



A G E N D A

**REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HIGHLAND VILLAGE CITY COUNCIL CHAMBERS
1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS
TUESDAY, OCTOBER 22, 2019, at 6:00 P.M.**

**EARLY WORK SESSION
City Council Chambers**

**Convene Meeting in Open Session
6:00 P.M.**

- 1. Receive Presentations from Non-Profit Organizations requesting Funding for Providing Services, Programs and/or Benefits Serving a Public Purpose to City Residents**
- 2. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda of October 22, 2019**

(Items discussed during Early Work Session may be continued or moved to Open Session and/or Late Work Session if time does not permit holding or completing discussion of the item during Early Work Session)

**CLOSED SESSION
City Manager's Conference Room**

- 3. Hold a closed meeting in accordance with the following sections of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

**OPEN SESSION
City Council Chambers – 7:30 P.M.**

- 4. Call to Order**
- 5. Prayer to be led by Councilmember Robert Fiester**
- 6. Pledge of Allegiance to the U.S. and Texas flags to be led by Councilmember Robert Fiester: *"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."***
- 7. Visitor Comments *(Anyone wishing to address the City Council must complete a Speakers' Request Form and return it to the City Secretary. In accordance with the Texas Open Meetings Act,***

the City Council is restricted in discussing or taking action on items not posted on the agenda. Action on your statement can only be taken at a future meeting. In order to expedite the flow of business and to provide all visitors the opportunity to speak, the Mayor may impose a three (3) minute limitation on any person addressing the City Council. A thirty (30) minute time allotment is set for this section, and the remaining speakers will be heard at the end of the Action Agenda.)

8. City Manager/Staff Reports

- **HVTV Update**

9. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

- **Presentation of a Proclamation celebrating Mayor for the Day**
- **Presentation of a Proclamation designating October 22-26, 2019 as Red Ribbon Week in Highland Village**
- **Presentation of a Proclamation designating November as Art Month in Highland Village**

Anyone wishing to address the City Council on any item posted on the City Council agenda for possible action, including matters placed on the Consent Agenda or posted as a Public Hearing, must complete a Speakers' Request Form available at the entrance to the City Council Chambers and present it to the City Secretary prior to the Open Session being called to order. Speakers may be limited to three (3) minutes and given only one opportunity to speak on an item. Other procedures regarding speaking on matters posted for action on the City Council agenda are set forth on the Speakers' Request Form. Subject to applicable law, the City Council reserves the right to modify or waive at any time the procedures relating to members of the public speaking on matters placed the Council's agenda.

CONSENT AGENDA

All of the items on the Consent Agenda are considered for approval by a single motion and vote without discussion. Each Councilmember has the option of removing an item from this agenda so that it may be considered separately and/or adding any item from the Action Agenda to be considered as part of the Consent Agenda items.

- 10. Consider approval of Minutes of the Regular City Council Meeting held on October 8, 2019**
- 11. Consider Resolution 2019-2852 authorizing the Purchase of a VAC-CON Flusher Truck from CLS Equipment Company, Inc. through the City's Cooperative Purchasing Agreement with the Houston-Galveston Area Council of Governments Cooperative (HGAC)**
- 12. Consider Resolution 2019-2853 adopting the City's Investment Policy**

ACTION AGENDA

- 13. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:
(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**

14. Consider Resolution 2019-2848 naming the Bridge at Doubletree Ranch Park located on Property Leased from the U.S. Army Corps of Engineers as "The Aaron M. Hudson Memorial Bridge"
15. Consider Resolution 2019-2850 amending the City's Master Fee Schedule by Amending and/or Eliminating Certain Parks and Recreation Fees
16. Consider Resolution 2019-2851 authorizing the City Manager to Negotiate and Execute a Contract for Construction Services with Cole Construction, Inc. for the Unity Park Plaza Improvements Project
17. Consider Approval of a Preliminary Plat for 2.713 +/- acres in the E. Clary Survey, Abstract No. 248, for the proposed Tequesta subdivision

LATE WORK SESSION

(Items may be discussed during Early Work Session, Time Permitting)

18. Receive an Update on the City's Proposed Subdivision Ordinance Amendments
19. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)
20. Adjournment

I HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE PUBLIC BULLETIN BOARD AT THE MUNICIPAL COMPLEX, 1000 HIGHLAND VILLAGE ROAD, HIGHLAND VILLAGE, TEXAS IN ACCORDANCE WITH THE *TEXAS GOVERNMENT CODE, CHAPTER 551*, ON THE 18TH DAY OF OCTOBER, 2019 NOT LATER THAN 5:00 P.M.



Angela Miller, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (972) 899-5132 or Fax (972) 317-0237 for additional information.

Removed from posting on the _____ day of _____, 2019 at
_____ am / pm by _____.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 1

MEETING DATE: 10/22/19

SUBJECT: Receive Presentations from Non-Profit Organizations Requesting Funding from the City of Highland Village for Fiscal Year 2019-2020 for Providing Services, Programs and/or Benefits serving a Public Purpose

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

City Resolution 2018-2729 sets out the following guidelines to be followed by non-profit organizations in order to request funding for the community services they provide to residents in Highland Village:

- Services must be provided by an organized civic, cultural, educational, or service group that is a non-profit organization with membership open to all citizens of Highland Village
- Services must be of economic benefit to the community or contribute to the quality of life in Highland Village by serving a public purpose of the City
- Services must be provided to the citizens of Highland Village on an equal basis
- The organization must enter into a written contract with the City of Highland Village for the provision of services

Examples of municipal public purpose include, but are not limited to:

- Preservation, promotion or development of historically sensitive areas of the City
- Promotion of the performing arts
- Activities promoting and improving the health, safety and welfare of the youth, adults or senior citizens in the City
- Educational programs promoting student and citizen participation in the electoral process and local government
- Crime awareness and prevention

Council has historically allocated 0.25% of the City's Maintenance & Operations budget (excluding capital project or purchasing funds) to be available for funding services provided by eligible non-profit organizations. There is \$45,600 included in the Fiscal Year 2019-2020 budget for funding community services and activities provided by non-profit organizations.

Each non-profit organization that has submitted an application requesting funding for Fiscal Year 2019-2020 has been invited to send a representative to provide a brief presentation to Council during the Early Work Session. Following is a list of non-profit organizations that have requested funding for this year, including the amount of each funding request:

Non-Profit Organization	Funding Request
CASA of Denton County	\$ 2,000
Chisholm Trail RSVP, Inc.	\$2,500
Communities in Schools of North Texas, Inc.	\$ 3,000
Denton County Friends of the Family, Inc.	\$ 5,000
Denton County MHMR Center	\$ 5,000
Friends of the Flower Mound Public Library	\$ 1,500
Highland Village Lions Foundation	\$ 4,000
Journey to Dream	\$ 3,975
Lewisville ISD Education Foundation (LEF)	\$ 5,000
Lewisville Lake Symphony Association, Inc.	\$ 5,000
PediPlace	\$ 5,000
Salvation Army	\$ 5,000
Span, Inc./Meals on Wheels of Denton County	\$ 700
Special Abilities of North Texas	\$ 8,500
Studio B Performing Arts	\$ 5,000
Winning The Fight (WTF)	\$ 2,550
Youth and Family Counseling	\$ 5,000
TOTAL	\$68,725

Council has received a copy of each application that was submitted. No action is required at this time.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 9

MEETING DATE: 10/22/19

SUBJECT: Mayor and Council Reports on Items of Community Interest

PREPARED BY: Karen McCoy, Administrative Assistant to City Secretary

COMMENTS

Pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety.

- Presentation of a Proclamation celebrating Mayor for the Day
- Presentation of a Proclamation designating October 22-26, 2019 as Red Ribbon Week in Highland Village
- Presentation of a Proclamation designating November as Art Month in Highland Village

Proclamation

The City of Highland Village

Whereas, The City of Highland Village is served by and is proud to support the Lewisville Independent School District; and

Whereas, The City of Highland Village recognizes that current LISD students are the future leaders of our city, county, state and nation; and

Whereas, Highland Village Elementary School has provided Highland Village students in grades Kindergarten through Fifth Grade with a high quality education; and

Whereas, The City of Highland Village offered a “Mayor for the Day” opportunity to one lucky student and Colin McKenzie was the successful recipient.

NOW THEREFORE, on behalf of the City Council and City Staff, I, Charlotte Wilcox, Mayor of the City of Highland Village, do hereby congratulate and recognize

“Colin McKenzie as Mayor for the Day”

in the City of Highland Village.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed on this 22nd day of October 2019.

Charlotte J. Wilcox, Mayor

Proclamation

The City of Highland Village

Whereas, the City of Highland Village values the health and safety of all our citizens; and

Whereas, substance abuse is particularly damaging to one of our most valuable resources, our children; and

Whereas, it is the goal of Red Ribbon Week to involve families, schools, businesses, churches, law enforcement agencies and service organizations in all aspects of this campaign and establish an atmosphere that supports awareness, and education of the effects of living a healthy life; and

Whereas, the Red Ribbon Week Campaign theme “*Look Within, What’s your Reason for Staying Drug Free*” promotes family and individual responsibilities for living healthy, drug-free lifestyles, without illegal drugs or the illegal use of legal drugs and alcohol; and

Whereas, all LISD schools in Highland Village are participating in Red Ribbon Week and educating students on the effects of drug use and how dangerous a life of addiction to chemical substances and alcohol can be.

NOW THEREFORE, I, Charlotte J. Wilcox, Mayor of the City of Highland Village, do hereby proclaim October 21st -25th, 2019 as:

“Red Ribbon Week”

in the City of Highland Village and encourage everyone to participate in Red Ribbon activities throughout the week.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Highland Village to be affixed on this the 22nd day of October, 2019.

