



**CITY OF FAIR OAKS RANCH**  
**AGENDA – CITY COUNCIL REGULAR MEETING**  
September 17, 2015; 7:00 PM  
FAIR OAKS RANCH CITY HALL, 7286 DIETZ ELKHORN

**I. ROLL CALL – DECLARATION OF A QUORUM**

**II. OPEN MEETING**

Pledge of Allegiance

**III. CEREMONIAL EVENT**

Recognition Award honoring Bill Hennigan service with the Capital Improvement Advisory Committee (CIAC). P1

**IV. CITIZENS and GUEST FORUM / PRESENTATIONS**

To address the Council, please sign the Attendance Roster located on the table at the entrance of the Council Chamber. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda.

A. Citizens to be Heard

**V. PUBLIC HEARINGS**

A. 2<sup>nd</sup> Public Hearing on the proposed FY2015/16 budget.

B. 2<sup>nd</sup> Public Hearing on the 2015 property tax rate of \$.3073 per \$100 valuation.

C. Confirm the 2015 property tax rate will be adopted on September 21, 2015 at 9:30 a.m. P2

D. Consideration of amending the proposed budget and confirming the adoption date of the proposed FY2015/16 budget until September 21, 2015 at 9:30 a.m. P3-P10

**VI. CONSENT AGENDA**

All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.

A. Approval of August 6, 2015 and August 20, 2015 Regular City Council Meeting Minutes. P11-P16

B. Approval of August 25, 2015 Special City Council Meeting Minutes. P17

C. Approval of Ordinance creating the position of a City Administrator and delineating the duties and responsibilities of said. P18-P20

**VII. CONSIDERATION ITEMS**

A. Approval of authorizing technology purchases including servers, computers, backup system, and appropriate software for no more than \$38,000. - Deputy City Administrator P21-P28

B. Approval of Resolution repealing Resolution 64.6 and subsequent Resolutions; adopting the City's Financial Management Policy; reaffirming the City of Fair Oaks Ranch Investment Policy; and providing for an effective date. - Finance Officer P29-P60

C. Approval of Front Gate Unit 2A final subdivision plat. - Engineer In Training P61-P62

- D. Approval of Resolution nominating Bud Paulson for an additional two-year term to the Kendall Appraisal Board of Directors as a Director. - Mayor P63-P65

**VIII. REPORTS FROM STAFF / COMMITTEES / COUNCIL**

- 1) Project Manager -- Update on the Public Safety Facility. P66
- 2) Deputy City Administrator -- Personnel Updates.
- 3) City Administrator -
- a) Work Plan Status Report on classification & pay plan/employee evaluation process, personnel manual, it support, upgrade audio/visual capabilities of City Council Chambers, enhance website, street bond issuance, separate operating and capital funds, multi-Year capital improvement program, strategic planning process, general law vs. home rule governance, revisions to city's subdivision regulations, expand water and sewer service into the City's remaining ETJ, inter-local development agreements, agreements for fire code enforcement, office of the City Administrator/City Manager, public safety building, utilities dashboard, TCEQ water system regulatory requirements, and extension of solid waste contract. P67-P68
- 4) Mayor's Report -
- a) National Night Out.
  - b) TXDOT/Ralph Fair Road (3351) update.
  - c) Upcoming water conservation workshops. P69
- 5) Council -- Requests from City Council members to place items on a future agenda.

**IX. CONVENE INTO CLOSED SESSION**

Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body will convene into closed session to consult with the City Attorney on legal issues regarding The Reserve at Fair Oaks Ranch development.

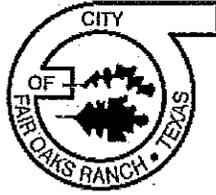
**X. RECONVENE INTO OPEN SESSION**

**XI. ADJOURNMENT**

Signature of Agenda Approval: 

I, Priscilla Abrego, 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, and on the city's website [www.fairoaksranchtx.org](http://www.fairoaksranchtx.org), both places being convenient and readily accessible to the general public at all times. Said Notice was posted by 6:00 p.m., September 14, 2015 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 *Tex Gov't 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).



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City of Fair Oaks Ranch  
7286 Dietz Elkhorn  
Fair Oaks Ranch, TX 78015

Office 210-698-0900  
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[www.fairoaksranchtx.org](http://www.fairoaksranchtx.org)

Mr. Bill Hennigan  
31510 Wild Oak Hill  
Fair Oaks Ranch TX 78015

Dear Bill,

The Fair Oaks Ranch City Council appointed you as Chairman to the Capital Improvement Advisory Committee (CIAC) and, we thank you for your significant 15 years of service. As you know, the success of our City is due in large part to very able and dedicated volunteers such as yourself.

Again, thank you for your service to the CIAC; an important responsibility that you performed with diligence and noteworthy dedication.

Cheryl Landman  
Mayor, City of Fair Oaks Ranch

## PROPERTY TAX RATE ADOPTION PROCEDURE

Proposed Tax Rate: .2615

Effective Tax Rate: .2414 (the tax rate that would impose the same total taxes as last year)

Debt Tax Rate: .0458

Rollback Tax Rate: .3073 (the highest tax rate we can set before the taxpayers can start a rollback procedure)

*done* Step 1 - By July 27, Appraisal Districts submits certified tax rolls to the Mayor. By August 7 or as soon thereafter as practicable, Kendall Appraisal calculates the effective and rollback tax rates. Deputy City Administrator, after reviewing worksheet, presents a statement of tax increase or decrease to the City Council.

*done* Step 2 - Mayor determines how much property tax revenue is needed to fund the proposed budget and decides how much tax to levy. Proposed property tax rate:

**.2615**

*done* Step 3 - As the proposed tax rate *exceeds* the effective or rollback tax rate (whichever is lower) Council must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item and calls for two public hearings (the second hearing may not be held earlier than the 3<sup>rd</sup> day after the date of the first hearing). The vote must be recorded and the motion must state the desired rate.

