



**City of Fair Oaks Ranch Municipal Development District
 Regular Meeting Agenda
 Monday, October 22, 2018 4:00 PM
 Public Safety Training Room
 7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015**



- I. **Roll Call – Declaration of a Quorum** President

- II. **Guest Comments**
 (In accordance with the Open Meeting Act, the MDD board may not discuss or take action on any item which has not been posted on the agenda).
 - A. Guests to be heard.

- III. **Consent Agenda**
 - A. Approval of the July 9, 2018 Regular Meeting Minutes. President Pg. 2

- IV. **Reports**
 - A. Quarterly Financial and Investment Reports. Director of Finance Pgs. 3-9
 - B. Discussion of 2019 MDD Officer Elections. President

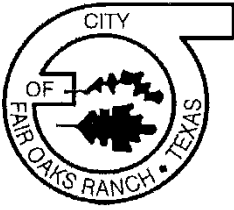
- V. **Discussion/Action Items**
 - A. Discussion and possible action on Frost Bank Revised Collateral Agreement. Director of Finance Pg. 10

- VI. **Adjournment**
 - A. Next meeting proposed for January 14, 2019. President

Signature of Agenda Approval: *Al McDavid*

I, Christina Picioccio, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, being convenient and readily accessible to the general public at all times. Said Notice was posted by 4:00 PM October 19, 2018 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary’s office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to *Texas Government Code* Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).



City of Fair Oaks Ranch Municipal Development District
Regular Meeting Minutes
Monday, July 9, 2018 4:00 PM
City Hall Council Chambers
7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015



I. **Roll Call - Declaration of a Quorum**

Members Present: Al McDavid, Roy Elizondo, Faira Stevick, Brad Dutton, and Chris Cook.

Members Absent: Debra Grandjean and Laura Koerner.

The Municipal Development District meeting was called to order at 4:00 PM.

II. **Guest Comments**

A. No guests present.

III. **Consent Agenda**

A. Approval of the April 9, 2018 regular meeting minutes.

Motion: Made by Roy Elizondo, seconded by Brad Dutton to accept the Consent Agenda as written.

Vote: 5-0, Motion Passed.

IV. **Reports**

A. Open Meetings Act Training.

MDD president, Al McDavid, thanked the Board for being in compliance with Open Meetings Act training and affirmed all certificates are on file with the City Secretary. No action required.

B. Quarterly Investment Report

MDD Treasurer, Roy Elizondo, presented the quarterly asset and investment report in compliance with the MDD's Investment Policy Section 11 and Texas Government Code Section 2256.023. No action required.

V. **Discussion /Action Items**

A. Discussion and possible action on MDD Budget for FY 2018-19.

Motion: Made by Chris Cook, seconded by Faira Stevick to approve the FY 2018-19 MDD Budget.

Vote: 5-0, Motion Passed.

B. Discussion and possible action on Project Review Process Implementation.

MDD Treasurer, Roy Elizondo, presented the Project Funding Decision Process and received agreement from members on the direction being taken.

VI. **Adjournment at 4:45 PM**

Next meeting planned for Monday, October 22, 2018 at 4:00 PM.

ATTEST:

Al McDavid, President

Laura Koerner, Secretary



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 22, 2018**



AGENDA TOPIC: Quarterly Financial and Investment Reports
START/END DATE: October 22, 2018
PRESENTED BY: MDD Investment Officer

INTRODUCTION/BACKGROUND:

Pursuant to Texas Government Code Section 2256.023 and the MDD's Investment Policy Section 11, the Investment Officer is required, on a quarterly basis, to prepare and submit to the MDD Board a written report of investment assets and the market value of the current investments.

The attached presentation is being made to comply with the Q3 2018 reporting requirements.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Frequent review and reporting of the MDD's assets and investment vehicles is both prudent and necessary to verify that the MDD's investment portfolio is being managed according to the investment policy.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The investment portfolio shall be managed in accordance with the objectives specified in the investment policy (safety, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates.

LEGAL ANALYSIS:

Not applicable at this time.