Charlotte J. Wilcox, Mayor

Proclamation

The City of Highland Village

Whereas, the City of Highland Village, located in Denton County, is a community of many artistic and creative people; and

Whereas, the arts enhances our quality of life and are vital to the cultural enrichment of the lives of our citizens; and

Whereas, professional artists inspire our citizens with works of art that reflect a wide range of talent; and

Whereas, to stimulate awareness of the art and artists in Highland Village and the surrounding communities, the Cross Timbers Artists Guild was established; and

Whereas, the Cross Timbers Artists Guild's 18th Annual Studio Tour set for November 9-10, 2019, invites our community to meet and visit with local artists in their working environment and view their creative, award winning work in a variety of media.

NOW THEREFORE, I, Charlotte Wilcox, Mayor of the City of Highland Village, do hereby proclaim November 2019 as:

“Art Month”

in the City of Highland Village.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed on this 22nd day of October 2019.

Charlotte J. Wilcox, Mayor

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 10

MEETING DATE: 10/22/19

SUBJECT: Consider Approval of Minutes of the Regular City Council Meeting held on October 8, 2019

PREPARED BY: Angela Miller, City Secretary

BACKGROUND:

Minutes are approved by a majority vote of Council at the Council meetings and listed on the Consent Agenda.

IDENTIFIED NEED/S:

Council is encouraged to call the City Secretary's Office prior to the meeting with suggested changes. Upon doing so, staff will make suggested changes and the minutes may be left on the Consent Agenda in order to contribute to a time efficient meeting. If the change is substantial in nature, a copy of the suggested change will be provided to Council for consideration prior to the vote.

OPTIONS & RESULTS:

The City Council should review and consider approval of the minutes. Council's vote and approval of the minutes reflect agreement with the accuracy of the minutes.

PROGRESS TO DATE: (if appropriate)

The City Manager has reviewed the minutes and given approval to include the minutes in this packet.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

N/A

RECOMMENDATION:

To approve the minutes of the Regular City Council meeting held on October 8, 2019.



**MINUTES OF THE REGULAR MEETING OF THE
HIGHLAND VILLAGE CITY COUNCIL
HELD IN THE HIGHLAND VILLAGE CITY COUNCIL CHAMBERS
1000 HIGHLAND VILLAGE ROAD
TUESDAY, OCTOBER 8, 2019**

Mayor Charlotte J. Wilcox called the meeting to order at 6:00 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Tom Heslep	Councilmember
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember
Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police (arrived at 6:27 p.m.)
	Scott Kriston	Public Works Director
	Jana Onstead	Human Resources Director
	Phil Lozano	Parks and Recreation Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist
	Karen McCoy	Administrative Assistant

EARLY WORK SESSION

- 1. Discuss Appointment of Board and Commission Members; Review and Discuss the Attendance Record and Performance of City Board and Commission Members and Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.037**

City Secretary Angela Miller provided an overview of board/commission positions that expire this year. Council discussed attendance and appointments to the Ethics Board, Highland Village Community Development Corporation, and Parks and Recreation Advisory Board. Further discussion on this item continued after Closed Session.

- 2. Clarification of Consent or Action Items listed on Today's City Council Meeting Agenda of October 8, 2019**

Relating to Agenda Item #17, Mayor Wilcox asked if Council wished to move the item to the Consent Agenda. After a brief discussion, the item will remain on the Action Agenda.

Relating to Agenda Item #12, Mayor Wilcox reported Ms. Dianne Costa and City Manager Michael Leavitt currently serve on the Board and have expressed interest in serving another term. She asked members of Council if they wished to appoint a new DCTA Board Member representative. The consensus of Council was to reappointment them to the DCTA Board of Directors.

With time permitting, Agenda Item #22 was moved up on the agenda.

22. Discuss Methods for Accepting Public Donations

With the upcoming Kids Kastle project, City Manager Michael Leavitt reported staff has sought donations for the project and has learned that many businesses/corporations have a policy whereby they are not allowed to donate to municipal entities, only to a non-profit or trust.

In the past, the Highland Village Parks Foundation (Foundation) has served as a catalyst for city-related park donations. The Foundation's Board members would like to dissolve the Foundation or find another group/entity to take it over. Mr. Leavitt asked if there was interest in the City taking over the Foundation, including their 501(c)3 status, which would allow the City to receive donations from business/corporation that could otherwise not donate. Mr. Leavitt provided some history of the Foundation. Should the City receive any future donations, he reported there are trusts of public land organizations that are available for handling those donations should the City receive any future donations. City Attorney Kevin Laughlin reported other cities have created similar foundations, which are utilized during times of a city's growth to fund park land and/or matching grants with Texas Parks and Wildlife. Reporting and audit requirements were also discussed, as well as the staff time that would be required to operate the Foundation.

Council consensus is not to pursue acquisition of the Parks Foundation or its 501(c)3 status.

Mayor Wilcox announced Council would convene into Closed Session and read Agenda Items #3(a), #3(b) and #3(c).

CLOSED SESSION

Council convened into Closed Session at 6:31 p.m.

- 3. Hold a closed meeting in accordance with the following sections of the Texas Government Code:**
 - (a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)**
 - (b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation**
 - (c) Section 551.074 – Personnel – Discussion regarding Employment and Evaluation of the City Secretary**

Council concluded Closed Session at 7:05 p.m.

EARLY WORK SESSION

Early Work Session reconvened at 7:06 p.m.

- 1. Discuss Appointment of Board and Commission Members; Review and Discuss the Attendance Record and Performance of City Board and Commission Members and Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.037**

Council discussed attendance records of currently serving board and commission members, as well as potential appointments to the various boards.

Early Work Session ended at 7:08 p.m.

OPEN SESSION

- 4. Call to Order**

Mayor Charlotte J. Wilcox called the meeting to order at 7:30 p.m.

Roll Call

Present:	Charlotte J. Wilcox	Mayor
	Jon Kixmiller	Councilmember
	Michael Lombardo	Mayor Pro Tem
	Barbara Fleming	Deputy Mayor Pro Tem
	Tom Heslep	Councilmember
	Robert A. Fiester	Councilmember
	Daniel Jaworski	Councilmember

Staff Members:	Michael Leavitt	City Manager
	Kevin Laughlin	City Attorney
	Ken Heerman	Assistant City Manager
	Angela Miller	City Secretary
	Doug Reim	Chief of Police
	Michael Thomson	Fire Chief
	Scott Kriston	Public Works Director
	Laurie Mullens	Marketing & Communications Director
	Andrew Boyd	Media Specialist

- 5. Prayer to be led by Councilmember Tom Heslep**

Councilmember Heslep gave the invocation.

- 6. Pledge of Allegiance to the U.S. and Texas flags to be led by Councilmember Tom Heslep**

Councilmember Heslep led the Pledge of Allegiance to the U.S. and Texas flags.

- 7. Visitor Comments**

No one wished to speak.

8. City Manager/Staff Reports

- **HVTV Update**

The HVTV Update, which was filmed at the Olive Branch Tea Room located inside the Painted Tree Marketplace, informed residents of the events taking place for the TXFallenPD Tribute Event.

9. Mayor and Council Reports on Items of Community Interest pursuant to Texas Government Code Section 551.0415 the City Council may report on the following items: (1) expression of thanks, congratulations or condolences; (2) information about holiday schedules; (3) recognition of individuals; (4) reminders about upcoming City Council events; (5) information about community events; and (6) announcements involving imminent threat to public health and safety

- **Presentation of a Proclamation designating October 19, 2019 as TXFallenPD Tribute Day in Highland Village**

Mayor Wilcox presented Chief Reim and members of the Highland Village Police Department with a proclamation declaring October 19, 2019 as TXFallenPD Tribute Day in Highland Village.

- **Presentation of a Proclamation celebrating National Fire Prevention Week**

Mayor Wilcox presented Chief Thomson and members of the Highland Village Fire Department with a proclamation celebrating October 6-12, 2019 as National Fire Prevention Week in Highland Village.

CONSENT AGENDA

10. Consider approval of Minutes of the Regular City Council Meeting held on September 24, 2019

11. Consider Resolution 2019-2842 cancelling the November 26, 2019 and December 24, 2019 City Council Meetings

12. Consider Resolution 2019-2843 appointing City Representation to the Denton County Transportation Authority (DCTA)

13. Consider Resolution 2019-2844 authorizing the City Manager to Continue an Interlocal Agreement with TML Intergovernmental Risk Pool for Purposes of providing City Liability Insurance

14. Consider Resolution 2019-2845 ratifying City Manager Actions authorizing Expenditures relating to Performance of Repairs to the FM 407 Water Well

15. Receive Budget Reports for Period Ending August 31, 2019

Motion by Mayor Pro Tem Lombardo, seconded by Deputy Mayor Pro Tem Fleming, to approve Consent Agenda Items #10 through #15. Motion passed with a vote of 7-0.

ACTION AGENDA

16. Take action, if any, on matters discussed in closed session in accordance with the following sections of the Texas Government Code:

(a) Section 551.071 – Consultation with City Attorney Concerning Pending or Contemplated Litigation and on any Regular Session or Work Session Agenda Item Requiring Confidential, Attorney/Client Advice Necessitated by the Deliberation or Discussion of Said Item (as needed)

NO ACTION TAKEN

(b) Section 551.074 – Deliberate the Appointment, Removal, Evaluation and Duties of Public Officers, specifically Members of the Planning and Zoning Commission, Zoning Board of Adjustment, and Board of Directors of the Highland Village Community Development Corporation

Action was taken with agenda item #21.