**Council Date for Adoption Proposal: August 20, 2015**

**Public Hearing Dates: September 3 (9:30 a.m.) and 17 (7:00 p.m.), 2015**

**Tax Rate Adoption Date: September 21, 2015**

*done* Step 4 - Deputy City Administrator must notify the public of the proposed tax rate, dates, times and place of the hearings. The Notice of Proposed Property Tax Rate must be published in the newspaper and on city's website at least seven days before the first hearing.

**Publication Date: August 25**

\* Step 5 - A quorum of the Council must hold two public hearings; at each hearing, Council must announce the date, time and place of the meeting at which it will vote on the tax rate.

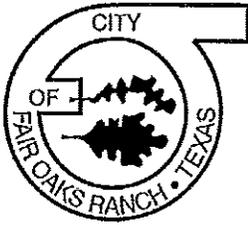
Step 6 - After the public hearings and before the meeting for the vote, City Secretary publishes in the newspaper and on the city's website a notice titled, "Notice of Tax Revenue Increase".

**Publication Date: September 18**

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Step 7 - Council must adopt the tax rate no less than three days but no more than 14 days after the second public hearing (minimum of 4 council members must be present LGC 22.039).

**Tax Rate Adoption Date: September 21**



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**CITY COUNCIL CONSIDERATION ITEM**  
CITY OF FAIR OAKS RANCH, TEXAS

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**TITLE:** Consideration of amending FY2015/16 Budget and re-confirming September 21, 2015 at 930a.m. as the adoption date on the proposed budget

**START/END DATE:** October 1, 2015

**DEPARTMENT:** City Council

**PRESENTED BY:** Mayor

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**INTRODUCTION:**

Local Government Code 102.006 states "the governing body of a municipality shall hold a public hearing on the proposed budget". At the August 20 City Council Meeting, Council voted to set September 3 and 17 as public hearings on the proposed budget and to adopt the budget at a special city council meeting on September 21, 2015.

Local Government Code 102.007 states: "at the conclusion of the public hearing, City Council shall take action on the proposed budget. The *City Council may make any changes in the budget* that it considers warranted by the law or by the best interest of the city taxpayers."

**BACKGROUND:**

After the first public hearing held on September 3, City Council directed staff to include, in the proposed budget, two new police officer positions, reclassify 4 police corporals to sergeants, and to fund a deer management program within the proposed property tax rate.

To fund the requests totalling \$155,097, the proposed budget reflects a reduction in the public safety overtime, retains the animal control officer/code compliance position in public safety, funds the new PW Superintendent for 11 months vs 12, and increases the employee turnover savings.

**BENEFIT(S) TO CITIZENS:**

1. The City complies with state law regarding budget process and complies with their motion to adopt on September 21
2. Public Notice of public hearings and adoption date have been published and posted

**RECOMMENDATIONS**

Move to adopt the proposed budget on September 21, 2015 at 9:30 a.m.

If needed, direct staff with any desired amendment to the proposed budget.

FY2015/16 Proposed General Fund Budget Adjustments not reflected in the Filed Proposed Budget

	<u>Filed Budget Revenue</u>	4,961,862
<b>Amendments to Revenue:</b>		
Revenue Increase of CPS Franchise Fee		10,000
Revenue Increase of Building Permits		<u>10,000</u>
<i>New Proposed Budget Revenue</i>		4,981,862
	<u>Filed Budget Expenditures</u>	4,961,862
<b>Amendments to Expenditures</b>		
Addition of 2 FT Patrol Officer @ 9 months		112,743
New Patrolman Incidentals		7,154
Reclassify 4 FT Police Corporals to Sergeants		5,200
Deer Management		50,000
Public Information Act		10,000
Attorney Fees		(10,000)
Additional Employee Turnover Savings		(100,000)
Reduce Public Safety Overtime		(10,000)
Animal Control/Code Compliance remains with Police		(38,042)
Fund Superintendent for 11 months vs 12		<u>(7,055)</u>
<i>New Proposed Budget Expenditures</i>		4,981,862
Revenues over/under Expenditures		0

PROPOSED BUDGET REPORT

AS OF: AUGUST 31ST, 2015

01 -GENERAL FUND

	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015		PROPOSED 2015-2016 BUDGET
			CURRENT BUDGET	Y-T-D ACTUAL	
<b>REVENUE SUMMARY</b>					
00-GENERAL	<u>3,886,070.09</u>	<u>4,740,599.76</u>	<u>5,362,149.00</u>	<u>5,120,003.29</u>	<u>4,961,862.00</u>
*** TOTAL REVENUES ***	<u>3,886,070.09</u>	<u>4,740,599.76</u>	<u>5,362,149.00</u>	<u>5,120,003.29</u>	<u>4,961,862.00</u>
<b>EXPENDITURE SUMMARY</b>					
01-ADMINISTRATION	609,674.20	717,510.03	1,860,636.00	1,684,898.48	972,152.00
02-MUNICIPAL COURT	83,853.41	80,509.05	87,965.00	73,691.98	91,851.00
03-PUBLIC SAFETY	1,402,730.63	1,463,524.12	1,725,970.00	1,476,631.85	1,799,463.00
04-PUBLIC HEALTH/EMERGENC	271,022.46	275,782.67	287,331.00	275,150.31	285,506.00
05-BUILDING CODES	89,087.90	119,507.39	123,477.00	120,383.84	182,686.00
06-MAINTENANCE	747,165.32	962,447.89	879,352.00	511,778.75	1,044,361.00
07-CULTURE/RECREATION/OTH	142,641.86	63,517.27	97,643.00	16,412.77	110,210.00
09-CAPITAL OUTLAYS	<u>350,917.30</u>	<u>217,014.17</u>	<u>299,775.00</u>	<u>81,592.57</u>	<u>475,633.00</u>
*** TOTAL EXPENDITURES ***	<u>3,697,093.08</u>	<u>3,899,812.59</u>	<u>5,362,149.00</u>	<u>4,240,540.55</u>	<u>4,961,862.00</u>
*** REVENUES OVER(UNDER) EXPENDITURES **	<u>188,977.01</u>	<u>840,787.17</u>	<u>0.00</u>	<u>879,462.74</u>	<u>0.00</u>

