all investments made with it;
- the pool shall furnish to the Investment Officer monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
- the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
- the pool marks its portfolio to market daily;
- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

(6) Regulated No-Load Money Market Mutual Funds. These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity of ninety (90) days or less;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.00) per share; and
- the fund is continuously rated no lower than "AAA" or an equivalent rating by at least one nationally recognized rating service.

The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

(7) Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances; Commercial Paper. These investments are authorized for the City only to the extent that they are contained in the portfolios of approved public funds investment pools in which the City invests, or as otherwise provided below.

- The direct investment in reverse repurchase agreements, bankers' acceptances, and commercial paper by the City is not authorized.
- Fully flexible repurchase agreements are authorized in this Policy, to the extent authorized under the Public Funds Investment Act (Texas Government Code 2256.001). The use of flex repos shall be limited to the investment of bond proceeds and the maturity date of any such agreement shall not exceed the expected proceeds draw schedule.

6.2 Investment Instruments NOT Authorized. The following instruments are eligible for investment by local government according to state law, but they have been intentionally prohibited for the City by this Policy: mortgage-related obligations, guaranteed investment contracts, options, financial futures contracts and, day trading of long-term securities. In addition to these restricted investments, state law specifically prohibits investment in the following securities:

- (1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- (2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- (3) Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- (4) Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

7. DIVERSIFICATION. Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities, as authorized in this Policy, and authorized local government investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in any one security type. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

7.1 Diversification by Maturities. The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or

maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

7.2 Diversification by Investment Instrument. Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	<u>Percentage of Portfolio (Maximum)</u>
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities of Government-Sponsored Corporations	80%
Authorized Local Government Investment Pools	100%
Fully Collateralized Certificates of Deposit	50%
SEC-Regulated No-Load Money Market Mutual Funds	10%

7.3 The City shall invest local funds in investments yielding a market rate-of-return while providing necessary protection of the principal consistent with the operating requirements of this section or written policies.

8. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS. At this time, the City does use Brokers or Dealers. Should the City determine a need for additional brokers or dealers, the following procedures and requirements will apply:

Financial institutions (federally insured banks) with and through whom the City invests shall be state or national banks domiciled in this state. No public deposit shall be made except in a qualified public depository as established by state laws. Brokers/Dealers authorized to provide investment services to the City may include only those authorized by the City Council. All banking services will be governed by a depository contract awarded by the City Council. In addition, the Director of Finance shall maintain a list of authorized security brokers/dealers, and investment pools that are authorized by the City Council.

8.1 All financial institutions with whom the City does business must supply the following as appropriate: (1) audited financial statements; (2) proof of National Association of Securities Dealers (NASD) certification; (3) proof of state registration and completed broker/dealer questionnaire; (4) certification of having read the City's investment policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.

8.2 An annual review of the financial condition and registration of qualified bidders will be conducted by the Director of Finance. The review may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with the City shall be required to provide any financial data requested by the City Manager or the Investment Officer. Upon completion of the annual review by the Director of Finance, the financial institutions and brokers/dealers desiring to conduct business with the City shall be approved by the City Council.

8.3 Selection criteria for federally insured financial institutions shall include the following: (1) the financial institution must be insured by the FDIC and (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America.

8.4 The Investment Officer of the City is responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

9. DELIVERY VERSUS PAYMENT. It is the policy of the City that all security transactions entered into with the City shall be conducted on a "**DELIVERY VERSUS PAYMENT**" (DVP) basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the City. The notification may be oral, but shall be confirmed in writing (Texas Government Code 2256.005(b)(4)(e)).

10. COMPETITIVE BIDDING. It is the policy of the City to require competitive bidding for all individual security purchases and sales, excluding transactions with money market mutual funds, local government investment pools and when issued (new) securities, which are deemed to be made at prevailing market rates.

11. SAFEKEEPING AND COLLATERALIZATION.

11.1 **Safekeeping.** All securities owned by the City shall be held by its safekeeping agent, except the collateral for bank deposits. The collateral for bank deposits will be held in the City's name in the bank's trust department, or alternatively, in a Federal Reserve Bank account in the City's name, or a third-party bank, at the City's discretion. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.

11.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all city funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held in the City's name, in a segregated account at the Federal Reserve Bank/Federal Home Loan Bank or by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City. The Investment Officer must be notified in writing of release of collateral or substitution of securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City safekeeping agent. The collateralized deposit portion of the agreement shall define the City's rights to collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;

- the Agreement must be approved by the Board of Directors of the Loan Committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- the Agreement must be part of the Depository's "official record" continuously since its execution.

11.2.1 The City may accept the following securities as collateral for bank deposits (V.T.C.A., Government Code, Section 2256.001, et. seq, formerly Article 842a-2, Section 2, V.T.C.S., as amended);

- FDIC and FSLIC insurance coverage;
- A bond, certificate of indebtedness, or Treasury Note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States;
- Obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas;
- A bond of the State of Texas or of a county, city, or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency with a remaining maturity of ten years or less;
- Surety Bonds that meet the requirements of the Public Funds Investment Act; or
- Federal Home Loan Bank Letters of Credit as defined by Chapter 116, Subchapter C of the Local Government Code and by Chapter 726, Acts of the 67th Legislature, Regular Session, 1981 (Article 2529b-1, Vernon's Texas Civil Statutes).

11.2.2 For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market or par, whichever is lower. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

11.2.2 Financial institutions, with which the City invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient. All collateral shall be subject to inspection and audit by the Director of Finance, or designee, as well as the City's independent auditors.

12. INTERNAL CONTROL. The Director of Finance shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this Policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

13. PERFORMANCE. The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and expected cash flow of the City. The benchmark for performance that is appropriate for the City's cash flow cycle will be TexPool (a local government investment pool).

14. REPORTING. The Director of Finance shall submit a signed quarterly investment report that summarizes current market conditions, economic developments and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter, and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter.