(c) Section 551.074 – Personnel – Discussion regarding Employment and Evaluation of the City Secretary

ACTION TAKEN and APPROVED (7-0)

Motion by Councilmember Fiester, seconded by Councilmember Jaworski, to approve the amendment to the city secretary's employment agreement by providing for a 401(a) account in her name and establishing a city contribution of \$5,000 per year. Motion carried 7-0.

17. Consider Ordinance 2019-1265 amending the Comprehensive Zoning Ordinance Article IV "Use Regulations" by adding the Use "Vehicle Storage or Vehicle Auction"; establishing the Zoning Districts for Same; and amending Article VI "Definitions" of Vehicle Storage or Vehicle Auction (2nd and final)

APPROVED FINAL READ (6 – 1)

Public Works Director Scott Kriston reported in the course of reviewing certain code enforcement matters relating to people conducting certain businesses in residential areas of the City that do not constitute home occupations, it was determined by City staff, City Attorney and City Prosecutor, that the application of provisions of the Comprehensive Zoning Ordinance ("CZO") relating to the parking and storage of motor vehicles in residential areas that are being held for future resale needed further clarification.

Staff met with the City Prosecutor and the City Attorney to discuss wording of the use charts, which resulted in the City Attorney drafting the proposed ordinance. Proposed Ordinance 2019-1265 was presented to Council at their September 24, 2019 meeting, and passed with a 6-1 vote.

Motion by Deputy Mayor Pro Tem Fleming, seconded by Councilmember Heslep, to approve the 2nd and final read of Ordinance 2019-1265. Motion passed with the following 6-1 vote:

Ayes – Lombardo, Fleming, Wilcox, Heslep, Fiester and Jaworski

No - Kixmiller

18. Consider Resolution 2019-2846 authorizing the City Manager to negotiate and execute an Amendment to the Agreement for Yard Waste Services with the Letco Group, Inc

APPROVED (7 – 0)

Mr. Kriston reported previous Council action dated March 26, 2002 authorized the City Manager to negotiate and execute an Agreement with Letco Group, LLC for yard waste composting services for the City. The Agreement with Letco provides the following collection services:

- Receives compost materials collected by the City's solid waste contractor on the Monday collection schedule at two locations
- Provides the City with 50 cubic yards of finished compost material annually at no cost

The City's solid waste contract with CWD outlines they collect, haul and dump the yard waste materials collected in the city to Letco sites. The City averages 350 cubic yards per month at \$3.00/cubic yard and is represented as the Compost Fee on utility bills. At this time Letco is asking to increase the fee to \$3.15/cubic yard. Letco has not asked for a price increase since the original Agreement that was executed in 2002. City staff is seeking Council authorization for the City Manager to negotiate and execute the first amendment to the Yard Waste Services Agreement with Letco.

Motion by Councilmember Jaworski, seconded by Deputy Mayor Pro Tem Fleming, to approve Resolution 2019-2846. Motion carried 7-0.

19. **Consider Resolution 2019-2847 rejecting Bids for the Streets Improvements Project, Phase 2**

APPROVED (7 – 0)

Mr. Kriston reported that in November 2017, City voters approved the sale of bonds to fund Street Improvements. Twenty-three (23) streets were identified as part of the bond project. City staff split the 23 streets into four separate projects to better manage the work load. The Phase 2 project was advertised for bids, which were received and opened on September 26, 2019, with five (5) bids received. All bids exceeded the \$500,000 amount estimated for the project. Staff is re-evaluating the scope of the project and will revise the project to seek better pricing through economy of scale.

Motion by Mayor Pro Tem Lombardo, seconded by Councilmember Fiester, to approve Resolution 2019-2847. Motion carried 7-0.

20. **Review and Discuss the Attendance Record and Performance of City Board and Commission Members and Consider Removal of Board and Commission Members prior to Completion of their Current Term pursuant to Code of Ordinances Section 2.037**

REMOVALS MADE and APPROVED (7 – 0)

City Secretary Angela Miller reported the Code of Ordinances provides Council the option to review attendance records and performance of board/commission members and to allow for removal of a member prior to the completion of their current term, if needed. Council discussed the item during Early Work Session.

Motion by Councilmember Jaworski, seconded by Councilmember Kixmiller, to remove the following board members:

- ***Annette Brunken – Zoning Board of Adjustment, Alternate Place 2***
- ***Manika Kataria – Highland Village Community Development Corporation, Citizen Representative***

Motion carried 7-0.

21. **Consider Resolution 2019-2849 appointing Members to Various Positions on the Board of Ethics, Parks and Recreation Advisory Board, Planning and Zoning**

Commission, Zoning Board of Adjustment, and Highland Village Community Development Corporation

APPOINTMENTS MADE and RESOLUTION APPROVED (7 – 0)

Motion by Councilmember Kixmiller, seconded by Councilmember Fiester, to approve Resolution 2019-2849 making the following appointments:

BOARD OF ETHICS:

Kevin McMahan
James Burmeister
Benjamin Somero

PARKS AND RECREATION ADVISORY BOARD:

Gary Patz – Place 4
Kenneth Koonsman – Place 5
Kevan Fenderson – Alternate Place 1

PLANNING AND ZONING COMMISSION:

Dee Leggett – Place 1
Denver Kemery – Place 4
Angelina Robinson – Place 5
Eric Edwards – Alternate Place 1
Guy Skinner – Alternate Place 2

ZONING BOARD OF ADJUSTMENT:

Christian Hart – Place 1
Jeremy Booker – Place 2
David Smith – Place 3
Susan Arthur – Alternate Place 1
Jerry Jones – Alternate Place 2
Daniel Blough – Alternate Place 3

HIGHLAND VILLAGE COMMUNITY DEVELOPMENT CORPORATION:

Dale Butler – Citizen Representative
Melinda Camp – Citizen Representative
Mike Lombardo – City Representative
Tom Heslep – City Representative
Barbara Fleming – City Representative

Motion passed 7-0.

LATE WORK SESSION

22. Discuss Methods for Accepting Public Donations

This item was moved up on the agenda and discussed during Early Work Session.

23. Status Reports on Current Projects and Discussion on Future Agenda Items (A Councilmember may inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.)

Mr. Leavitt reported he and several members of Council would be attending the Annual Texas Municipal League conference this week.

Mr. Kriston provided an update on the Highland Village Road/FM 407 signal project, which is funded by the Town of Flower Mound.

24. Adjournment

Mayor Wilcox adjourned the meeting at 8:04 p.m.

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

DRAFT

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 11

MEETING DATE: 10/22/19

SUBJECT: Consider Resolution 2019-2852 Authorizing the Purchase of a VAC-CON Flusher Truck from CLS Equipment Co., Inc. through the City's Cooperative Purchasing Agreement with the Houston-Galveston Area Council of Government Cooperative ("HGAC"); Declaring the Replaced Vacuum Truck as Surplus Property and Authorizing its Sale

PREPARED BY: Scott Kriston, Director of Public Works

BACKGROUND:

During the budget process, the Fleet Maintenance division works with each division in evaluating their present vehicle and equipment inventory and need for the upcoming budget year. The City criteria for vehicle replacement is based on vehicle mileage of approximately 100,000 miles, repair history and age of vehicle. Equipment replacement is based on the repair history, age, hours of service and increased needs for each division.

IDENTIFIED NEED/S:

In this fiscal budget year 2019/2020, under the equipment replacement schedule, staff identified the equipment that has met the city's criteria for replacement. Equipment being replaced will no longer be needed for City operations and will be sold in accordance with applicable state law and City policies upon the City Council's determination that such vehicle constitutes surplus property and may be sold.

PROGRESS TO DATE: (if appropriate)

In the process of taking bids as required by state law, City staff found that in working through the Houston-Galveston Area Council of Governments Cooperative ("HGAC"), vehicles meeting or exceeding all specifications for the vehicles could be purchased for the best price. HGAC fees are included in the total price.

HGAC obtained the needed vehicle through CLS Equipment Co., Inc.

<u>Division</u>	<u>Quantity</u>	<u>Description</u>	<u>Cost</u>
Utility	1	2020 VAC-CON V390 Freightliner 114SD	\$358,778.50
		Total Utility Purchase Cost	\$358,778.50

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Approved in FY 2019-2020 Vehicle / Equipment Replacement Budget.

RECOMMENDATION:

To approve Resolution 2019-2852.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2019-2852

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, AUTHORIZING THE PURCHASE OF A VAC-CON FLUSHER TRUCK VEHICLE FROM CLS EQUIPMENT CO., INC. THROUGH THE CITY'S COOPERATIVE PURCHASING AGREEMENT WITH THE HOUSTON-GALVESTON AREA COUNCIL OF GOVERNMENTS COOPERATIVE (HGAC); DECLARING THE REPLACED VACUUM TRUCK AS SURPLUS PROPERTY AND AUTHORIZING ITS SALE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to its review of the City's vehicle and equipment in accordance with the City's replacement policies, City Administration has identified the need to replace seven vehicles for the Public Works, Parks and Police Departments; and

WHEREAS, City Administration, while in the process of soliciting bids in accordance with state law, determined that the purchase of the VAC-CON Flusher Truck vehicle complies with City specifications can be made for the lowest price from CLS Equipment Co., Inc., through the City's cooperative purchasing agreement with the Houston-Galveston Area Council of Governments Cooperative ("HGAC"); and

WHEREAS, upon taking delivery the new vehicle described above, the vehicle being replaced will not be needed for use in City operations and will constitute surplus personal property; and

WHEREAS, the City Council of the City of Highland Village finds it to be in the public interest to authorize the above-described purchase and to authorize the sale of the replaced vehicle;

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

SECTION 1. The City Manager is hereby authorized to purchase one (1) VAC-CON V390 Freightliner 114SD vehicle from CLS Equipment Co., Inc. through the City's cooperative purchasing agreement with HGAC in the amount of \$358,778.50 from funds available in the FY 2019-2020 Utility budget.