FY2015/16 Proposed Capital Fund Budget Adjustment not reflected in the Filed Proposed Budget

Filed Budget Revenue 2,782,969

Amendments to Revenue:

Battle Intense Sidewalk

169,100 Transfer from Capital Fund Reserves

*New Proposed Budget Revenue* 2,952,069

Filed Budget Expenditures 2,782,969

Amendments to Expenditures:

Battle Intense Sidewalk

169,100 Approved in July 2015 but projected not completed by End of FY

*New Proposed Budget Expenditures* 2,952,069

Revenues over/under Expenditures 0

PROPOSED BUDGET REPORT  
AS OF: AUGUST 31ST, 2015

02 -CAPITAL IMPROVEMENT FUND

	2012-2013		2014-2015		PROPOSED 2015-2016 BUDGET
	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	
REVENUE SUMMARY					
00-GENERAL	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,782,969.00</u>
*** TOTAL REVENUES ***	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>2,782,969.00</u>
EXPENDITURE SUMMARY					
01-ADMINISTRATION	0.00	0.00	0.00	0.00	59,466.00
09-CAPITAL OUTLAYS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>91,298.65</u>	<u>2,723,503.00</u>
*** TOTAL EXPENDITURES ***	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>91,298.65</u>	<u>2,782,969.00</u>
*** REVENUES OVER(UNDER) EXPENDITURES **	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>( 91,298.65)</u>	<u>0.00</u>

PROPOSED BUDGET REPORT

AS OF: AUGUST 31ST, 2015

05 -UTILITY FUND

	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015		PROPOSED 2015-2016 BUDGET
			CURRENT BUDGET	Y-T-D ACTUAL	
<b>REVENUE SUMMARY</b>					
01-WATER DEPARTMENT	2,921,551.08	3,201,402.12	3,512,422.00	3,011,716.80	3,451,553.00
02-SEWER DEPARTMENT	<u>832,562.44</u>	<u>910,516.08</u>	<u>915,797.00</u>	<u>907,508.10</u>	<u>964,942.00</u>
*** TOTAL REVENUES ***	<u>3,754,113.52</u>	<u>4,111,918.20</u>	<u>4,428,219.00</u>	<u>3,919,224.90</u>	<u>4,416,495.00</u>
<b>EXPENDITURE SUMMARY</b>					
01-WATER DEPARTMENT	2,622,365.68	2,354,510.92	3,251,479.00	2,471,396.55	3,351,140.00
02-SEWER DEPARTMENT	<u>1,227,677.69</u>	<u>888,296.86</u>	<u>1,118,396.00</u>	<u>854,344.60</u>	<u>1,065,355.00</u>
*** TOTAL EXPENDITURES ***	<u>3,850,043.37</u>	<u>3,242,807.78</u>	<u>4,369,875.00</u>	<u>3,325,741.15</u>	<u>4,416,495.00</u>
*** REVENUES OVER(UNDER) EXPENDITURES *(	<u>95,929.85)</u>	<u>869,110.42</u>	<u>58,344.00</u>	<u>593,483.75</u>	<u>0.00</u>

PROPOSED BUDGET REPORT

AS OF: AUGUST 31ST, 2015

06 -DEBT SERVICE FUND

	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015		PROPOSED 2015-2016 BUDGET
			CURRENT BUDGET	Y-T-D ACTUAL	
REVENUE SUMMARY					
REVENUE	0.00	0.00	0.00	0.00	565,287.00
*** TOTAL REVENUES ***	0.00	0.00	0.00	0.00	565,287.00
EXPENDITURE SUMMARY					
DEBT PAYMENTS	0.00	0.00	0.00	0.00	564,287.00
*** TOTAL EXPENDITURES ***	0.00	0.00	0.00	0.00	564,287.00
*** REVENUES OVER(UNDER) EXPENDITURES **	0.00	0.00	0.00	0.00	1,000.00

PROPOSED BUDGET REPORT

AS OF: AUGUST 31ST, 2015

07 -BOND CAPITAL FUND

	2012-2013 ACTUAL	2013-2014 ACTUAL	2014-2015		PROPOSED 2015-2016 BUDGET
			CURRENT BUDGET	Y-T-D ACTUAL	
REVENUE SUMMARY					
00-BOND CAPITAL FUND	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,849.61</u>	<u>1,115,885.00</u>
*** TOTAL REVENUES ***	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,849.61</u>	<u>1,115,885.00</u>
EXPENDITURE SUMMARY					
01-ADMINISTRATION	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,115,885.00</u>
*** TOTAL EXPENDITURES ***	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,115,885.00</u>
*** REVENUES OVER(UNDER) EXPENDITURES **	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>16,849.61</u>	<u>0.00</u>

**MINUTES, AUGUST 6, 2015; 9:30 AM  
CITY OF FAIR OAKS RANCH  
7286 Dietz Elkhorn  
Fair Oaks Ranch, TX 78015**

**I. ROLL CALL – DECLARATION OF A QUORUM**

Council Members Present: Alderman Damstra, Alderman Manitzas, Alderman Hartpence, Mayor Pro Tem Schmidt and Alderwoman Havard.

Having a quorum present, Mayor Landman called the Regular City Council meeting to order at 9:30 a.m.

**II. OPEN MEETING**

Pledge of Allegiance was led by Charlan Beal, FORHA President.