14.1 Annual Report. Within 60 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.

14.2 Methods. The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Manager and City Council. The report will include the following:

- A listing of individual securities held at the end of the reporting period. This list will include the name of the fund for which each individual investment was acquired;
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
- Additions and changes to the market value during the period;
- Fully accrued interest for the reporting period;
- Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
- Listing of investments by maturity date;
- The percentage of the total portfolio which each type of investment represents; and
- Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.

15. INVESTMENT POLICY ADOPTION AND AMENDMENT. The City's Investment Policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. Any changes or modifications to this Investment Policy, if any, shall be approved, and adopted by a formal resolution of the City Council.

GLOSSARY OF TERMS

The Investment Policy contains specialized and technical terminology that is unique to cash management and investment activities. The following glossary of terms is provided to assist in understanding these terms.

Affinity. Related through marriage.

Agencies. See U.S. Agency securities.

Bankers' Acceptances. A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. When discounted and sold in the secondary market, bankers' acceptances become a short-term investment alternative.

Book Value. The cost of a security as recorded in the City's accounting records. For purposes of evaluating a sale of a security, it is a function of the original cost, the amortization of premium or discount, and the accrued interest. Specifically, it is the face value of the security plus the accrued interest plus any unamortized premium or minus any unamortized discount. Book value is often compared to market value, which is defined below.

Broker. A person or company that, for a fee or commission, brings buyers and sellers of securities together.

Certificate of Deposit. A time deposit with a specific maturity evidenced by a certificate.

Collateral. In general, assets which one party pledges as a guarantee of performance. Specifically, securities pledged by a bank to secure deposits of public monies. In the event of bank failure, the securities become the property of the public entity.

Collateralized Mortgage Obligations (CMO's). Securities based on a pool of home mortgages.

Commercial Paper. An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most frequently maturities do not exceed 30 days. Almost all commercial paper is rated by a rating service.

Consanguinity. Related by blood.

Coupon. The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. Also, a certificate attached to a bond indicating interest due on a payment date.

Credit Risk. The uncertainty that the principal amount of an investment will be returned without loss of value to the default of the borrower.

CUSIP. A unique security identification number assigned to securities maintained and transferred on the Federal Reserve book-entry system.

Dealer. A person or company that endeavors to profit from buying and selling investments for its own account.

Delivery Versus Payment (DVP). A method of delivering securities that requires the simultaneous exchange of the security and the payment. It provides a safeguard against paying for securities before they are received.

Demand Deposits. Deposits at a financial institution that are available to the depositor upon the depositor's demand.

Depository Bank. The primary bank of the City. The relationship between the depository bank and the City is governed by

state law and by a depository contract that is approved by the City Council.

Discount. The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale is also considered to be at a discount.

Discount Securities. Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

Diversification. The strategy of dividing investments among a variety of securities offering independent risks and yields. Diversification lessens the likelihood of losing the entire portfolio of investments and averages yields among the investment alternatives.

Discount. The difference between the cost of a security and its value at maturity, in cases where the cost is less than the value at maturity.

Federal Deposit Insurance Corporation (FDIC). A federal agency that insures bank deposits.

Federal Funds Rate. The rate of interest at which Federal funds are traded. This rate is currently set by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB). Created in 1932, this system consists of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board. Functioning as a credit reserve system, it facilitates extension of credit through its owner members. Federal Home Loan Bank issues are joint and several obligations of the 12 Federal Home Loan Banks.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). A stockholder-owned corporation that provides a continuous flow of funds to mortgage lenders, primarily through developing

and maintaining an active nationwide market in conventional mortgages.

Federal National Mortgage Association (FNMA or Fannie Mae). FNMA, a federal corporation, is the largest single provider of residential mortgage funds in the United States. It is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

Fully Flexible Repurchase Agreement ("flex repo"). A specialized contract designed for the short-term investment of proceeds available from the sale of municipal bonds, notes and certificates. Flex repos allow for incremental repurchases, with the buyer/issuer (the City) retaining the right to force the seller to repurchase all, or a portion of, the sold securities held under repurchase agreement, at any time before the maturity date of the agreement, at a fixed rate for the life of the agreement.

Hold Until Maturity. This investment strategy is intended to avoid interest rate risk by maintaining ownership of an investment until it matures. At maturity, the face value of the security is received, but in some cases where a security is sold before maturity, less than the face value and the book value is received. Please see interest rate risk defined below.

Interest Rate Risk. The uncertainty of the return of principal on fixed rate securities that are sold prior to maturity. When interest rates rise, the market value of fixed rate securities decreases.

Internal Control. Policies and procedures that are established to provide reasonable assurance that specific government objectives are achieved and that assets are safeguarded.

Investment. The purchase of securities which, upon analysis, promise safety of principal and a satisfactory return. These

factors distinguish investment from speculation.

Investment Objective. The aim, goal or desired end of action of the investment activity.

Investment Pool. An entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity, and yield. (Sometimes called Local Government Investment Pool.)

Investment Strategy. The overall plan or method proscribed to achieve the investment objectives of the City.

Laddered Maturity. An investment strategy whereby investments are purchased to mature at regular intervals.

Liquidity. The measure of an investment's ability to be converted quickly and easily into cash without a substantial loss of value.

Local Government Investment Pool. See **Investment Pool**.

Market Rate of Return. A general term referring to the approximate interest rate that could be earned by an investor in a specific maturity range at any given point in time. For example, an investor seeking to earn a "market rate of return" while maintaining an investment portfolio with an average maturity of 90 days, would hope to earn approximately the same as a three-month agency discount note. If the investor earns a rate much higher than this, it might signal an inappropriate level of risk.

Market Risk. The uncertainty of the value of the City's portfolio arising from changes in the market conditions of investment securities.

Market Value. The price, including accrued interest, at which a security is trading for which it can be readily sold or purchased.

Maturity. The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Mutual Fund. A mutual fund that purchases short-term debt instruments, such as Treasury Bills, commercial paper, and bankers' acceptances, and which strives to maintain a stable net asset value of \$1.00.

Mutual Fund. Investment companies that sell shares to investors, offering investors diversification and professional portfolio management. Prices generally fluctuate with the performance of the fund.