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the MDD's Investment Policy.

Q3 2018 (June – August)

QUARTERLY INVESTMENT REPORT
FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

Q3 2018 Investment Inventory (through August 31,2018)

**City of Fair Oaks Ranch
Investment Inventory Report
6/1/2018 - 8/31/2018**

Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Interest Accrued	Weighted Avg Maturity	Maturity Date
Frost Bank - Operations Account	0.004%	67,538	(62,545)	21	5,014	5,014	-	-	-
Texpool - Operations Account	1.880%	115,305	736,301	1,208	852,814	852,814	-	27 days	-
BOKF, National Association	1.630%	246,000	(247,995)	1,995	-	-	-	6 months	8/2/2018
The Park National Bank	1.630%	123,000	(123,998)	998	-	-	-	6 months	8/2/2018
TriState Capital Bank	1.630%	246,000	(247,995)	1,995	-	-	-	6 months	8/2/2018
TOTAL		797,843	53,768	6,217	857,828	857,828	-		

This report is in compliance with the MDD's Investment Policy Section 11 and Texas Government Code Section 2256.023.

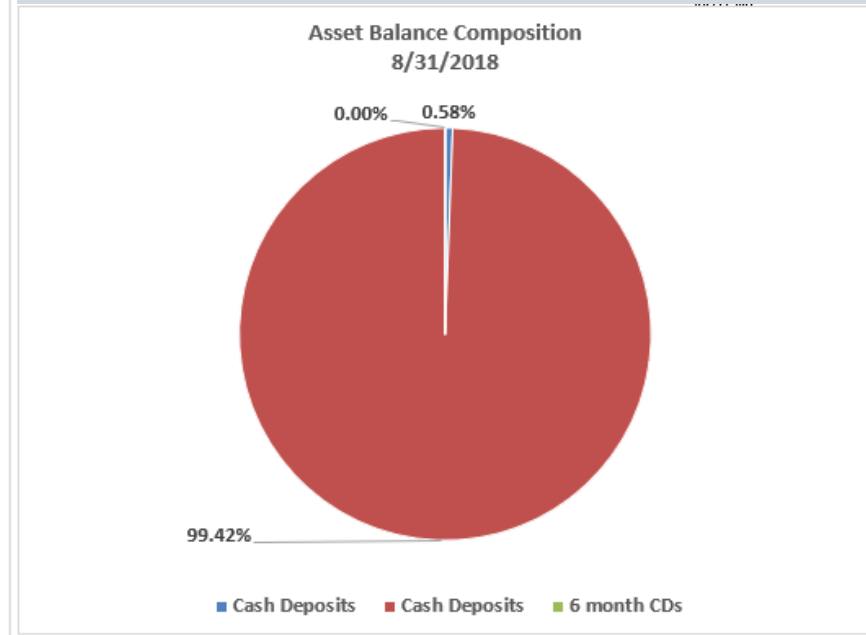
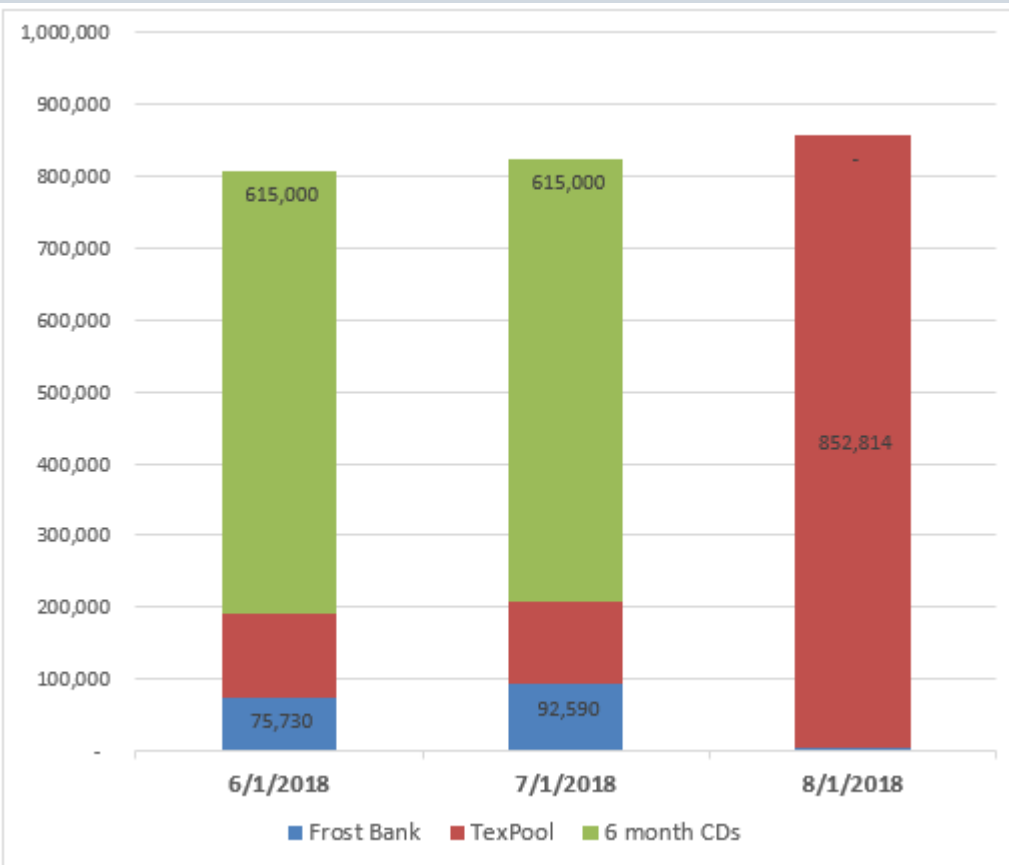
***Weighted Average Maturity**