**III. CITIZENS and GUEST FORUM / PRESENTATIONS**

Roy Elizondo, 28240 Steeplechase Lane, asked Council to consider adding crosswalk markings to the streets where FORHA trails intersect. He feels it would help improve safety and recommended this be completed in coordination with the street maintenance program. In addition he would like for Council to consider adding an annual hazardous waste drop off event.

**IV. DISCUSSION/CONSIDERATION ITEMS**

**A. Discussion of variance request on the proposed dimensions of lot 225 and 226, Front Gate Unit 2A, to allow a long dimension (depth) greater than five times the lots street frontage (width).**

Ron Emmons, Public Works Director introduced Paul A. Schroeder, Alamo Consulting who represented the developer, Front Gate LLC. Paul stated they will be submitting a variance request for lots 225 and 226 in Unit 2A and wanted to brief Council on the request prior to receiving the paperwork. These lots are larger and will have long dimensions greater than five times the lots street frontage with installation of a basin located outside the neighborhood.

**I. Discussion of draft Ordinance delineating the duties and responsibilities of the City Administrator.**

This item was moved up on the agenda at the request of the City Attorney. Marcus Jahns, Interim City Administrator, stated after extensive research the draft ordinance was written to meet the legal requirements of general law. Charlie Zech City Attorney, mentioned a job description will need to be created for hiring purposes.

**B. Overview of Budget Expectation, Process, Data, and Comparison.**

Mayor Landman did an overview on the budget process, past and present budget comparisons, present budget expectations, and past/present budget data.

**C. Discussion of FY2015/16 General Fund Budget including Property/Debt Tax Rates.**

Marcus Jahns, Interim City Administrator provided an overview of the \$5 million General Fund budget which uses the current property tax rate of .2663. The 2015 effective tax rate is .2614 and with the debt tax rate of .0458, the rollback tax rate is .3074. He recommended using .2615 as the maintenance and operating tax rate as current rate puts us over the rollback rate. Alderman Manitzas had questions on employee head count and will work with Kristin Akers, Finance Director to resolve the issues. A review of the budget and tax rate adoption process was given.

**D. Discussion of FY2015/16 General Fund Capital Improvement Fund Budget.**

Marcus Jahns, Interim City Administrator discussed the FY2015/16 \$2.7 million General Fund Capital Improvement Fund budget which funds the new public safety building.

**E. Discussion of FY2015/16 General Fund Debt Service Budget.**

Marcus Jahns, Interim City Administrator discussed the FY2015/16 General Fund Debt Service budget which accounts for \$544,000 of debt tax receivables at a debt tax rate of .0458 for payment of the bond.

**F. Discussion of FY2015/16 General Fund Bond Capital Fund Budget.**

Marcus Jahns, Interim City Administrator discussed the \$1.1 million General Fund Capital Fund budget which accounts for reimbursing the city for bond proceeds and for engineering work on the street bond project.

**G. Discussion of FY2015/16 Utilities Fund Budget including proposed new rates.**

Ron Emmons, Public Works Director discussed the FY 2015/16 Utilities Fund budget including the proposed new rates.

**H. Discussion of Capital Improvements Plan.**

Mayor Landman pulled this item from the agenda at the request of the Interim City Administrator.

**V. REQUESTS TO PLACE ITEMS ON A FUTURE AGENDA**

1. Mayor Pro Tem Schmidt requested a Bond status update from Pape Dawson.
2. Mayor Pro Tem Schmidt requested a Fair Oaks Ranch Utilities water/wastewater Fund Balance Reserve update.
3. Alderwoman Havard requested an action item on safety issues (stop signs, cross walks, or etc.) on Battle Intense.
4. Alderman Manitzas requested an action item to rescind the city ordinance which allows developers to do construction without posting a construction bond.

**VI. ADJOURNMENT**

Mayor Landman adjourned the meeting at 2:10 p.m.

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Mayor Cheryl Landman

ATTEST:

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City Secretary P. Abrego

**MINUTES, AUGUST 20, 2015; 7:00 PM  
CITY OF FAIR OAKS RANCH  
7286 DIETZ ELKHORN  
FAIR OAKS RANCH, TEXAS 78015**

**I. ROLL CALL - DECLARATION OF A QUORUM**

Council Members Present: Alderman Hartpence, Mayor Pro Tem Schmidt, Alderman Manitzas and Alderwoman Havard.  
Council Members Absent: Alderman Damstra.

Having a quorum present, Mayor Landman called the regular City Council meeting to order at 7:00 p.m.

**II. OPEN MEETING**

Pledge of Allegiance by Joe duMenil.

**III. CITIZENS and GUEST FORUM / PRESENTATIONS**

Craig Matson, 8607 Fairway Green, expressed concern on the tiered water pricing and proposed utilizing the best government system.

Kin Nichols, 30143 Cibolo Run, supports amending resolution 2013-17 City Council Meeting Rules of Procedure.

Steven Dean, P.E., Vice President of Pape Dawson Engineers, provided Council with an update on the Road Reconstruction Project as he is the project manager. HBJ previously conducted a survey in 2010 that he will be comparing his findings to. The comparison helps identify roads that need to be repaved most. Mr. Dean introduced Laura Raun public relations sub-contractor for the public outreach project. Laura Raun identified her objectives as useful information, that the information is timely, consistent, and accountable. She recommended the five main ways of getting this message out is by a web site, written materials, face-to-face meetings with the Council and public, social media and mass notification.

**IV. CONSENT AGENDA**

MOTION: Made by Alderman Manitzas, seconded by Alderman Hartpence to approve the July 2, 2015 and July 16, 2015 regular city council meeting minutes.  
VOTE: 4-0; Motion Passed.

**V. CONSIDERATION ITEMS**

**A. Approval of Ordinance amending the City of Fair Oaks Ranch code of ordinances chapter 13; article 13.03; section 13.03.014; water loss appeal adjustment procedure.**

Ron Emmons, Public Works Director, modified the ordinance to reflect the words "graphical data" to define the volume of abnormal usage. This graphical data will also identify the start and end date of the abnormal usage.