Net Asset Value. The ratio of the market value of the portfolio divided by the book value of the portfolio.

Par. The value of a security as expressed on its face (face value) without consideration of a discount or premium.

Pledge. The grant of a collateral interest in investment securities by the depository bank as assurance of the safety of City deposits.

Pooled Fund Group. The combination of various accounts and funds of the City in a single, internally-created investing entity.

Portfolio. The collection of securities held by an investor.

Principal. The capital sum of an investment, as distinguished from interest.

Premium. The difference between the cost price and the face value at maturity in cases where the cost price is higher than the face value.

Rate-of-Return. See **Yield**.

Repurchase Agreement (REPO). An investment arrangement in which the holder of a security sells that security to an investor (the City) with an agreement to repurchase the security at a fixed price and on a fixed date.

Reverse Repurchase Agreement. An investment arrangement by which the City sells a security to a third party, such as a bank or broker/dealer, in return for cash and agrees to repurchase the instrument from the third party at a fixed price and on a fixed date. The City would then use the cash to purchase additional investments. This type of investment is prohibited in the City's portfolio, except to the extent used by local government investment pools with which the City invests.

Safekeeping. An arrangement whereby a bank holds securities and other valuables for protection in exchange for a fee.

Safety. The assurance of the undiminished return of the principal of the City's investments and deposits.

Secondary Market. A market for the purchase and sales of outstanding securities following their initial distribution.

SEC Rule 15C3-1 (Uniform Net Capital Rule). Security and Exchange Commission requirement that member firms and non-member broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1.

Security. A financial instrument that signifies an ownership interest, the right to an ownership interest, or creditor status.

Security Risks. The uncertainty of the value of a security dependent on its particular qualities.

Time Deposits. Deposits at the depository bank that are not due and payable until a specific date.

United States Agency Securities. Debt instruments issued by an executive department, an independent federal establishment, or a corporation or other entity established by Congress which is owned in whole or in part by the United States of America.

United States Treasury Securities. Debt instruments issued by the Treasury of the United States. **Treasury Bills** are issued for short-term borrowings (less than one year); **Treasury Notes** are issued for mid-term borrowings (Two - ten years); **Treasury Bonds** are issued for long-term borrowings (over ten years).

Yield. The rate of annual income return on an investment, expressed as a percentage.

**TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION**

[SAMPLE]

CITY OF SEAGOVILLE, TEXAS

This certification is executed on behalf of the City of Seagoville, Texas (the "City"), and _____ (the "Business Organization"), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City that are not authorized by the City's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of Business Organization

Firm: _____

Signature

Printed Name: _____

Title: _____

Date: _____

Current Authorized Dealers:

American National Bank

Home Bank

TexPool

TexStar

MultiBank Securities

LOGIC

Regular Agenda Item: 8

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Discuss and consider approval of a Resolution of the City of Seagoville, Texas, approving the adopted budget for the Seagoville Economic Development Corporation for the Fiscal Year October 1, 2017 through September 30, 2018; providing that expenditures for said Fiscal Year; and declaring an effective date

BACKGROUND OF ISSUE:

In a public meeting, on June 12, 2017, the Seagoville Economic Development Corporation (SEDC) proposed and adopted a budget for expenditures for Fiscal Year 2017-2018.

The budget is incorporated in the budget book and will be approved and adopted as part of the overall budget. This resolution will ratify the budget adopted by the SEDC.

FINANCIAL IMPACT:

RECOMMENDATION:

EXHIBITS

Resolution

Seagoville Economic Development Corporation Fund Summary FY 2018

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION 57-R-2017

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS, APPROVING THE ADOPTED BUDGET FOR THE SEAGOVILLE ECONOMIC DEVELOPMENT CORPORATION FOR THE FISCAL YEAR OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, after notice required by law, on June 12, 2017, the Seagoville Economic Development Corporation proposed and adopted a budget for expenditures for the Fiscal Year 2017-2018; and

WHEREAS, this action was ratified on June 12, 2017 by the Seagoville Economic Development Corporation; and

WHEREAS, the City Council finds that the adopted budget by the Seagoville Economic Development Corporation for Fiscal Year 2017-2018 should be approved and adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. The annual budget for the Seagoville Economic Development Corporation for the Fiscal Year 2017-2018, attached hereto as Exhibit "A" and incorporated herein.

SECTION 2. That expenditures during the fiscal year shall be made in accordance with the budget approved, unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 3. The City Council hereby approves, ratifies and restates approval of Resolution 19-02 authorizing expenditures by the Seagoville Economic Development Corporation for projects of Five Thousand Dollars (\$5,000.00) or less without review or further approval by City Council, provided such expenditures are for Quality of Life Grants or Grant Assistance Business Programs, attached hereto as Exhibit "B" and incorporated herein.

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

DULY PASSED by the City Council of the City of Seagoville, Texas, on this 11th day of September, 2017.

APPROVED:

Dennis K. Childress, Mayor

ATTEST:

Kandi Jackson, City Secretary

**Seagoville Economic Development Corporation
Fund Summary FY 2018**

Account Description	Actual FY 2015	Actual FY 2016	Budget FY 2017	Projected FY 2017	Proposed FY 2018
Total Net Position October 1	673,856	1,287,310	1,401,915	1,401,915	1,742,777
<i>Revenues</i>					
Sales Tax Revenues	686,395	695,869	704,900	765,020	765,020
Rent Revenue	11,200	12,600	12,600	17,900	23,400
Insurance Recovery	51,150	10,000	-	-	-
Reimbursement/Other	6,331	-	-	13	-
Interest Income	884	719	800	700	700
Total Revenue	755,960	719,188	718,300	783,633	789,120
Total Resources Available	1,429,816	2,006,498	2,120,215	2,185,548	2,531,897
<i>Expenditures</i>					
<u>Administrative & Operations</u>					
Administrative Cost	38,717	75,599	192,302	189,612	200,192
Operations	64,230	112,721	140,510	233,754	310,010
Total Administrative & Operations	102,947	188,320	332,812	423,366	510,202
<u>Economic Development Assistance</u>					
Tractor Supply Development		300,000	-	-	-
Economic Development Grant - Actuant (Precision/Hays)	-	50,000	50,000	-	-
Total Economic Development Assistance	-	350,000	50,000	-	-
<u>City and Community Oriented Projects</u>					
Fireworks	5,000	5,250	5,000	5,000	5,000
Kidfish Event	723	675	1,250	925	3,500
Quality of Life Projects	17,792	41,231	100,000	-	100,000
Special Events Chamber of Commerce	-	-	2,000	-	-
Total City and Community Projects	23,514	47,155	108,250	5,925	108,500
<u>Debt Service</u>	16,044	11,036	119,759	13,479	-
<u>Facade Improvement Program</u>	-	8,071	50,000	-	-
Total Expenditures	142,505	604,582	660,821	442,771	618,702
Excess of Revenue over Expenditures	613,456	114,605	57,479	340,862	170,418
Total Net Position September 30	1,287,310	1,401,915	1,459,394	1,742,777	1,913,195
Invested in Capital Assets	670,135	711,285	670,135	670,135	670,135
Working Capital	617,175	690,630	789,259	1,072,642	1,243,060
Daily Operating Cost	282.05	515.94	911.81	1,159.91	1,397.81

Regular Agenda Item: 9

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Discuss and consider approval of three (3) Hotel Occupancy Tax Grant Agreements with Seagoville Chamber of Commerce for Mayfest (\$11,000.00); Seagofest (\$11,000.00); and 4th of July Celebration (\$4,500.00) totaling Twenty-Six Thousand (\$26,500.00) Dollars for the fiscal year October 1, 2017 through September 30, 2018.

BACKGROUND OF ISSUE:

The Seagoville Chamber of Commerce requested three (3) grants during the August 21st public hearing. The City Council directed staff at the August 21st meeting to prepare the three (3) grant agreements for a combined total disbursement of \$26,500.00.

The attached three (3) agreements provide terms for the use of hotel occupancy tax funds by the Seagoville Chamber of Commerce. It addresses budget submission, reporting and banking requirements as well as action to be taken by the City in the event the agreement is breached.

FINANCIAL IMPACT:

Funds are available in the hotel/motel fund for this expenditure.

RECOMMENDATION:

EXHIBITS

Regular Agenda Item: 10

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Discuss and consider approval of an Ordinance approving and adopting a budget for the City for the fiscal year October 1, 2017 through September 30, 2018 and providing that expenditures for said fiscal year shall be made in accordance with said budget.

BACKGROUND OF ISSUE:

Public hearings were held August 21, 2017 and August 28, 2017 to receive input on the proposed budget for FY 17-18 as required by the Home Rule Charter and Truth-in-Taxation legislation.

The attached ordinance adopts the FY 17-18 budgets for the General Fund, Debt Service Fund, Utility Fund, Drainage Fund, Hotel/Motel Tax Fund, Small Grants Fund, Revenue Recycling Fund, Municipal Court Fund, Street Maintenance Fund, Animal Shelter Operations Fund, TCLEOSE Fund, and Police Training Fund.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

EXHIBITS

Ordinance

AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS

ORDINANCE NO. 20-2017

AN ORDINANCE OF THE CITY OF SEAGVILLE, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE CITY FOR THE FISCAL YEAR OCTOBER 01, 2017, THROUGH SEPTEMBER 30, 2018; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Seagoville, Texas has heretofore on the 1st day of August, 2017, filed with the City Secretary a proposed general budget for the City covering the fiscal year aforesaid; and

WHEREAS, the governing body of the City has this date concluded its public hearing on said budget; and

WHEREAS, THIS BUDGET WILL RAISE MORE PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$633,594 OR 16.14%, AND OF THAT AMOUNT, \$529,902 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. That said budget fund expenditures be attached to this ordinance as Exhibit "A" and made part hereof for all purposes.

SECTION 2. That said budget attached hereto as Exhibit "A" be, and the same is hereby amended as follows:

SECTION 3. That subject to the above-mentioned amendments, if any, said budget attached hereto as Exhibit "A" be, and the same is hereby, approved and adopted by the City Council as the official budget for the City for the fiscal year aforesaid.

SECTION 4. That expenditures during the fiscal year shall be made in accordance with the budget approved by this ordinance, unless otherwise authorized by a duly enacted ordinance of the City.

SECTION 5. That specific authority is given to the City Manager to make the following adjustments:

1. Transfer of budgeted appropriations from one account classification to another account classification within the same department.

2. Transfer of appropriations from designated appropriations to any individual department or activity.

SECTION 6. That the City Council hereby ratifies, adopts, and approves all actual expenditures and changes to the Fiscal 2017-2018 Budget; and hereby authorizes the same as if previously approved and adopted.

SECTION 7. That the necessity for making and approving a budget for the fiscal year as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage as the law in such cases provides.

DULY PASSED by the City Council of the City of Seagoville, Texas, on this the 11th day of September, 2017.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY

**EXHIBIT A
CITY OF SEAGOVILLE
2018 BUDGET
FUND EXPENDITURES**

Description	Amount
General	9,101,235
Debt Service	196,170
Water and Sewer Operations	6,775,889
Small Grants	2,500
Revenue Recycle	500
Municipal Court	9,996
Hotel/Motel	27,500
Street Maintenance	981,000
Animal Shelter Operations	3,000
TCLEOSE	2,000
Police Training	2,000
Storm Water	<u>112,750</u>
	<u><u>17,214,540</u></u>

Regular Agenda Item: 11

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Discuss and consider approval of a Resolution ratifying the budget for Fiscal Year 2017-2018 that will require raising more revenues by 16.14% or \$633,594 from property taxes than the previous year and of that amount, \$529,902 is tax revenue to be raised from new property added to the tax roll this year.

BACKGROUND OF ISSUE:

Section 102.007(c) of the Texas Government Code requires adoption of a budget that will require raising more revenue from property taxes than in the previous year, requires a separate vote to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.