SECTION 2. The vacuum truck being replaced by the vehicle purchased pursuant to the authority of Section 1, above, shall constitute surplus personal property upon delivery to the City of the new vehicle described above and may be sold in accordance with applicable state law and City policies.

SECTION 2. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ON THIS 12th DAY OF NOVEMBER 2019.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:10/17/19:111583)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 12

MEETING DATE: 10/22/19

SUBJECT: Consider Resolution 2019-2853 Adopting the City's Investment Policy and Making a Record of the Council Annual Review and Any Policy Changes

PREPARED BY: Ken Heerman, Assistant City Manager

BACKGROUND:

A requirement of the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and the City of Highland Village, Texas, Investment Policy, Section VIII.2 Amendments, is an annual review of the investment policy. Any changes must be approved by the Investment Officer and submitted as a resolution for adoption to the City Council.

IDENTIFIED NEED/S:

Our consultants with Valley View Consulting, L.L.C. have compared the Public Funds Investment Act (PFIA) written policy requirements with the City's Investment Policy. The policy is in compliance with the PFIA.

OPTIONS & RESULTS:

There are a few minor changes to the City's Investment Policy as previously adopted.

- Throughout the policy, references to Financial Dealers and Financial institutions are replaced with the term Broker/Dealers to eliminate redundancy and provide consistency with these references.
- In Section V.1 c. cash was added as approved security for repurchase agreements in addition to the authorized investments identified in section V.1 a. (While authorized in the investment policy, repurchase agreements are not typically utilized by the City).
- In the Investment Strategy section, the definition of marketability of investments was refined to reflect a spread between bid and offer prices of a particular security-type of less than ten basis points (0.10%) to define an efficient secondary market. Previously, a quarter of a percentage point was the defined reference – this change reflective of a much tighter market in general.
- The primary depository bank was updated to now reflect Wells Fargo Bank.

The investment policy is provided following this briefing.

RECOMMENDATION:

Council to adopt Resolution 2019-2853 and record the annual review process.

**CITY OF HIGHLAND VILLAGE, TEXAS
INVESTMENT POLICY
INTRODUCTION**

This Investment Policy applies to the investment activities of the City of Highland Village (the "City"). These policies and procedures serve to satisfy the statutory requirement of Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "PFIA"), to define and approve a formal investment policy. Upon City Council adoption, this Investment Policy supersedes all others.

**ARTICLE I
GENERAL OBJECTIVES**

- I.1 **Purpose** It is the purpose of this Policy to invest in a manner which assures the safety of principal of invested funds by maintaining sufficient liquidity, diversifying investment instruments and maturities, creating accountability and internal controls, accurately reporting portfolio status, and to include the investment process as part of the annual audit.
- I.2 **Objectives** The primary objectives of the City's investment activities, in order of importance are:
- a. **Safety:** Investments of the City shall be selected in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk.
 1. Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
 - Limiting investments to the safest types,
 - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and
 - Diversifying the investment portfolio so that potential losses from individual issuers will be minimized.
 2. Interest rate risk is the risk that the market value of investments in the portfolio will fluctuate due to changes in general interest rates. Interest rate risk may be mitigated by:
 - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments prior to maturity, and
 - By investing funds primarily in shorter-term investments.
 - b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This shall be accomplished by projecting cash flow requirements and matching investment maturities with anticipated demands (static liquidity).
 - c. **Diversification and Maturity:** The City's investment portfolio shall be diversified to minimize the risk resulting from over concentration of assets in specific maturity, market sector or issuer categories, where appropriate. Diversification strategies shall be established and reviewed periodically by the Investment Officers.
 - d. **Internal Controls:** The Assistant City Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. 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.

As part of the annual audit, the Investment Officer shall facilitate an independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
 - Separation of transaction authority from accounting and record keeping
 - Custodial safekeeping
 - Avoidance of physical delivery securities
 - Clear delegation of authority to subordinate staff members
 - Written confirmation of transactions for investments and wire transfers
- e. **Yield:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal,
 - A security swap that improves the quality, yield, or target duration in the portfolio, and
 - Liquidity needs of the portfolio require that the security be sold.

ARTICLE II SCOPE & STRATEGY

II.1 Scope This Policy applies to all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- General Fund
- Enterprise Fund
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- Other funds not specifically prohibited by law
- Component units of the City

II.2. Investment Strategy - For each of the major fund types listed in paragraph II.1, there shall be a written investment strategy, with the exception of Other Funds and Component Units for which the Operating Fund and Enterprise Fund strategy will apply. The strategy shall take into consideration the unique cash flow requirements, both inflows and outflows, of the funds. Appendix A contains each fund's investment strategy.

For funds subject to the arbitrage regulations, the City shall annually calculate an estimated arbitrage rebate amount. Positive or negative rebate estimates will be incorporated into the implemented investment strategy. Additionally, estimated positive rebate amounts shall be restricted from expenditure and a rebate liability fund established in anticipation of payment to the IRS per the arbitrage regulations.

ARTICLE III STANDARDS OF CARE

- III.1 Prudence - Investments shall be made with careful judgment and care, under then prevailing circumstances, which a person of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment Officers acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual investment’s credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In accordance with Section 113.005, Texas Local Government Code, the Investment Officer is not responsible for any loss of the City’s funds through the failure or negligence of a depository. This section does not release the Investment Officer from the responsibility for a loss resulting from official misconduct or negligence, including misappropriation of funds, or from responsibility for funds until a depository is selected and funds are deposited.

- III.2. Ethics and Conflicts of Interest Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions.

Investment Officers shall disclose any personal business relationship, as defined by the PFIA, or relative within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Local Government Code, to an individual or business organization seeking to engage in an investment transaction with the City. A statement required under this section must be filed with the Texas Ethics Commission and the City Council in compliance with the PFIA.

- III.3. Delegation of Authority for Investment Program - In accordance with the PFIA, the overall responsibility for conducting investment transactions resides with the City Council. Management oversight is delegated to the City Manager and Assistant City Manager who shall develop and maintain written procedures for the operation of the investment program consistent with these policies. The Assistant City Manager, Assistant Director of Finance, and Staff Accountant shall be designated as Investment Officers.

Operational procedures shall be established by the Assistant City Manager that will include reference to safekeeping, repurchase, depository, and collateral agreements. Such procedures shall include explicit delegation of authority to persons responsible for conducting investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures as described herein. The City Manager and Assistant City Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

ARTICLE IV TRANSACTION PROCEDURES

- IV.1 Authorized Broker/Dealers - The Assistant City Manager will maintain a list of broker/dealers approved by the City Council who are authorized to provide investment services. These may include primary broker/dealers or regional broker/dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and Texas investment regulations.

All investment providers eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Additionally, the qualified representative of a local government investment pool or discretionary investment management firm ("business organization") seeking to transact investment business shall execute a written instrument substantially to the effect that the qualified representative has:

1. Received and thoroughly reviewed this Investment Policy, and
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization 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, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority..

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

All broker/dealers who desire to become authorized for investment transactions must supply the Investment Officer with the following (as applicable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of registration in the State of Texas
- Completed broker/dealer questionnaire, including:
 - Related investment experience
 - Public fund investment officer references

This information shall be submitted to the Investment Officers for review. The Investment Officers will make a recommendation for changes to the list of authorized broker/dealers and submit the list for approval by the City Council. At least annually, the City Council shall approve the list of authorized broker/dealers. The most recent City Council-authorized list shall be attached to this Policy as Appendix B.

In order to create a competitive pricing environment for each investment transaction, the City shall solicit quotations from multiple financial institutions for time deposits and authorized broker/dealers for securities.

IV.2 Delivery Versus Payment All transactions, where applicable, will be executed on a delivery versus payment (DVP) basis to ensure that securities are delivered to an eligible financial institution prior to the release of funds. An independent third party custodian authorized by the City, and evidenced by safekeeping receipts, will hold securities.

IV.3 Investment Training In order to ensure the quality and capability of the City's Investment Officers, the City shall provide periodic training in investments through courses and seminars offered by professional organizations and associations. Pursuant to the PFIA, designated Investment Officers, and their designees responsible for investing City funds, shall attend within twelve months of assuming duties and receive not less than ten hours of instruction and, on a continuing basis, receive not less than eight hours of instruction in a two year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, for instruction. Said instruction shall relate to investment responsibilities described in the PFIA and this Policy. The training shall be conducted by approved independent training sources: GFOA, GFOAT, GTOT, TML, COG, UNT, or AICPA.

ARTICLE V
SUITABLE & AUTHORIZED INVESTMENTS

V.1 Suitable & Authorized Investment Types The following instruments are considered suitable and authorized investments for the City's funds. At least quarterly, the City shall monitor issuer rating changes from independent information sources. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.

- a. Except as provided in paragraph V.2. the following are authorized investments
- Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - Direct obligations of this State or its agencies and instrumentalities;
 - Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State 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; and
 - Obligations of states, agencies, counties cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- b. Deposits with a state or national bank, a savings bank, or a state or federal credit union that has its main office or a branch office in this State that are:
- Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - Secured in compliance with state and federal regulations, by obligations eligible under the Public Funds Collateral Act; or
 - Secured in compliance with state and federal regulations, by letters of credit issued by the United States or its agencies and instrumentalities.