MOTION: Made by Alderwoman Havard, seconded by Mayor Pro Tem Schmidt to approve the ordinance amending the City of Fair Oaks Ranch code of ordinances chapter 13; article 13.03; section 13.03.014; water loss appeal adjustment procedure.

DISCUSSION: None

VOTE: 4-0; Motion Passed

**B. Approval of variance request on the proposed dimensions of lot 225 and 226, in Front Gate Unit 2A, that will allow a long dimension (depth) greater than five times the lots street frontage (width).**

Mayor Landman stated that Paul Schroeder, P.E., Alamo Consulting Engineers variance request must pass all four conditions of findings before a motion can be made. If any condition does not pass Council's vote then the item is done and no motion will be allowed.

CONDITION 1: Are the special circumstances or conditions affecting the land involved such that the strict applications provisions in this ordinance would deprive you of reasonable use of your land?

Mr. Schroder responded the shape and topography of the tract are unique compared to the other units in this subdivision that strict application of Article 10 would create a design inconsistent with other lots in this unit and the loss of a majority of the trees.

RECORDED VOTE: 2-2; Tied (Aye Alderman Hartpence and Mayor Pro Tem Schmidt)  
3-2; Condition Passed (Aye Mayor Landman, Alderman Hartpence and Mayor Pro Tem Schmidt)

CONDITION 2: That the variance is necessary for the preservation and enjoyment of a substantial property right of the applicant?

Mr. Schroder responded yes.

RECORDED VOTE: 1-3; Condition Failed (Aye Alderman Hartpence)

**C. Approval of the amending and subdivision plat establishing Front Gate Unit 2A.**

Ron Emmons, Public Works Director, noted that, since the variance was denied, a modified plat combining two lots and adding a greenbelt is now up for consideration. He further noted the plat submittal is incomplete. Charlie Zech, City Attorney informed Council they could request for the item to be brought back to Council in the future after the Public Works department has had the opportunity to review the modified plat to ensure compliance with the subdivision ordinance or they could conditionally accept it based on the information that Ron Emmons provided tonight.

MOTION: Made by Alderman Manitzas, seconded by Alderwoman Havard to accept the amended plat conditional to the Public Works Departments final findings on subdivision plat establishing Front Gate Unit 2A.

DISCUSSION: Council's preference was for this item to come back in the future in its entirety. No conditional approval was given.

VOTE: 1-3; Motion Failed (Aye Alderwoman Havard)

**D. Approval of Ordinance amending the City's Code of Ordinances Appendix A – Fee Schedule – FOR Utilities Water rates.**

Ron Emmons, Public Works Director, stated operating costs are the reason for the water rates increase and this year revenue is declining due to reallocation of the tiered levels and customers conserving water.

MOTION: Made by Alderman Manitzas, seconded by Alderman Hartpence to approve ordinance amending the City's Code of Ordinances Appendix A – Fee Schedule – FOR Utilities Water rates.

DISCUSSION: None

VOTE: 4-0; Motion Passed

**E. Approval of Resolution appointing an interim Chairman to the Capital Improvements Advisory Committee.**

MOTION: Made by Mayor Pro Tem Schmidt, seconded by Alderman Hartpence to approve a resolution appointing Robert Weiss as the interim Chairman to the Capital Improvements Advisory Committee.  
DISCUSSION: None  
VOTE: 4-0; Motion Passed

**F. Approval of setting September 3, 9:30 a.m. and September 17, 7:00 p.m. as public hearing dates on the proposed FY 2015/2016 budget, and setting September 21; 9:30 a.m. as a special city council meeting to adopt the FY2015/16 budget.**

MOTION: Made by Alderman Hartpence, seconded by Alderman Manitzas to approve setting September 3, 9:30 a.m. and September 17, 7:00 p.m. as public hearing dates on the proposed FY 2015/2016 budget, and setting September 21; 9:30 a.m. as a special city council meeting to adopt the FY2015/16 budget.  
DISCUSSION: None  
VOTE: 4-0; Motion Passed

**G. Approval of using \$.2615 per \$100 property valuation as the proposed 2015 maintenance and operation property tax rate, \$.0458 per \$100 property valuation as the proposed 2015 debt service tax rate for a total proposed property tax rate of \$.3073 per \$100 property valuation and approval of setting September 3; 9:30 a.m. and September 17; 7:00 p.m. as public hearings on the proposed 2015 tax rate, and setting September 21; 9:30 a.m. as a special city council meeting to adopt the 2015 tax rate.**

MOTION: Made by Alderman Hartpence, seconded by Alderman Manitzas to use \$.2615 per \$100 property valuation as the proposed 2015 maintenance and operation property tax rate, \$.0458 per \$100 property valuation as the proposed 2015 debt service tax rate for a total proposed property tax rate of \$.3073 per \$100 property valuation and approval of setting September 3; 9:30 a.m. and September 17; 7:00 p.m. as public hearings on the proposed 2015 tax rate, and setting September 21; 9:30 a.m. as a special city council meeting to adopt the 2015 tax rate

DISCUSSION: None  
RECORDED VOTE: Mayor Pro Tem Schmidt - For  
Alderman Havard - For  
Alderman Manitzas - For  
Alderman Hartpence - For  
Motion Passed Unanimously; 4-0.

**H. Approval of a Resolution amending Resolution 2013-17 City Council Meeting Rules of Procedure.**

Alderman Hartpence stated this amendment would allow residents more opportunities to address Council on various agenda topics.

MOTION: Made by Alderman Hartpence, seconded by Alderman Havard to approve a Resolution amending Resolution 2013-17 City Council Meeting Rules of Procedure.  
DISCUSSION: None  
VOTE: 4-0; Motion Passed

- I. **Approval of Ordinance amending the Fair Oaks Ranch Code of Ordinances, Chapter 10; Subdivision Regulation, Exhibit A Subdivision Ordinance, Article II Procedures, Section 4. Financial Guarantees; providing for a repealing clause; and providing for an effective date.** Alderman Manitzas stated additional work on this item is needed and will bring it back to Council in the future. Mayor Landman pulled the item for consideration.