This action will satisfy this requirement.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

EXHIBITS

Resolution

A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS

RESOLUTION NO. 56-R-2017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, RATIFYING THE BUDGET FOR THE FISCAL YEAR 2017-2018 THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, following public notice duly posted and published in all things as required by law, a public hearing was held, by and before the City Council of the City of Seagoville, the subject of which was the proposed budget for the City of Seagoville for Fiscal Year 2017-2018; and

WHEREAS, Section 102.007 (c) of the Texas Local Government Code requires a separate vote on a budget that will require raising more revenue from property taxes than the previous year and shall be ratified by a separate vote from the adoption of the budget or tax rate.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. The City Council hereby ratifies by a record vote of the Council's adoption of a budget for Fiscal Year 2017-2018 which will raise more revenue from property taxes than the previous year.

SECTION 2. This Resolution shall take effect immediately from and after its passage, as the law and charter in such cases provides.

DULY ORDERED by the City Council of the City of Seagoville, Texas, this the 11th day of September, 2017.

APPROVED:

Dennis K. Childress, Mayor

ATTEST:

Kandi Jackson, City Secretary

APPROVED AS TO FORM:

Alexis G. Allen, City Attorney

Regular Agenda Item: 12

Meeting Date: September 9, 2017

ITEM DESCRIPTION

Discuss and consider approval of an Ordinance levying the ad valorem taxes for the fiscal year 2018 at a rate of \$0.743800 per one hundred dollars (\$100.00) assessed valuation on all taxable property within the corporate limits of the City as of January 1, 2017; to provide revenues for current expenses and interest and sinking fund requirements; and providing for due and delinquent dates together with penalties and interest.

BACKGROUND OF ISSUE:

The attached ordinance establishes the City's ad valorem tax rate as \$0.743800.

FINANCIAL IMPACT:

This rate will raise more revenue from property taxes than last year's budget by an amount of \$633,594.

RECOMMENDATION:

EXHIBITS

Ordinance

AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS

ORDINANCE NO. 21-2017

AN ORDINANCE OF THE CITY OF SEAGOVILLE, TEXAS, LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR 2018 AT A RATE OF \$0.743800 PER ONE HUNDRED DOLLARS (\$100.00) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY AS OF JANUARY 1, 2017, TO PROVIDE REVENUES FOR CURRENT EXPENSES AND INTEREST AND SINKING FUND REQUIREMENTS; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; AND DECLARING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. That there be and is hereby levied for the fiscal year 2017 on all taxable property, real, personal and mixed, situated within the limits of the City of Seagoville, Texas and not exempt by the Constitution of the State and valid State laws, a tax of \$0.743800 on each One Hundred Dollars (\$100.00) assessed value of taxable property, and shall be appropriated and distributed as follows:

- (a) For the purpose of defraying the current expenses of the municipal government of the City, a tax of \$0.707498 on each One Hundred Dollars (\$100.00) assessed value of all taxable property.
- (b) For the purpose of creating a sinking fund to pay the interest and principal on all outstanding bonds of the City, not otherwise provided for, a tax of \$0.036302 on each One Hundred Dollars (\$100.00) assessed value of all taxable property, within the City which shall be applied to the payment of such interest and maturates of all outstanding bonds.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATION THAN LAST YEAR'S TAX RATE.

SECTION 2. That all ad valorem taxes for the year shall become due and payable on October 1, 2017 and all ad valorem taxes for said year shall become delinquent if not paid before February 1, 2018. There shall be no discount for payment of taxes prior to said January 31, 2018. A delinquent tax shall incur a penalty of six percent (6%) of the amount of the tax for the first calendar month it is

delinquent plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1, 2018. Provided, however, a tax delinquent on July 1, 2018, shall incur a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1, 2018, shall incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty, and interest due in order to defray costs of collection pursuant to section 6.30 of the Property Tax Code.

SECTION 3. Taxes are payable in Seagoville, Texas, at the offices of the Dallas County Tax Assessor Collector and Kaufman County Tax Assessor Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 4. That the tax rolls, as presented to the City Council, together with any supplement thereto, be and the same are hereby approved.

SECTION 5. This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and Charter in such cases provide.

DULY PASSED by the City Council of the City of Seagoville, Texas, on the 11th day of September, 2017.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY

Regular Agenda Item:13

Meeting Date: September 11, 2017

Item Description

Discuss, consider and approve the amended and restated Bylaws for the Seagoville Economic Development Corporation.

BACKGROUND OF ISSUE:

On Tuesday, September 5, 2017, the Seagoville Economic Development Corporation (SEDC) voted unanimously to amend their Bylaws defining their Chief Administrative Officer as the City Manager or his designee. A copy of the SEDC Amended and Restated Bylaws is attached for review and approval of the City Council.

FINANCIAL IMPACT:

NA

EXHIBITS

- A. SEDC Amended and Restated Bylaws
- B. Resolution

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ARTICLE I

OFFICES

SECTION 1. PRINCIPAL OFFICE.

The Principal office of the Seagoville Economic Development Corporation (“SEDC” or “Corporation”) shall be located in the City of Seagoville, Dallas County, Texas. The location is 105 North Kaufman Street. The Board of Directors (the “Board”) shall be authorized to change the location of the principal office of the SEDC and will notify the Seagoville City Council (the “City Council”) of any relocation immediately.

SECTION 2. REGISTERED OFFICE AND REGISTERED AGENT.

The registered office of the SEDC shall be City Hall, 702 North Highway 175, Seagoville, Texas 75159, and the registered agent shall be the City Secretary. The Board shall be authorized to establish business offices as well as to change the location of any business office of the SEDC.

ARTICLE II

PURPOSE, POWERS AND APPROVAL

SECTION 1. APPROVAL.

General Election on Saturday, 6 May 1995.

SECTION 2. PURPOSE.