Or are placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

- c. Fully collateralized repurchase agreements are authorized if the repurchase agreement:
- Has a defined termination date;
 - Is secured by cash or obligations in paragraph V.1.a;
 - Requires the securities being purchased by the City to be pledged to the City, held in the City's account and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and
 - Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.

For purposes of this paragraph a repurchase agreement means a simultaneous agreement to buy, hold for a specified time and sell back at a future date obligations described by paragraph V.1.a, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

- d. No load money market mutual funds are authorized if the mutual fund:
- Is registered with and regulated by the Securities and Exchange Commission;
 - Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
 - Is categorized as a "Treasury" or "Government" money market fund;
 - Must maintain a AAAM, or equivalent rating, from at least one nationally recognized rating agency;

- Includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - The City's investment shall not exceed 10% of the fund's total assets.
- e. A public funds investment pool specifically authorized by City Council, meeting the requirements of the PFIA, that is categorized as a "Treasury" or "Government" investment pool, and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

V.2. Investments Not Authorized - The following investments are not authorized under paragraph V.1.a.

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

V.3. Collateralization will be required on two types of investments: deposits and repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, in order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of market value of the investments principal and accrued interest, less any applicable federal deposit insurance.

Collateral will always be held by an independent third party custodian acceptable to the City. A clearly marked evidence of pledge (pledge receipt) must be supplied to the City and retained. The City grants the right of collateral substitution, with prior notification to and the consent of the City. The City has the option to also accept a surety bond from a qualified insurance company (rated A or its equivalent by the A.M. Best Company or similar rating agency) or a letter of credit from a federal agency or instrumentality as deposit collateralization.

Financial institutions accepting City deposits will be required to sign a "Depository Agreement" with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the 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 or designated 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.

ARTICLE VI INVESTMENT PARAMETERS

VI.1. Diversification The City will diversify its investment portfolio by type and maturity, where appropriate, as described in the fund-type investment strategies.

- VI.2. Maximum Maturities The City shall not exceed anticipated cash flow requirements when selecting investment maturities. Regardless of cash flow projection, the maximum maturity per fund-type is outlined in Appendix A Investment Strategy.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds (e.g. short-term financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements) to ensure that appropriate liquidity is maintained to meet ongoing obligations.

ARTICLE VII REPORTING

- VII.1 Methods The Investment Officers will present to the City Council a signed investment report on a quarterly basis, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. This report will include a summary statement of each fund that states:

- The beginning market value for the reporting period;
- Ending market value for the period; and
- Fully accrued interest for the reporting period.

Additionally the report will:

- State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- State the maturity date of each separately invested asset;
- State the account, fund or pooled group fund of the City for which each individual investment was acquired;
- State the compliance of the investment portfolio as it relates to (1) the City's investment strategy for each fund type and (2) the PFIA; and
- Provide any additional information as required by the PFIA.

- VII.2 Performance Standards The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio. The portfolio should seek to attain a market average rate of return, over time, during various market/economic cycles. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

- VII.3 Market Valuation The market value of the portfolio will be calculated on a quarterly basis in compliance with the reporting requirements of Paragraph VII.1. In defining market value, sources independent of the investment provider will determine valuations and consideration will be given to GASB Statement No. 31.

- VII.4 Independent Review As part of the annual audit, the City's independent auditor will review each of these quarterly investment reports.

ARTICLE VIII ADDITIONAL CONSIDERATIONS

- VIII.1. Exemption Any investment currently held and purchased before the date of implementation of this Policy that does not meet the guidelines of this Policy and/or the PFIA shall be exempted from the

requirements of this Policy and the PFIA. It is therefore unnecessary to liquidate such investments. However, at maturity or liquidation, such funds shall be reinvested only as provided by this Policy.

- VIII.2. Amendments This Policy shall be reviewed on an annual basis by the City Council and a written instrument adopted attesting to said review. Any changes must be approved by the Investment Officers and submitted as a resolution for adoption to the City Council.

Appendix A

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

A. **Operating and Enterprise Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Operating or Enterprise Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity of each fund's portfolio to less than 180 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Liquidity - Operating and Enterprise Funds require the greatest short-term liquidity of any of the fund-types. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

B. **Special Revenue Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or five years.

Marketability - Balancing short-term and long-term cash flow needs requires the short-term portion of the Funds portfolio to have investments with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market. Investments with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

Liquidity - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective.

C. **Capital Improvement Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or five years.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Liquidity - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month’s anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy’s risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

D. **Debt Service Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability - Investments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-

term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

E. **Debt Service Reserve Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Marketability - Investments with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

Appendix B

Primary Depository Bank, Public Funds Investment Pools and Authorized Broker/Dealers

Primary Depository Bank

Wells Fargo Bank

Public Funds Investment Pools

TexPool

TexSTAR

Authorized Broker/Dealers

FTN Financial

- Secondary Dealer
- Solid performance with comparable Texas local governments
- Access to varied investment inventories
- Houston Office

Multi-Bank Securities

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Chicago Office

Raymond James

- Secondary Dealer
- Access to varied investment inventories
- Austin Office

Oppenheimer

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Minneapolis Office

Wells Fargo Securities

- Primary Dealer
- Access to varied investment inventories
- Dallas Office

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2019-2853

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS, ADOPTING THE CITY OF HIGHLAND VILLAGE INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT "A"; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY OF THE CITY AND THAT EXHIBIT "A" RECORDS ANY CHANGES TO THE INVESTMENT POLICY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the City Council of the City of Highland Village, Texas has adopted an investment policy; and,

WHEREAS, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and record any changes made to either the investment policies or investment strategies.

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

SECTION 1. The City's Investment Policy, attached as Exhibit "A", is hereby adopted and shall govern the investment policies for the City, and shall define the authority of the investment official of the City from and after the effective date of this resolution.

SECTION 2. The City Council of the City of Highland Village has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit "A" hereto.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This resolution shall become effective immediately from and after its passage.

PASSED AND APPROVED THIS THE 22nd DAY OF OCTOBER 2019.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney
(kb: 10/17/19:111597)

RESOLUTION NO. 2019-2853
Exhibit "A"

CITY OF HIGHLAND VILLAGE, TEXAS
INVESTMENT POLICY
INTRODUCTION

This Investment Policy applies to the investment activities of the City of Highland Village (the "City"). These policies and procedures serve to satisfy the statutory requirement of Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "PFIA"), to define and approve a formal investment policy. Upon City Council adoption, this Investment Policy supersedes all others.

ARTICLE I
GENERAL OBJECTIVES

- I.1 **Purpose** It is the purpose of this Policy to invest in a manner which assures the safety of principal of invested funds by maintaining sufficient liquidity, diversifying investment instruments and maturities, creating accountability and internal controls, accurately reporting portfolio status, and to include the investment process as part of the annual audit.
- I.2 **Objectives** The primary objectives of the City's investment activities, in order of importance are:
- a. **Safety:** Investments of the City shall be selected in a manner that seeks to ensure the preservation of capital. The objective will be to mitigate credit risk and interest rate risk.
 1. Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
 - Limiting investments to the safest types,
 - Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business, and
 - Diversifying the investment portfolio so that potential losses from individual issuers will be minimized.
 2. Interest rate risk is the risk that the market value of investments in the portfolio will fluctuate due to changes in general interest rates. Interest rate risk may be mitigated by:
 - Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell investments prior to maturity, and
 - By investing funds primarily in shorter-term investments.
 - b. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This shall be accomplished by projecting cash flow requirements and matching investment maturities with anticipated demands (static liquidity).
 - c. **Diversification and Maturity:** The City's investment portfolio shall be diversified to minimize the risk resulting from over concentration of assets in specific maturity, market sector or issuer categories, where appropriate. Diversification strategies shall be established and reviewed periodically by the Investment Officers.
 - d. **Internal Controls:** The Assistant City Manager is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. 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.

As part of the annual audit, the Investment Officer shall facilitate an independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Control of collusion
 - Separation of transaction authority from accounting and record keeping
 - Custodial safekeeping
 - Avoidance of physical delivery securities
 - Clear delegation of authority to subordinate staff members
 - Written confirmation of transactions for investments and wire transfers
- e. **Yield:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the cash flow needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
- A security with declining credit may be sold early to minimize loss of principal,
 - A security swap that improves the quality, yield, or target duration in the portfolio, and
 - Liquidity needs of the portfolio require that the security be sold.

ARTICLE II SCOPE & STRATEGY

II.1 Scope This Policy applies to all financial assets of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report and include:

- General Fund
- Enterprise Fund
- Special Revenue Funds
- Debt Service Funds - including Interest & Sinking Funds & Reserve Funds
- Capital Improvement Funds
- Other funds not specifically prohibited by law
- Component units of the City

II.2. Investment Strategy - For each of the major fund types listed in paragraph II.1, there shall be a written investment strategy, with the exception of Other Funds and Component Units for which the Operating Fund and Enterprise Fund strategy will apply. The strategy shall take into consideration the unique cash flow requirements, both inflows and outflows, of the funds. Appendix A contains each fund's investment strategy.

For funds subject to the arbitrage regulations, the City shall annually calculate an estimated arbitrage rebate amount. Positive or negative rebate estimates will be incorporated into the implemented investment strategy. Additionally, estimated positive rebate amounts shall be restricted from expenditure and a rebate liability fund established in anticipation of payment to the IRS per the arbitrage regulations.