VI. **REPORTS FROM STAFF / COMMITTEES / COUNCIL**

Staff:

- 1) Public Works Director presented the Utility Fund Balance Report.
- 2) Marcus Jahns, Interim City Administrator provided an update on his Work Plan Status Report and asked Council to select a day/time to discuss the classification and pay schedule with Werling and Assoc. Council selected September 11, 2015 at 1:30 p.m.

Mayor:

- 1) Mayor Landman reported on the FOR Utilities Dashboard, the FOR Niche rankings, City sponsored water conservation events, and Guadalupe Valley Telephone Co-operative (GVTC) Fiber Optics Project.

Council:

- 1) Mayor Pro Tem Schmidt would like a special meeting to review the budget.

VII. **ADJOURNMENT**

Mayor Landman adjourned the meeting at 9:28 p.m.

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Cheryl Landman, Mayor

ATTEST:

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P. Abrego, City Secretary

**MINUTES, AUGUST 25, 2015; 9:30 AM**  
**CITY OF FAIR OAKS RANCH**  
**7286 Dietz Elkhorn**  
**Fair Oaks Ranch, TX 78015**

**I. ROLL CALL – DECLARATION OF A QUORUM**

Council Members Present: Alderman Damstra, Alderman Manitzas, Alderman Hartpence, Mayor Pro Tem Schmidt and Alderwoman Havard.

Having a quorum present, Mayor Landman called the Special City Council meeting to order at 9:30 a.m.

**II. DISCUSSION/CONSIDERATION ITEMS**

**A. Presentation and Discussion of the proposed FY2015/16 budgets.**

Mayor Landman conducted a presentation on the history of Fair Oaks Ranch Utilities. Ron Emmons, Public Works Director discussed the water/wastewater rates, future need of a water/waste water plant, and a proposed Capital Improvement Plan. Carole Vanzant, Deputy City Administrator reviewed the changes from the July proposed budget compared to the current proposed budget. Council requested two new Police Officer positions, a GIS technician, and a PW Superintendent; reclassify Police Corporals to Sergeants; a review of the employee turnover savings; and a decrease in contingency.

**B. Presentation and Discussion of the proposed 2015 property tax rate.**

Marcus Jahns and Carole Vanzant discussed using \$.2615 as the proposed property tax rate with a debit service rate of \$.0458. Doing so will keep us at the rollback rate.

**III. ADJOURNMENT**

Mayor Landman adjourned the meeting at 12:13 p.m.

\_\_\_\_\_  
Cheryl Landman, Mayor

ATTEST:

\_\_\_\_\_  
P. Abrego, City Secretary

**ORDINANCE NO. 2015-XX**

**AN ORDINANCE OF THE CITY OF FAIR OAKS RANCH CREATING THE POSITION OF CITY ADMINISTRATOR FOR THE CITY OF FAIR OAKS RANCH, TEXAS, AND PROVIDING FOR THE APPOINTMENT AND TENURE FOR SAID OFFICE, COMPENSATION, POWERS AND DUTIES, AND PROVIDING A SEVERABILITY AND REPEALING CLAUSE**

**WHEREAS**, the final and ultimate responsibility for government of the City of Fair Oaks Ranch, Texas, and administration of its business is with the governing body of this City consisting of the Mayor and City Council; and,

**WHEREAS**, the governing body desires to employ a City Administrator and confer upon said Administrator the powers and duties as it desires; and,

**WHEREAS**, the City Council has determined that it is in the best interest of the City of Fair Oaks Ranch, Texas, that a City Administrator will provide an economical, effective and efficient administration for the City of Fair Oaks Ranch, Texas.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS THAT:**

**1. Creation of City Administrator Position:**

- a. The municipal position of "City Administrator" is hereby created.
- b. The City Administrator is the chief administrator of the City and shall be responsible for the proper and efficient administration of the affairs and day to day operations of the City. The City Administrator shall report to and shall receive policy direction from the whole of the City Council.

**2. Appointment and Removal:**

A majority of the City Council Alderman is required to appoint and remove the City Administrator. The City Administrator shall serve at the will of the governing body, as set forth in this paragraph, and the term of such City Administrator shall continue indefinitely unless terminated as stated herein or by resignation.

**3. Duties and Responsibilities:**

- a. The City Administrator is responsible for implementing the ordinances and policies adopted by the City Council and for upholding State and federal laws and regulations.
- b. The City Administrator attends and participates in City Council Meetings but has no vote.
- c. The City Administrator shall supervise the preparation of agendas for all meetings of the City Council. The agendas shall be prepared in accordance with Rules and Procedures adopted by the City Council.
- d. The City Administrator provides staff support services to the Mayor and Councilmembers.
- e. The City Administrator has a professional obligation to provide recommendations and advice to the City Council on City policy issues.
- f. The City Administrator conducts research and analyses to assist the City Council in the formulation of policy.
- g. The City Administrator shall initiate and/or assist the City Council in the development of long term goals for the City and assist in the formulation of strategies to implement such goals.
- h. The City Administrator shall assist the Mayor, who, in a General Law Type A city, is the statutory budget officer, in the preparation of the proposed annual budget.
- i. The City Administrator shall be responsible for the expenditure of all City funds and for administering and monitoring implementation of the annual budget as approved by the City Council.
- j. The City Administrator shall keep the City Council fully advised as to the financial condition of the City and future needs of the City.