The SEDC is incorporated for the purposes set forth in its Articles of Incorporation, the same to be accomplished on behalf of the City of Seagoville, Texas (the “City”) as its duly constituted authority and instrumentality in accordance with the Development Corporation Act of 1979, as amended, Chapter 501-506 Texas Local Government Code (the “Act”) as amended and other applicable laws.

SECTION 3. POWERS.

In fulfillment of its corporate purpose, the Corporation shall be governed by Section Type B of the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon’s Texas Civil Statutes (the ‘Act), and shall have all of the powers set forth and conferred in its Articles of Incorporation, the Act, and in other applicable law, subject to the limitations contained herein.

SECTION 4. CHARACTER.

The SEDC shall be a non-profit association of voluntary members and shall not have capital stock. No part of the net earnings shall benefit any member, private shareholder or individual.

SECTION 5. LIMITATION.

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The SEDC shall be non-political, non-partisan and non-sectarian in its activities.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. AUTHORITY.

SEDC business affairs, establishment of its policies, direction of the work and the control of funds and property shall be vested in the Board. The Board shall be composed of seven (7) members appointed by the City Council.

SECTION 2. QUALIFICATIONS.

Each Director shall be a resident in the City of Seagoville for one year. In addition, a Director shall meet at least one (1) of the following qualifications:

- (a) Serve, or have served as Chief Executive Officer (CEO) of a company; or
- (b) Serve, or have served in a position of executive management of a company; or
- (c) Serve, or have served in a professional capacity.

SECTION 3. VACANCIES AND RESIGNATIONS.

A vacancy in any Director's term which occurs by reason of death, resignation, disqualification, removal or otherwise shall be filled by the City Council. A vacancy which occurs in the office of Chairman or Vice Chairman shall be filled by an election by the Board from the remaining and newly appointed Directors.

SECTION 4. LENGTH OF SERVICE.

A Director may serve an unspecified number of terms, but, each Director must be reappointed by the City Council for each term.

SECTION 5. ATTENDANCE.

A Director must be present to vote at any meeting. Regular attendance at Board meetings is required. Three (3) consecutive, unexcused absences from Board meetings shall cause the position to be considered vacant and the City Council may appoint a replacement Director.

SECTION 6. POWERS, NUMBER AND TERM OF OFFICE

- (a) The property and affairs of the Corporation shall be managed and controlled by the Board and, subject to the restrictions imposed by law, by the Articles of Incorporation, the Act and these Bylaws, the Board shall exercise all of the powers of the Corporation.
- (b) The Board shall consist of seven (7) Directors, each of whom shall be appointed by City Council.

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- (c) The Directors constituting the initial Board shall be those named in the Articles of Incorporation. Successor Directors shall have the same qualifications and be appointed in the same manner.
- (d) Directors serve at the will and pleasure of the City Council and are appointed for terms of two (2) years each. Any Director may be re-appointed at the end of his/her term.

SECTION 7. COMPENSATION OF THE DIRECTORS.

Directors shall not receive any salary or compensation for their services. However, they shall be reimbursed for their actual and reasonable expense incurred in the performance of their official duties. All expenses will be approved by a majority vote of the Board.

SECTION 8. MEETINGS OF DIRECTORS.

The Directors may hold their meetings at locations within the City which the Board may determine; provided however, in the absence of any contrary determination by the Board, the meetings shall be held at the SEDC office.

SECTION 9. NOTICE OF MEETINGS.

The Board shall meet monthly, or as needed, to conduct the business of the corporation at a place and time to be determined by the Chair. All meetings of the Board shall provide notice thereof as provided in the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. Any member of the Board may request that an item be placed on the agenda by delivering the same in writing to the Chairman no later than five (5) days prior to the date of the Board meeting.

SECTION 10. OPEN MEETINGS ACT.

All meetings and deliberations of the Board shall be called, convened, held and conducted and notice shall be given to the public, in accordance with the requirements of the Texas Open Meetings Act.

SECTION 11. QUORUM.

A majority of the Directors shall constitute a quorum for the conduct of the official business of the Corporation. The affirmative vote of four (4) Directors present at a meeting at which a quorum is in attendance shall constitute the Board action, unless the action of a greater number is required by law.

SECTION 12. CONDUCT OF BUSINESS.

- (a) At Board meetings, matters pertaining to the business of the Corporation shall be considered in accordance with the rules of procedure as prescribed by the Board or the law.
- (b) At all Board meetings, the Chair shall preside, and in the absence of the Chair, the Vice Chair shall exercise the powers of the Chair.

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- (c) The Secretary of the Corporation shall act as Secretary of all meetings of the Board, but in absence of the Secretary, the Presiding Officer may appoint any person to act as Secretary of the meeting.
- (d) All meetings will be conducted under the rules of parliamentary procedure.

SECTION 13. CONTRACTS FOR SERVICE.

The Corporation may, with approval of the City Council, contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy-making functions in discharging the duties herein set forth. An administrative services agreement shall be executed between the Board and the City Council for the services provided and compensated as provided for herein.

Subject to the authority of the City Manager under the Charter of the City, the Corporation shall have the right to utilize the services of the staff and employees of the Finance Department of the City, the staff and employees of the Parks and Recreation Department and other employees of the City, provided (i) that the City Manager approves of the utilization of such services, (ii) that the Corporation shall pay, as approved by the City Manager, reasonable compensation to the City of such services, and (iii) the performance of such services does not materially interfere with the other duties of such personnel of the City. Utilization of the aforesaid City staff shall be solely by an agreement approved by the City Council.

ARTICLE IV

BOARD OFFICERS and CHIEF ADMINISTRATIVE OFFICER

SECTION 1. TITLES AND TERM OF OFFICERS.

- (a) The officers of the Corporation shall be the Chair, Vice Chair, a Secretary and a Treasurer, and such officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the Chair shall not hold the office of Secretary.
- (b) A vacancy in the office of any officer shall be filled by a vote of the majority of the Directors.
- (c) Officers shall be chosen by the Board in July and shall serve for one year, or until successors have been chosen.

SECTION 2. POWERS AND DUTIES OF THE CHAIR.