ARTICLE III STANDARDS OF CARE

- III.1 Prudence - Investments shall be made with careful judgment and care, under then prevailing circumstances, which a person of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment Officers acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual investment’s credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In accordance with Section 113.005, Texas Local Government Code, the Investment Officer is not responsible for any loss of the City’s funds through the failure or negligence of a depository. This section does not release the Investment Officer from the responsibility for a loss resulting from official misconduct or negligence, including misappropriation of funds, or from responsibility for funds until a depository is selected and funds are deposited.

- III.2. Ethics and Conflicts of Interest Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions.

Investment Officers shall disclose any personal business relationship, as defined by the PFIA, or relative within the second degree by affinity or consanguinity, as determined under Chapter 573 of the Texas Local Government Code, to an individual or business organization seeking to engage in an investment transaction with the City. A statement required under this section must be filed with the Texas Ethics Commission and the City Council in compliance with the PFIA.

- III.3. Delegation of Authority for Investment Program - In accordance with the PFIA, the overall responsibility for conducting investment transactions resides with the City Council. Management oversight is delegated to the City Manager and Assistant City Manager who shall develop and maintain written procedures for the operation of the investment program consistent with these policies. The Assistant City Manager, Assistant Director of Finance, and Staff Accountant shall be designated as Investment Officers.

Operational procedures shall be established by the Assistant City Manager that will include reference to safekeeping, repurchase, depository, and collateral agreements. Such procedures shall include explicit delegation of authority to persons responsible for conducting investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures as described herein. The City Manager and Assistant City Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

ARTICLE IV TRANSACTION PROCEDURES

- IV.1 Authorized Broker/Dealers - The Assistant City Manager will maintain a list of broker/dealers approved by the City Council who are authorized to provide investment services. These may include primary broker/dealers or regional broker/dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and Texas investment regulations.

All investment providers eligible to transact investment business with the City shall be presented a written copy of this Investment Policy.

Additionally, the qualified representative of a local government investment pool or discretionary investment management firm ("business organization") seeking to transact investment business shall execute a written instrument substantially to the effect that the qualified representative has:

1. Received and thoroughly reviewed this Investment Policy, and
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization 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, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority..

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

All broker/dealers who desire to become authorized for investment transactions must supply the Investment Officer with the following (as applicable):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of registration in the State of Texas
- Completed broker/dealer questionnaire, including:
 - Related investment experience
 - Public fund investment officer references

This information shall be submitted to the Investment Officers for review. The Investment Officers will make a recommendation for changes to the list of authorized broker/dealers and submit the list for approval by the City Council. At least annually, the City Council shall approve the list of authorized broker/dealers. The most recent City Council-authorized list shall be attached to this Policy as Appendix B.

In order to create a competitive pricing environment for each investment transaction, the City shall solicit quotations from multiple financial institutions for time deposits and authorized broker/dealers for securities.

IV.2 Delivery Versus Payment All transactions, where applicable, will be executed on a delivery versus payment (DVP) basis to ensure that securities are delivered to an eligible financial institution prior to the release of funds. An independent third party custodian authorized by the City, and evidenced by safekeeping receipts, will hold securities.

IV.3 Investment Training In order to ensure the quality and capability of the City's Investment Officers, the City shall provide periodic training in investments through courses and seminars offered by professional organizations and associations. Pursuant to the PFIA, designated Investment Officers, and their designees responsible for investing City funds, shall attend within twelve months of assuming duties and receive not less than ten hours of instruction and, on a continuing basis, receive not less than eight hours of instruction in a two year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, for instruction. Said instruction shall relate to investment responsibilities described in the PFIA and this Policy. The training shall be conducted by approved independent training sources: GFOA, GFOAT, GTOT, TML, COG, UNT, or AICPA.

ARTICLE V
SUITABLE & AUTHORIZED INVESTMENTS

V.1 Suitable & Authorized Investment Types The following instruments are considered suitable and authorized investments for the City's funds. At least quarterly, the City shall monitor issuer rating changes from independent information sources. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment.

- a. Except as provided in paragraph V.2. the following are authorized investments
- Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 - Direct obligations of this State or its agencies and instrumentalities;
 - Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State 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; and
 - Obligations of states, agencies, counties cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- b. Deposits with a state or national bank, a savings bank, or a state or federal credit union that has its main office or a branch office in this State that are:
- Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - Secured in compliance with state and federal regulations, by obligations eligible under the Public Funds Collateral Act; or
 - Secured in compliance with state and federal regulations, by letters of credit issued by the United States or its agencies and instrumentalities.

Or are placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.

- c. Fully collateralized repurchase agreements are authorized if the repurchase agreement:
- Has a defined termination date;
 - Is secured by cash or obligations in paragraph V.1.a;
 - Requires the securities being purchased by the City to be pledged to the City, held in the City's account and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and
 - Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.

For purposes of this paragraph a repurchase agreement means a simultaneous agreement to buy, hold for a specified time and sell back at a future date obligations described by paragraph V.1.a, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.

- d. No load money market mutual funds are authorized if the mutual fund:
- Is registered with and regulated by the Securities and Exchange Commission;
 - Provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
 - Is categorized as a "Treasury" or "Government" money market fund;
 - Must maintain a AAAM, or equivalent rating, from at least one nationally recognized rating agency;

- Includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - The City's investment shall not exceed 10% of the fund's total assets.
- e. A public funds investment pool specifically authorized by City Council, meeting the requirements of the PFIA, that is categorized as a "Treasury" or "Government" investment pool, and includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

V.2. Investments Not Authorized - The following investments are not authorized under paragraph V.1.a.

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

V.3. Collateralization will be required on two types of investments: deposits and repurchase agreements. With the exception of deposits secured with irrevocable letters of credit at 100% of amount, in order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of market value of the investments principal and accrued interest, less any applicable federal deposit insurance.

Collateral will always be held by an independent third party custodian acceptable to the City. A clearly marked evidence of pledge (pledge receipt) must be supplied to the City and retained. The City grants the right of collateral substitution, with prior notification to and the consent of the City. The City has the option to also accept a surety bond from a qualified insurance company (rated A or its equivalent by the A.M. Best Company or similar rating agency) or a letter of credit from a federal agency or instrumentality as deposit collateralization.

Financial institutions accepting City deposits will be required to sign a "Depository Agreement" with the City. The collateralized deposit portion of the Agreement shall define the City's rights to the 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 or designated 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.

ARTICLE VI INVESTMENT PARAMETERS

VI.1. Diversification The City will diversify its investment portfolio by type and maturity, where appropriate, as described in the fund-type investment strategies.

- VI.2. Maximum Maturities The City shall not exceed anticipated cash flow requirements when selecting investment maturities. Regardless of cash flow projection, the maximum maturity per fund-type is outlined in Appendix A Investment Strategy.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio will be continuously invested in readily available funds (e.g. short-term financial institution deposits, local government investment pools, money market funds, or overnight repurchase agreements) to ensure that appropriate liquidity is maintained to meet ongoing obligations.

ARTICLE VII REPORTING

- VII.1 Methods The Investment Officers will present to the City Council a signed investment report on a quarterly basis, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. This report will include a summary statement of each fund that states:

- The beginning market value for the reporting period;
- Ending market value for the period; and
- Fully accrued interest for the reporting period.

Additionally the report will:

- State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- State the maturity date of each separately invested asset;
- State the account, fund or pooled group fund of the City for which each individual investment was acquired;
- State the compliance of the investment portfolio as it relates to (1) the City's investment strategy for each fund type and (2) the PFIA; and
- Provide any additional information as required by the PFIA.

- VII.2 Performance Standards The investment portfolio will be managed in accordance with the parameters specified within this Policy. "Weighted Average Yield to Maturity" shall be the performance measurement standard for the portfolio. The portfolio should seek to attain a market average rate of return, over time, during various market/economic cycles. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

- VII.3 Market Valuation The market value of the portfolio will be calculated on a quarterly basis in compliance with the reporting requirements of Paragraph VII.1. In defining market value, sources independent of the investment provider will determine valuations and consideration will be given to GASB Statement No. 31.

- VII.4 Independent Review As part of the annual audit, the City's independent auditor will review each of these quarterly investment reports.

ARTICLE VIII ADDITIONAL CONSIDERATIONS

- VIII.1. Exemption Any investment currently held and purchased before the date of implementation of this Policy that does not meet the guidelines of this Policy and/or the PFIA shall be exempted from the

requirements of this Policy and the PFIA. It is therefore unnecessary to liquidate such investments. However, at maturity or liquidation, such funds shall be reinvested only as provided by this Policy.

- VIII.2. Amendments This Policy shall be reviewed on an annual basis by the City Council and a written instrument adopted attesting to said review. Any changes must be approved by the Investment Officers and submitted as a resolution for adoption to the City Council.

Appendix A

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

A. **Operating and Enterprise Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Operating or Enterprise Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity of each fund's portfolio to less than 180 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Liquidity - Operating and Enterprise Funds require the greatest short-term liquidity of any of the fund-types. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

B. **Special Revenue Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or five years.

Marketability - Balancing short-term and long-term cash flow needs requires the short-term portion of the Funds portfolio to have investments with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market. Investments with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

Liquidity - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective.

C. **Capital Improvement Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Capital Improvement Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Improvement Funds to not exceed the anticipated expenditure schedule the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule or five years.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than ten basis points (0.10%) will define an efficient secondary market.

Liquidity - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month’s anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy’s risk constraints. The yield of an equally weighted, rolling six-month Treasury-Bill portfolio will be the minimum yield objective for non-borrowed funds.

D. **Debt Service Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability - Investments with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-

term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

E. **Debt Service Reserve Funds**

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing will reduce the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or five years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and influence maturity extension.

Marketability - Investments with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall operate within the limits of the Investment Policy's risk constraints.