- k. The City Administrator shall oversee the purchasing of all merchandise, materials, supplies and services as budgeted and shall put in place such rules and regulations governing contracts, requisitions and transactions of business between City departments and vendors of goods and service in compliance with all State procurement laws.
- l. The City Administrator is authorized to make all purchases on behalf of the City according to the City's financial policy.
- m. The City Administrator shall negotiate, sign, execute and monitor implementation of all contracts including franchise agreements entered into by the City in accordance with City Financial policy.
- n. The City Administrator assures risk management controls and assessments are in place to protect the City's liability and property concerns.
- o. The City Administrator is responsible for the coordination of City communication with the public and the news media including outreach initiatives to the citizens and general public through various media venues.
- p. The City Administrator shall make reports to the City Council and public on the affairs, finances and operations of the City as directed through Council policy.
- q. The City Administrator shall direct and supervise the administration of all departments, offices and public utilities of the City and shall investigate or cause to be investigated as appropriate any complaints concerning the administration of the City government and its public utilities.
- r. The City Administrator shall hire and remove or suspend all city employees other than statutory officers or may delegate and authorize any administrative employee subject to the Administrator's direction and supervision to exercise these powers in accordance with City personnel policies and procedures.
- s. The City Administrator shall publish and make personnel policies and procedures available to all City employees.
- t. The City Administrator shall promote cooperation and collaboration among the Mayor, Council members, staff, community groups and individual citizens in building a sense of community.
- u. The City Administrator shall encourage and provide staff support for regional and intergovernmental cooperation and collaboration.
- v. The City Administrator shall perform other duties as required by the City Council.

**4. Performance and Accountability:**

- a. The City Council shall meet with the City Administrator at least once annually to evaluate the performance, orally and in writing, of the City Administrator and establish performance goals for the upcoming year.
- b. The City Council shall provide for an outside independent audit of the City's finances and financial management.

**5. Compensation:**

The Administrator shall receive the compensation as provided and directed by the governing body.

**6. Severability:**

It is hereby declared to be the intention of the City Council that the selections, paragraphs, sentences, clauses and phrases of this Ordinance are separable and if any phrase, clause, sentence, paragraph or section shall be declared unconstitutional or invalid by valid judgment or decree unconstitutional or invalid by valid judgment or decree of the court of competent jurisdiction, such unconstitutionality or validity shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance.

**7. Repeal:**

All Ordinances of the City prescribing duties of the other officers, heads of departments or employees shall remain in full force and effect except insofar as they conflict with the provisions of this Ordinance in which case this Ordinance shall govern.

**PASSED, APPROVED and ADOPTED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, this 17th day of September, 2015.**

\_\_\_\_\_  
Cheryl Landman, Mayor

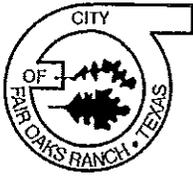
ATTEST:

APPROVED AS TO FORM:

*C. Zech*

\_\_\_\_\_  
P. Abrego, City Secretary

\_\_\_\_\_  
Charles Zech, City Attorney



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**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**

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AGENDA TOPIC: Approval of authorizing enhanced technology hardware and software purchases for no more than \$38,000

START/END DATE: September 18, 2015

DEPARTMENT: Administration

PRESENTED BY: Deputy City Administrator

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**INTRODUCTION/BACKGROUND:**

In September 2014, the City Council budgeted \$70,000 for enhanced information technology/communication capabilities. In January 2015, the City Council authorized improving the City's basic IT contract to a white glove service contract for an additional cost of \$18,000 in FY2014/15. Part of the white glove service includes performing an IT network assessment and recommend improvements to hardware/software security, file/folder backups, antivirus software and sharesync accounts. In May 2015 and thereafter, the current City Council has expressed their desire to complete the assessment. Attached is a \$38,000 proposal for the recommended enhancements. Due to the location of the server room, we are running into issues with a cooling system for the server room. In FY2015/26, we will continue to look for the best system.

With these enhancements we can start looking at upgrading audio/visual of the City Council Chambers.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. Improved technology services and communications
- 2.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

Cost of enhancements is no more than \$38,0000 and is bugeted in FY2014/15. The only recurring cost is the unlimited cloud and local backup storage of files and folder.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to authorize the technology hardware and software purchases as presented for no more than \$38,0000



CORPORATE OFFICE

1017 North Main Ave, Ste. 101  
 San Antonio, Texas 78212  
 Phone: 210-930-7622  
 Fax: 210-828-5042  
 www.rgp.com

Prepared For

City of Fair Oaks Ranch  
 Carole Vanzant  
 7286 Dietz-Elkhorn Rd. Attn: Carole Vanzant  
 Fair Oaks, TX 078015  
 carole@fairoaksranchtx.org  
 2106980900

Prepared By

Paul Mann  
 Phone: 210-930-7622  
 Email: paulm@rrgp.com



*Paul Mann*

Hardware	Price	Qty	Extended
Dell Refurbished: 15,000 RPM SAS Hard Drive - 600 GB	\$325.72	2	\$651.44
<i>Backup</i> APC Network Management Card 2 with Environmental Monitoring - remote manage	\$609.70	1	\$609.70
<i>Server Protection</i> APC Dry Contact I/O Accessory - network adapter kit - black	\$143.00	1	\$143.00
<i>Battery Backup Server Protection</i> APC Temperature & Humidity Sensor	\$175.00	1	\$175.00
<i>City Server Component</i> Dell Networking Transceiver SFP 1000BASE-SX 850nm Wavelength 550m Reach	\$288.60	6	\$1,731.60



vmware



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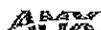
1017 North Main Ave, Ste. 101  
 San Antonio, Texas 78212  
 Phone: 210-930-7622  
 Fax: 210-828-5042  
 www.rgp.com