The Chair shall be the presiding officer of the Board with the following authority:

- (a) Shall preside over all meetings of the Board;
- (b) Shall vote on all matters coming before the Board;
- (c) Shall have the authority, upon notice to the members of the Board, to call a Special Meeting of the Board when in his or her judgement such a meeting is required;

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- (d) Shall have the authority to appoint, with Board approval, standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board; and
- (e) Shall have the authority to appoint, with Board approval, ad hoc Committees, which may address issues of a temporary nature of concern or which have a temporary effect on the business of the Board.

In addition to the above-mentioned duties, the Chair shall sign with the Secretary of the Board, or other designated person, any deed, mortgage, bond, contract or other instrument which the Board has approved unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of the Bylaws, or by statute. In general, the Chair shall perform all duties incident to the office, and such other duties as shall be prescribed by the Board.

SECTION 3. VICE CHAIR.

The Vice Chair shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the Chair during that officer's absence or inability to act. Any action taken by the Vice Chair in the performance of the duties of the Chair shall be presumptive evidence of the Chair's absence, or inability to act, at the time such action was taken.

SECTION 4. TREASURER.

The Treasurer shall have the responsibility to monitor the handling, custody and security of all funds and securities of the Corporation in accordance with these Bylaws. When necessary or proper, the Treasurer may endorse and sign, along with any other required signatures on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such banks or depositions as shall be designated by the Board consistent with these Bylaws. The Treasurer shall see to the entry in Corporation books full and accurate accounts of all monies received and paid. This action will be performed through the City's annual financial audit. The Treasurer may, at the option of the Board, be a person other than a member of the Board.

SECTION 5. SECRETARY.

The City Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices. The Secretary may attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the Office of the Corporation during business hours, and shall in general perform all duties incident to the Office of the Secretary subject to the control of the Board.

SECTION 6. ELECTION OF OFFICERS.

The Chair, Vice Chair, Secretary and Treasurer shall be elected from among Board members.

SECTION 7. CHIEF ADMINISTRATIVE OFFICER

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The City Manager or his designee shall be the chief administrative officer of the Corporation and be in general charge of the properties and affairs of the Corporation, shall administer all work orders, requisitions for payment, purchase orders, contract administration/oversight, and other instruments or activities as prescribed by the Board in the name of the Corporation.

The City Manager shall employ such full or part-time employees as needed to carry out the programs of the Board. These employees shall be employees of the City and perform those duties as are assigned to them. These employees shall be compensated as prescribed in Article III, Section 13 of these Bylaws. The City Manager shall have the authority, and subject to provisions of the City Charter and policies-procedures of the City, to hire, fire, direct, and control the work, as functionally appropriate, of such employees.

The City Manager or his designee shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation. The City Manager shall endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations drawn upon such bank or banks or depositories as shall be designated by the City Council consistent with these Bylaws. The City Manager shall see to the entry in the books of the Corporation of full and accurate accounts of all monies received and paid out on account of the Corporation. The City Manager shall, at the expense of the Corporation, give such bond for the faithful discharge of the duties in such form and amount as the City Council shall require, by resolution. The City Manager shall submit a monthly report to the Board, in sufficient detail, of all checks or drafts issued on behalf of the Corporation for the previous month.

ARTICLE V

FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

SECTION 1. ECONOMIC DEVELOPMENT PLAN and PROGRAM OF WORK.

The Board shall research, develop, prepare and submit to the City Council for its approval, a long-range plan for the economic development of the City of Seagoville. Annually, the Board will submit to the City Council a work plan, budget, assessment of the local economic development environment and an evaluation of past performance for the City Council's review and approval.

SECTION 2. ANNUAL CORPORATE BUDGET.

At least sixty (60) days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next fiscal year. The budget shall not be effective until the same has been approved by the City Council.

SECTION 3. BOOKS, RECORDS, AUDITS.

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts and financial statements pertaining to its corporate funds, activities and affairs.

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- (b) At the request of the Board, and with approval of the City Council, the books, records, accounts and financial statements of the Corporation shall be maintained for the Corporation by the accountants, staff and personnel of the City.

SECTION 4. DEPOSIT AND INVESTMENT OF CORPORATE FUNDS.

- (a) All proceeds from the issuance of bonds, notes or other debt instruments (“Obligations”) issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture or other documents authorizing or relating to their execution or issuance.
- (b) All other monies of the Corporation shall be deposited, secured and/or invested in the manner provided for the deposit, security and/or investment of the public funds of the City. The Board shall designate authorized signatures on all payment authorization and/or check requests. The account reconciliation and investment of such funds and accounts may be reviewed by anyone during normal business hours on written request, and reimbursement for any expenses may be reviewed at the principal offices of the Corporation.

SECTION 5. EXPENDITURES OF CORPORATE MONEY.

The monies of the Corporation, including sales and use taxes collected pursuant to Chapter 505 of the Local Government Code, monies derived from rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property and the proceeds derived from the sale of obligations, may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitations:

- (a) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures or other agreements submitted to and approved by the City Council prior to the sales and delivery of the Obligations to the purchasers thereof required by Section 6 of this Article;
- (b) All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

SECTION 6. ISSUANCE OF OBLIGATIONS.

No obligations, including refunding obligations, shall be sold and delivered by the Corporation unless the City Council shall approve such obligations by action taken no more than sixty (60) days prior to the date of sale of the obligations.

SECTION 7. CONFLICTS OF INTEREST.

An SEDC Board member or Officer may not lend money to, or borrow money from the Corporation or otherwise transact business with the Corporation. All Directors and Officers shall at all times comply with all applicable State or City conflicts of interest laws, charter provisions and/or ordinances.

SECTION 8. GIFTS.

The Board may accept, on behalf of the Corporation, any contribution, gift, bequest, or device for the general purposes or for any special purposes of the Corporation.

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ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 1. FISCAL YEAR.

The Fiscal Year of the Corporation shall be the same as the Fiscal Year of the City of Seagoville.

SECTION 2. RESIGNATIONS.