Appendix B

Primary Depository Bank, Public Funds Investment Pools and Authorized Broker/Dealers

Primary Depository Bank

Wells Fargo Bank

Public Funds Investment Pools

TexPool

TexSTAR

Authorized Broker/Dealers

FTN Financial

- Secondary Dealer
- Solid performance with comparable Texas local governments
- Access to varied investment inventories
- Houston Office

Multi-Bank Securities

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Chicago Office

Raymond James

- Secondary Dealer
- Access to varied investment inventories
- Austin Office

Oppenheimer

- Secondary Dealer
- Active market maker in Suitable & Authorized Investments
- Minneapolis Office

Wells Fargo Securities

- Primary Dealer
- Access to varied investment inventories
- Dallas Office

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 14

MEETING DATE: 10/22/19

SUBJECT: Consider Resolution 2019-2848 Naming the Doubletree Ranch Park Bridge as “The Aaron M. Hudson Memorial Bridge”

PREPARED BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND:

The new bridge that connects Doubletree Ranch Park to the trail that leads to Garden Ridge Road was completed on August 5, 2019, at which time the City of Highland Village assumed all maintenance responsibilities.

IDENTIFIED NEED/S:

Name the new bridge located on property leased from the U.S. Army Corps of Engineers at Doubletree Ranch Park as “The Aaron M. Hudson Memorial Bridge.” Aaron Hudson was a resident of Highland Village and was Killed In Action on April 16, 2005 while serving his country in Iraq.

PROGRESS TO DATE: (if appropriate)

Pursuant to Resolution 2019-2639 establishing guidelines and procedures relating to the naming of city facilities (“the Naming Guidelines”), the City received a request from several residents to name an amenity within one of the City’s parks after Aaron M. Hudson. The Parks and Recreation Advisory Board met in a Regular Meeting on August 19, 2019, and voted 5-0 to recommend the City Council name the Doubletree Ranch Bridge as “The Aaron M. Hudson Memorial Bridge” as presented with amenities.

The U.S. Army Corps of Engineers Lewisville office approved the design and the naming of the Bridge as “The Aaron M. Hudson Memorial Bridge.”

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

Funds for the memorial amenities will be provided by private donations from the community and the City.

RECOMMENDATION:

To approve Resolution No. 2019-2848 naming the Doubletree Ranch Park bridge “The Aaron M. Hudson Memorial Bridge” as presented with amenities.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2019-2848

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS NAMING THE BRIDGE AT DOUBLETREE RANCH PARK LOCATED ON PROPERTY LEASED FROM THE U.S. ARMY CORPS OF ENGINEERS AS “THE AARON M. HUDSON MEMORIAL BRIDGE”; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Aaron M. Hudson, a resident of Highland Village, was Killed in Action on April 16, 2005, in Iraq while serving his country as a member of the U.S Army; and

WHEREAS, in accordance with Resolution No. 2016-2639 establishing guidelines and procedures relating to the naming of city facilities (“the Naming Guidelines”), the City received a request from several residents to name an amenity within one of the City’s parks after Aaron M. Hudson; and

WHEREAS, the new bridge that connects Doubletree Ranch Park to Garden Ridge Road was identified as the memorial location;

WHEREAS, the Parks and Recreation Advisory Board met in a regular meeting on August 19, 2019, and voted 5-0 to recommend to the Doubletree Ranch Bridge be named “The Aaron M. Hudson Memorial Bridge” as presented with amenities; and

WHEREAS, the City Council, having considered the application for naming request and the recommendation of the Parks and Recreation Advisory Board, finds it to be in the public interest to concur in the foregoing recommendation.

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

SECTION 1. Subject to the rules and regulations of the U.S. Army Corps of Engineers, the bridge located at Doubletree Ranch Park on property leased from the U.S. Army Corps of Engineers is hereby named and shall hereafter be known as “The Aaron M. Hudson Memorial Bridge.”

SECTION 2. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED THIS THE 22ND DAY OF OCTOBER, 2019.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:10/15/19:111564)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 15

MEETING DATE: 10/22/19

SUBJECT: Consider Resolution 2019-2850 Amending Parks and Recreation Facility Use Fees

PREPARED BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND:

Sec. 14.04.131 Rationale and purpose

(a) Fees and Charges

City of Highland Village Code of Ordinances, Article 14.04 Parks and Recreation Division 5 provides that fees shall be charged to the general public, individuals and groups to the extent reasonable to recover all or a portion of direct and/or indirect costs associated with the delivery of programs, services or events. Fees are to be evaluated from time to time and revised to remain competitive. User fees are intended to be equitably assessed. Fees for residents shall be kept to a minimum and non-residents may be required to pay a higher fee because of their non-resident status or because they do not own property within the city against which city ad valorem taxes may be assessed. The department shall have some flexibility in adding programs, increasing participation numbers for existing programs, and omitting programs throughout the year, pursuant to the cost recovery goal established herein.

The purpose of fees shall be:

- (1) To obtain revenue to supplement or completely replace maintenance and operational cost
- (2) To reduce the program impact on the general fund;
- (3) To enable the department to provide facilities or programs for which funds might not otherwise be available; and
- (4) To provide sufficient revenue to cover the cost and provide surplus revenue for expansion of programs and services, and amortize capital investments

Sec. 14.04.132 Determining fees, service classification and cost recovery

- (a) Fees and charges are evaluated annually using the following process, and then charges are presented to the city council for approval:
- (1) Determine the service classification of cost recovery level
 - (2) Determine the direct cost of providing the service
 - (3) Compare the current market rate of fee being charged for a similar service and adjust accordingly;
 - (4) Determine the non-resident cost/fee, if any, which shall be not less than 20% higher of the resident rate or fee established for a program, activity

IDENTIFIED NEED/S:

Upon an annual review of the Parks and Recreation fee schedule, staff found several new fees that should be included in the fee schedule, some that need to be modified and some that should be removed from the schedule as they are no longer relevant.

- New fees to be included are Kids Kamp Weekly Fees, which were never included in the original fee schedule, and the addition of Doubletree Ranch Park Barn Kitchen/Concession rental
- Modification of fees include changing the minimum hourly rental from 1-hour to 2-hours for Doubletree Ranch Park Barn Rooms 101 & 102
- Removal of fees relating to inline hockey fees, which are no longer available in Highland Village
- Removal of primitive campsites at Pilot Knoll

PROGRESS TO DATE:

Staff gathered information from our benchmark cities for the Kids Kamp program and kitchen/concession rentals. Based on our Kids Kamp program and factoring in the uniqueness of the kitchen/concession facility at Doubletree Ranch Park, staff recommend the following fees be revised as follows:

DOUBLETREE RANCH PARK KITCHEN/CONCESSION RENTAL		
Resident	Non-Resident	Cleaning/Damage Deposit
Kitchen with Room 101 ,102 or with Wedding Package \$30.00 per hour (2-hour minimum)	Kitchen with Room 101, 102 or with Wedding Package \$60.00 per hour (2-hour minimum)	\$250.00

Kids Kamp	
Resident	Non-Resident
\$170.00 per week	\$185.00 per week

Along with the above changes, staff recommends eliminating fees relating to inline hockey fees, which is no longer available in Highland Village.

The amended fee schedule will be presented to the Parks and Recreation Advisory Board at their meeting scheduled for October 21, 2019. After review and discussion, City staff will provide Council with an update on their recommendation.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The adjusted fees, if adopted, should result in additional revenue to the City to offset Park facility and program operational costs.

RECOMMENDATION:

To approve Resolution Number 2019-2850.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2019-2850

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AMENDING THE CITY'S MASTER FEE SCHEDULE BY AMENDING AND/OR ELIMINATING CERTAIN PARKS AND RECREATION FACILITY USE FEES; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, In reviewing the fee schedule for the use of the City's parks facilities and registration in certain programs operated by the Parks and Recreation Department, City Administration recommend certain fees should be changed, added, or eliminated; and

WHEREAS, having received and reviewed the proposed amendments to the Parks and Recreation fee schedule and the recommendations of City Administration and the Parks and Recreation Advisory Board, the City Council of the City of Highland Village finds it to be in the public interest to adopt the amended fee schedule.

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

SECTION 1. The City's Master Fee Schedule is amended as follows:

A. The fees relating to the rental and use of the Doubletree Ranch Park Kitchen are amended to read as follows:

DOUBLETREE RANCH PARK KITCHEN		
<i>Resident</i>	<i>Non-Resident</i>	<i>Cleaning/Damage Deposit</i>
Kitchen/Concession with Room 101, 102 or with Wedding Package \$30.00 per hour (2-hour minimum)	Kitchen/Concession with Room 101, 102 or with Wedding Package \$60.00 per hour (2-hour minimum)	\$250.00

B. The fees relating to the rental and use of the Doubletree Ranch Concession/Barn Building Party Room 102 and Open Area Room 101 are amended to read as follows

Concession/Barn Building Party Room 102 & Open Area Room 101			
<i>Rental Period*</i>	<i>Residents</i>	<i>Non-Residents</i>	<i>Cleaning/Damage Deposit*</i>
Minimum two hours	\$30/hour per room	\$60/hour per room	\$250 per room

C. The registration fees for Kids Kamp are amended to read as follows:

Kids Kamp	
<i>Resident</i>	<i>Non-Resident</i>
\$170.00 per week	\$185.00 per week

D. The use fee for the In-Line Hockey Court is eliminated.

E. The rental fee for Primitive Campsites at Pilot Knoll Park is eliminated.

SECTION 2. This Resolution shall be effective immediately upon approval; provided, however, if the reservation for the use of a facility for a date on or after the effective date of this resolution was made and confirmed prior to the effective date of this resolution, (a) the fee charged for such use shall be the lesser of the fee in effect prior to the effective date of this resolution and the fee in effect on and after the effective date of this resolution and (b) the minimum rental period required shall be the lesser of the minimum rental period in effect prior to the effective date of this resolution and the minimum rental period in effect on and after the effective date of this resolution

PASSED AND APPROVED THIS THE 22ND DAY OF OCTOBER 2019.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B Laughlin, City Attorney

(kbl:10/16/19:111566)

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 16

MEETING DATE: 10/22/19

SUBJECT: Consider Resolution 2019-2851 authorizing Negotiation and Execution of a Contract with Cole Construction Inc. for Construction of the Unity Park Plaza Improvements

PREPARE BY: Phil Lozano, Director of Parks and Recreation

BACKGROUND:

Previous Council Action dated February 26, 2019, approved the landscape and architectural design services agreement of the Unity Park Plaza Improvements Project (“the Project”) to be performed by la terra studio.