Per the MDD's investment policy, there will not be direct investment in securities maturing more than 36 months from the date of purchase.

The Weighted Average Maturity of these investments is in compliance with the city's policy.

MDD Asset Breakdown

		6/30/2018	7/31/2018	8/31/2018
Frost Bank	Cash Deposits	75,730	92,590	5,014
TexPool	Cash Deposits	115,477	115,662	852,814
CDARS	6 month CDs	615,000	615,000	-
Total Assets		806,207	823,252	857,828



CITY OF FAIR OAKS RANCH
 BALANCE SHEET
 AS OF: AUGUST 31ST, 2018

20 -MDD

ACCOUNT#	TITLE			
<u>ASSETS</u>				
11110	CHECKING	5,013.70		
11120	TEXPOOL	<u>852,814.22</u>		
			<u>857,827.92</u>	
TOTAL ASSETS				<u>857,827.92</u>
<u>LIABILITIES</u>				
<u>FUND BALANCE</u>				
30000	FUND BALANCE	80,001.35		
30001	INFRASTRUCT IMP - ASSIGNED	<u>630,000.00</u>		
	TOTAL FUND BALANCE		710,001.35	
	TOTAL REVENUES	162,711.02		
	TOTAL EXPENSES	<u>14,884.45</u>		
	EXCESS REVENUES OVER EXPENSES		<u>147,826.57</u>	
TOTAL LIABILITIES & FUND EQUITY				<u>857,827.92</u>

CITY OF FAIR OAKS RANCH
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: AUGUST 31ST, 2018

20 -MDD

91.67% OF FISCAL YEAR

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>GENERAL</u>					
=====					
<u>TAXES</u>					
20-400-121 LOCAL SALES TAX	170,000.00	28,723.44	156,125.92	91.84	13,874.08
TOTAL TAXES	170,000.00	28,723.44	156,125.92	91.84	13,874.08
<u>INTEREST</u>					
20-400-310 BANK/INVESTMENT INTEREST	0.00	5,852.56	6,585.10	0.00	(6,585.10)
TOTAL INTEREST	0.00	5,852.56	6,585.10	0.00	(6,585.10)
<u>MISC REVENUE</u>					
TOTAL GENERAL	170,000.00	34,576.00	162,711.02	95.71	7,288.98
TOTAL REVENUES	170,000.00	34,576.00	162,711.02	95.71	7,288.98
	=====	=====	=====	=====	=====