Any Director or Officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time is specified, at the time of its receipt by the Chair or Secretary. The acceptance of a resignation shall not be necessary to make it effective unless expressly so provided in the resignation.

SECTION 3. APPROVAL OR ADVICE AND CONSENT OF THE CITY COUNCIL.

To the extent that these Bylaws refer to any approval by the City or refer to advice and consent by the Council, such advice and consent shall be evidenced by a certified copy of a resolution, order or motion duly adopted by the City Council.

SECTION 4. SERVICES OF CITY STAFF AND OFFICERS.

The Corporation shall have the right to utilize the services of City personnel for usual and routine matters, provided that the performance of such services does not materially interfere with the other duties of such personnel of the City. Permission will be obtained from the City Manager if said employee is a member of his/her staff or from the Mayor, or his/her representative, if the employee reports directly to the City Council. The Corporation will pay reasonable compensation to the City for such services.

SECTION 5. INDEMNIFICATION OF DIRECTORS, OFFICERS
AND EMPLOYEES.

- (a) As provided in the Act and in the Articles of Incorporation, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101 Texas Civil Practices and Remedies Code), a Governmental unit and its actions are governmental functions.
- (b) The Corporation shall indemnify each and every member of the Board, its officers and its employees, and each member of the City Council and each employee of the City to the fullest extent permitted by law, against any and all liability or expense, including attorney fees incurred by any such persons by reason of any actions or omissions that may arise out of the functions and activities of the Corporation.
- (c) The Corporation shall purchase and maintain insurance on behalf of any Board members, officer, employee or agent of the Corporation, or on behalf of any personnel serving at the request of the Corporation as a Board member, officer, employee or agent of another corporation, partnership, joint venture or other enterprise against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status

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with regard to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

- (d) Any indemnification or liability insurance provided under this Section may be obtained through the City's general insurance coverage.

ARTICLE VII

EFFECTIVE DATE AMENDMENTS

SECTION 1. EFFECTIVE DATE.

These bylaws shall become effective upon the occurrence of the following events:

- (a) The adoption of these Bylaws by the Board by required two-thirds (2/3) vote; and
- (b) The approval of these Bylaws by the City Council.

**SECTION 2. AMENDMENTS TO ARTICLES OF INCORPORATION
AND BYLAWS.**

The Articles of Incorporation and the Bylaws may be amended, or repealed and articles of incorporation and bylaws may be adopted by an affirmative vote of at least five (5) Board members present at any regular meeting, or any special meeting, if at least five (5) days written notice is given of an intention to amend, or repeal the Articles of Incorporation and Bylaws, or to adopt new Articles of Incorporation and/or Bylaws at such meeting. Any amendment of the Articles of Incorporation and/or Bylaws will be effective upon approval by the City Council.

These Bylaws are adopted by the SEDC Board at a Regular meeting on_____.

Name Board Chair

Attest: _____ Board Secretary

RESOLUTION NO. 37-R-2017

**A RESOLUTION OF THE CITY OF SEAGOVILLE, TEXAS,
APPROVING THE AMENDED BYLAWS FOR THE SEAGOVILLE
ECONOMIC DEVELOPMENT CORPORATION; PROVIDING FOR A
REPEALING CLAUSE; AND DECLARING AN EFFECTIVE DATE.**

WHEREAS, the Seagoville Economic Development Corporation (the “Corporation”) has approved amendments to its Bylaws and recommends approval of the Amended Bylaws; and

WHEREAS, upon full review and consideration of the Amended Bylaws of the Corporation and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved and adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS:

SECTION 1. The Amended Bylaws for the Seagoville Economic Development Corporation, attached hereto as Exhibit “A” and incorporated herein, are approved.

SECTION 2. That all resolutions of the City of Seagoville in conflict with the provisions of this Resolution shall be, and the same are, hereby repealed, provided, however, that all other provisions of said resolutions that are not in conflict herewith shall remain in full force and effect.

SECTION 3. This resolution shall take effect immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Seagoville, Texas, this the 11th day of September, 2017.

APPROVED:

Dennis K. Childress, Mayor

ATTEST:

Kandi Jackson, City Secretary

APPROVED AS TO FORM:

Alexis G. Allen, City Attorney

Regular Agenda Item: 14

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Receive a presentation from City Attorney concerning legal procedures applicable to annexation, including changes to applicable law effective December 1, 2017, and direct staff concerning future annexations

ITEM DESCRIPTION:

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

N/A

EXHIBITS

Regular Agenda Item: 15

Meeting Date: September 11, 2017

ITEM DESCRIPTION

Receive Councilmember Reports/ Items of Community Interest

BACKGROUND OF ISSUE:

Section 551.0415 of the Texas Government Code authorizes a quorum of the governing body of a municipality or county to receive reports about items of community interest during a meeting without having given notice of the subject of the report if no action is taken. Section 551.0415 defines an “item of community interest” to include:

- (1) expressions of thanks, congratulations, or condolence;
- (2) information regarding holiday schedules;
- (3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in status of a person’s public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
- (4) a reminder about an upcoming event organized or sponsored by the governing body;
- (5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and
- (6) announcements involving an imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.

FINANCIAL IMPACT:

N/A

EXHIBITS

N/A

Regular Agenda Item: 16

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Future Agenda Items

BACKGROUND OF ISSUE:

Council provides direction to staff regarding future agenda items. These items will not be discussed and no action will be taken at this meeting.

FINANCIAL IMPACT:

N/A

EXHIBITS

N/A

Executive Session Agenda Item: 17

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Recess into Executive Session in compliance with Texas Government Code:

(A) Section 551.074 Personnel, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee to wit: City Manager.

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

N/A

EXHIBITS

N/A

Executive Session Agenda Item: 18

Meeting Date: September 11, 2017

ITEM DESCRIPTION:

Reconvene Into Regular Session

- A. Any action as a result of executive session regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: City Manager.

BACKGROUND OF ISSUE:

N/A

FINANCIAL IMPACT:

N/A

EXHIBITS

N/A