Bids for the Project were received on October 9, 2019, from five contractors. City administration reviewed the amounts of the base bid and the amounts bid for the two alternates. Totals for each contractor are provided in the table below:

Company	Base Bid A	Alternate Bid 1	Alternate Bid 2	Total
	Flatwork, fencing, etc. Demo playgrounds. Grading, decking, etc.	Conduit to restroom bldg. Security lights. 120V stub outs.	Pavil. elec. upgr. Pavilion enhanc. Stone veneer col.	
Cole Construction	\$196,188.00	\$24,320.00	\$24,200.00	\$244,708.00
William H. Company	\$299,999.99	\$58,580.00	\$15,880.00	\$374,459.99
Joel Brown Co.	\$351,725.00	\$10,280.00	\$19,355.00	\$381,360.00
Axis Contracting	\$513,376.60	\$38,933.00	\$22,765.00	\$575,074.60
North Rock Construction	\$497,369.88	\$338,786.77	\$38,719.64	\$874,876.29

The lowest bidder is Cole Construction Inc. with a total bid (inclusive of the two alternate bid items) of \$244,708.00. Their bid has been reviewed and evaluated. Cole Construction Inc. has sufficient resources and experience to perform the work.

IDENTIFIED NEED/S:

The City is in need of construction services to build a new plaza area at Unity Park.

OPTIONS & RESULTS:

The City Council may proceed with awarding the bid, delay the award, or not award and reject all bids. A delay in awarding the bid may result in the Project not being complete in time to begin construction of the new Kids Kastle Playground. Failing to award the bid will result in a complete rethinking of the rebuild of Kids Kastle.

PROGRESS TO DATE: (if appropriate)

The engineering and design have been completed, and bids have been received from five contractors for the construction of the Project. The lowest responsible bidder is Cole Construction Inc. in the amount of \$244,708.00.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

The funds for the Project will be provided from the \$125,000 donation from the Highland Village Park Foundation, with the City funding the remainder primarily from received park development fees. The bid cost for construction services is \$244,708.00.

RECOMMENDATION:

To approve Resolution 2019-2851.

CITY OF HIGHLAND VILLAGE, TEXAS

RESOLUTION NO. 2019-2851

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND VILLAGE, TEXAS AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT FOR CONSTRUCTION SERVICES WITH COLE CONSTRUCTION INC FOR THE UNITY PARK PLAZA IMPROVEMENTS PROJECT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, City administration, having solicited, received, and reviewed the bids to construct Unity Park Plaza Improvements (the "Project") has determined that Cole Construction Inc. has submitted the lowest most responsible bid in an amount of \$244,708.00, inclusive of the Base Bid and Bid Alternate No. 1 and Bid Alternate No. 2, and recommends awarding a contract for the Project to said bidder; and

WHEREAS, the City Council of the City of Highland Village, Texas, finds it to be in the public interest to accept the recommendation of the City administration and authorize the above-described contract.

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

SECTION 1. The City Manager is hereby authorized to negotiate and execute a contract for construction services with Cole Construction Inc. for construction of the Project, inclusive of the Base Bid and Bid Alternate No. 1 and Bid Alternate No. 2, for a fee in the amount of \$244,708.00, and, subject to applicable state laws, city policies, and, in the event change order(s) result in an increase in the contract amount, the availability of funds for such purpose, to negotiate and sign such change order(s) to said contract as the City Manager determines to be in the best interest of the City.

SECTION 2. This Resolution shall be effective immediately upon approval.

PASSED AND APPROVED this the 22nd day of October 2019.

APPROVED:

Charlotte J. Wilcox, Mayor

ATTEST:

Angela Miller, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Kevin B. Laughlin, City Attorney

(kbl:10/15/19:111563)

CITY OF HIGHLAND VILLAGE
CITY COUNCIL

AGENDA# 17

MEETING DATE: 10/22/19

SUBJECT: Consider a Preliminary Plat for 2.713 Acres in the E. Clary Survey, Abstract No. 248, to be known as the Tequesta Subdivision

PREPARED BY: Autumn Aman, Community Development Coordinator

BACKGROUND:

An application for review and consideration of the Preliminary Plat and Tree Plan was submitted for the proposed Tequesta subdivision.

The applicant would like to develop the 2.713± acre tract as a Single Family Residential Subdivision consisting of eleven (11) lots and a detention pond area.

On September 10, 2019, the City Council approved Ordinance No. 2019-1263, changing the zoning on the property from SF-15 to a Planned Development in order to allow the property to be developed as described above and setting forth the standards on how the property shall be developed.

The plat features the following:

1. The proposed subdivision will contain eleven (11) lots for residential construction.
2. There is one (1) common area that will be maintained by the Homeowners Association to be established.
3. A 5-foot sidewalk will be constructed along Highland Village Road.
4. A sidewalk will be constructed within the development.
5. One (1) tree will be preserved on the property all others are proposed to be removed because they are located within the dedicated right-of-ways, easements, retaining wall location, buildable lot area, and within close proximity to the building foundations. The builder will be responsible for planting a minimum of two (2) 4" caliper trees in the front yard of each house prior to certificate of occupancy being issued.

IDENTIFIED NEED/S:

To take action on the preliminary plat application.

OPTIONS & RESULTS:

Approve the preliminary plat and tree plan as submitted, approve with conditions or disapprove with explanation. Failure to take any action may result in the application being deemed approved under state law if not approved, conditionally approved, or disapproved within 30 days after the Planning and Zoning Commission voted to make its recommendation on the application, which date would be November 14, 2019.

PROGRESS TO DATE: (if appropriate)

City Staff and the City's Engineer have reviewed the application relating to drainage, utilities, and the tree mitigation plan and submitted comments back to the applicant. All comments have been satisfactorily addressed. Based on review of the application, City Staff is of the opinion the preliminary plat complies with the City's existing regulations.

City Staff presented the preliminary plat to the Parks and Recreation Advisory Board at its October 14, 2019, special meeting. It was recommended to send forward for approval with a vote of (4-1) with concerns of trying to preserve the (2) Pecan Trees # 287 and #289.

At the Planning and Zoning meeting held on October 15, 2019, the Commission recommended sending the Preliminary Plat and Preliminary Tree plan forward for approval with a vote of (5-0) with the following recommendations:

On the Preliminary Plat, under General Notes – revise language within note #2 – remove verbiage “a portion of”.

Under the Legend – add:

D.E. = Drainage Easement

D.U.E. = Drainage and Utility Easement

L.S.U.E = Landscape Utility Easement

Representatives from the engineer and developer will be present to answer any questions from the Commission.

BUDGETARY IMPACT/ORDINANCE CHANGE: (if appropriate)

No ordinance change is required.

RECOMMENDATION:

Staff recommends the City Council receive and consider the recommendations of the Parks and Recreation Advisory Board and the Planning and Zoning Commission to approve the Preliminary Plat and Preliminary Tree Plan subject to the satisfaction of the conditions set forth in the motion of the Planning and Zoning Commission if such conditions have not already been satisfied prior to consideration by the City Council.

CITY OF HIGHLAND VILLAGE
COUNCIL BRIEFING

AGENDA# 19

MEETING DATE: 10/22/19

**SUBJECT: Status Reports on Current Projects and Discussion on Future
Agenda Items**

PREPARED BY: Karen McCoy, Administrative Assistant to City Secretary

COMMENTS

This item is on the agenda to allow a Councilmember to inquire about a subject of which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting.



UPCOMING EVENTS

October 22, 2019	Regular City Council Mtg. 7:30 pm
November 7, 2019	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
November 12, 2019	Regular City Council Mtg. 7:30 pm
November 18, 2019	Park Board Mtg. 6:00 pm (if needed)
November 19, 2019	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
November 26, 2019	Regular City Council Mtg. 7:30 pm (Cancelled)
November 28- 29, 2019	City Offices Closed for the Thanksgiving Holiday
December 5, 2019	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
December 10, 2019	Regular City Council Mtg. 7:30 pm
December 16, 2019	Park Board Mtg. 6:00 pm (if needed)
December 17, 2019	Planning & Zoning Commission Mtg. 7:00 pm (if needed)
December 24, 2019	Regular City Council Mtg. 7:30 pm Cancelled
December 24-25, 2019	City Offices Closed for the Christmas Holiday
January 1, 2020	City Offices Closed for the New Year's Holiday
January 2, 2020	Zoning Board of Adjustment Mtg. 7:00 pm (if needed)
January 14, 2020	Regular City Council Mtg. 7:30 pm

Note - Please visit www.highlandvillage.org or the City Hall bulletin board for the latest meeting additions and updates.

By: Karen McCoy, Administrative Assistant - City Secretary Office