CITY OF FAIR OAKS RANCH
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: AUGUST 31ST, 2018

20 -MDD

91.67% OF FISCAL YEAR

DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	% OF BUDGET	BUDGET BALANCE
<u>ADMINISTRATION</u>					
<u>GENERAL</u>					
20-501-300 SUPPLIES	500.00	0.00	0.00	0.00	500.00
20-501-315 TRAINING / SEMINARS	1,000.00	0.00	32.48	3.25	967.52
20-501-390 MISCELLANEOUS	533.00	0.00	6.00	1.13	527.00
TOTAL GENERAL	2,033.00	0.00	38.48	1.89	1,994.52
<u>CONTRACTUAL SERVICES</u>					
20-501-500 ATTORNEY	6,000.00	0.00	1,762.65	29.38	4,237.35
20-501-501 AUDITOR	5,000.00	0.00	3,050.00	61.00	1,950.00
20-501-502 PROFESSIONAL SERVICES	10,000.00	0.00	10,000.00	100.00	0.00
20-501-510 INSURANCE	100.00	0.00	33.32	33.32	66.68
TOTAL CONTRACTUAL SERVICES	21,100.00	0.00	14,845.97	70.36	6,254.03
<u>INDIRECT COST</u>					
20-501-981 TRANSFER TO CAP IMPROVEMENTS	146,867.00	0.00	0.00	0.00	146,867.00
TOTAL INDIRECT COST	146,867.00	0.00	0.00	0.00	146,867.00
TOTAL ADMINISTRATION	170,000.00	0.00	14,884.45	8.76	155,115.55
TOTAL EXPENDITURES	170,000.00	0.00	14,884.45	8.76	155,115.55
REVENUES OVER/ (UNDER) EXPENDITURES	0.00	34,576.00	147,826.57	(147,826.57)



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 22, 2018**



AGENDA TOPIC: Discussion and possible action authorizing the MDD President to sign the Third-Party Custodian Agreement for Collateralized Deposits

START/END DATE: October 22, 2018

PRESENTED BY: Sarah Buckelew, Investment Officer

INTRODUCTION/BACKGROUND:

As required by the Public Funds Collateral Act, deposits of public funds must be collateralized to the extent that the funds exceed the insurance amount provided by the United States or instrument of the United States (FDIC Insurance). By way of background, deposits of the MDD have been collateralized through Frost Bank by the Fed.

Recently, Frost Bank entered into a custody agreement with the Bank of New York/Mellon for third party collateralization. Frost chose to change its third-party custodian in order to take advantage of their custodian product that automates collateral substitutions, and is a more efficient system than the one used by the Fed. This change requires us to sign a new third-party custodian agreement with Bank of New York/Mellon. Frost has not charged us a collateralization fee in the past, and there will be no collateralization fee in the future.

We are asking the MDD Board to authorize Al McDavid, MDD President to sign the new third-party custodian agreement between the City of Fair Oaks Ranch, Frost Bank, and the Bank of New York Mellon Trust Company. We also ask that the MDD Board authorize the three individuals listed in Exhibit A to deliver Written Instructions to the Bank of New York Mellon Trust Company. The three individuals listed in Exhibit A are Roy Elizondo, Treasurer, Al McDavid, MDD President, and Sarah Buckelew, Investment Officer.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Compliance with Federal Law.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

N/A

LEGAL ANALYSIS:

Legal analysis has been performed by our City Attorney, and the custodian agreement and exhibits were approved.

RECOMMENDATION/PROPOSED MOTION:

I move to authorize Al McDavid, MDD President to sign the new third-party custodian agreement between the City of Fair Oaks Ranch, Frost Bank, and the Bank of New York Mellon Trust Company. I also move to authorize the three individuals listed in Exhibit A to deliver Written Instructions to the Bank of New York Mellon Trust Company.