Hardware		Price	Qty	Extended
<i>Switch deployment - offer redundancy</i>	Dell Networking N3024P Switch N3024P, L3, POE+, 24x 1GbE, 2x 10GbE SFP+ fixed ports, Stacking, IO to PSU air, 1x 715w AC PSU Lifetime Limited Hardware Warranty with Basic Hardware Service Next Business Day Parts Only No Installation US No Canada Ship Charge Dell Networking N2000/3000 Series User Guide Power Cord, 125V, 13A, 6 Feet, C15 to NEMA 5-15P, for POE N-Series Only Stacking Cable, for Dell Networking N2000 or N3000 series switches (no cross-series stacking), 0.5m Dell Networking, Transceiver, SFP, 1000BASE-SX, 850nm Wavelength, 550m Reach	\$3,234.46	1	\$3,234.46
	Dell Networking N3024 Switch N3024, L3, 24x 1GbE + 2x 10GbE SFP+ fixed ports, Stacking, IO to PSU airflow, 1x AC PSU included 3 Year ProSupport and NBD On-site Service No Installation US No Canada Ship Charge Dell Networking N2000/3000 Series User Guide Power Cord, 125V, 15A, 10 Feet, NEMA 5-15/C13 Stacking Cable, for Dell Networking N2000 or N3000 series switches (no cross-series stacking), 0.5m Dell Networking, Transceiver, SFP, 1000BASE-SX, 850nm Wavelength, 550m Reach	\$3,083.30	1	\$3,083.30
	Dell iDRAC6 Enterprise	\$400.00	1	\$400.00
<i>Bldg Codes 4-2 H/Resources Acctg</i>	OptiPlex 3020 Small Form Factor OptiPlex 3020 Small Form Factor BTX Windows 7 Professional English/French 64bit (Includes Windows 8.1 Pro license) 8G (2x4GB) 1600MHz DDR3 Memory 500GB 3.5inch SATA (7.200 RPM) Hard Drive 8X DVD+-RW Drive 3 Year ProSupport Plus with Next Business Day Onsite Service Intel Core i5-4590 Processor (Quad Core, 6MB, 3.30GHz w/HD4600 Graphics) Adobe Acrobat XI Standard, Digital Delivery Microsoft Office Home and Small Business 2013, English, French and Spanish	\$1,158.60	4	\$4,634.40

*Backup Network Cord*



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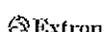
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 www.rrgp.com

Hardware		Price	Qty	Extended
	Dell Adapter - DisplayPort to DVI Single Link	\$18.52	4	\$74.08
<i>New Server</i>	Dell PowerEdge R530 Rack Server PowerEdge R530 Server, TPM ProSupport Plus: 5 Year Next Business Day On-site Service On-Board Broadcom 5720 Quad Port 1Gb LOM iDRAC8, Enterprise with vFlash 16GB SD RAID 10 for H330/H730/H730P (4-8 HDDs or SSDs in pairs) Intel Xeon E5-2620 v3 2.4GHz, 15M Cache, 8.00GT/s QPI, Turbo, HT, 6C/12T (85W) Max Mem 1866MHz Upgrade to Two Intel Xeon E5-2620 v3 2.4GHz, 15M Cache, 8.00GT/s QPI, Turbo, HT, 6C/12T (85W) (4) 16GB RDIMM, 2133MT/s, Dual Rank, x4 Data Width (4) 2TB 7.2K RPM NLSAS 6Gbps 3.5in Hot-plug Hard Drive DVD+-RW, SATA, Internal ReadyRails Sliding Rails With Cable Management Arm Dual, Hot-plug, Redundant Power Supply (1+1), 750W (2) NEMA 5-15P to C13 Wall Plug, 125 Volt, 15 AMP, 10 Feet (3m), Power Cord, North America	\$8,089.32	1	\$8,089.32
<b>Hardware Subtotal</b>				<b>\$22,826.30</b>

Software		Price	Qty	Extended
	Microsoft Windows Server 2012 R.2 Standard - License - 2 Processor - Volume - MOLP: Open Business - PC - Single Language	\$896.00	1	\$896.00
	1YR COMPREHENSIVE GATEWAY SECURITY SUITE BNDL FOR TZ 205	\$345.80	1	\$345.80
	Microsoft Windows Server 2012 R.2 Standard - License - 2 Processor - Volume - MOLP: Open Business - PC - Single Language	\$896.00	2	\$1,792.00
	Microsoft Windows 2012 Server - License - 1 User CAL - Volume - MOLP: Open Business - PC - Single Language	\$42.06	45	\$1,892.70



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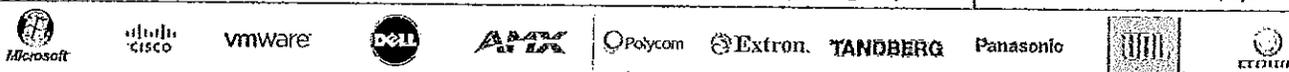
Software		Price	Qty	Extended
	Microsoft Exchange Server 2013 Standard - Server License - Volume, Promotional - MOLP: Open Business - PC - Electronic	\$783.67	1	\$783.67
	Microsoft Exchange Server 2013 Standard - License - 1 User CAL - MOLP: Open Business - PC - Electronic	\$97.25	50	\$4,862.50
	Microsoft Windows Remote Desktop Services 2012 - License - 1 User CAL - Volume - MOLP: Open Business - PC - Single Language	\$135.00	15	\$2,025.00
<b>Software Subtotal</b>				<b>\$12,597.67</b>

Services		Price	Qty	Extended
	ArtCom performing fiber work in cable closet	\$1,674.00	1	\$1,674.00
<b>Services Subtotal</b>				<b>\$1,674.00</b>

Managed Services		Recurring Price	Qty	Extended	
	OnPoint BDR - Unlimited Plan 3 Unlimited Backup Plan: Includes unlimited cloud storage and unlimited local storage. - File/Folder backups, Exchange backups, SQL backups, Image based backups, Virtual Machine backups	\$3,937.50	\$0.00	1	\$0.00
<b>Managed Services Recurring Subtotal</b>				<b>\$3,937.50</b>	
<b>Managed Services Subtotal</b>				<b>\$0.00</b>	

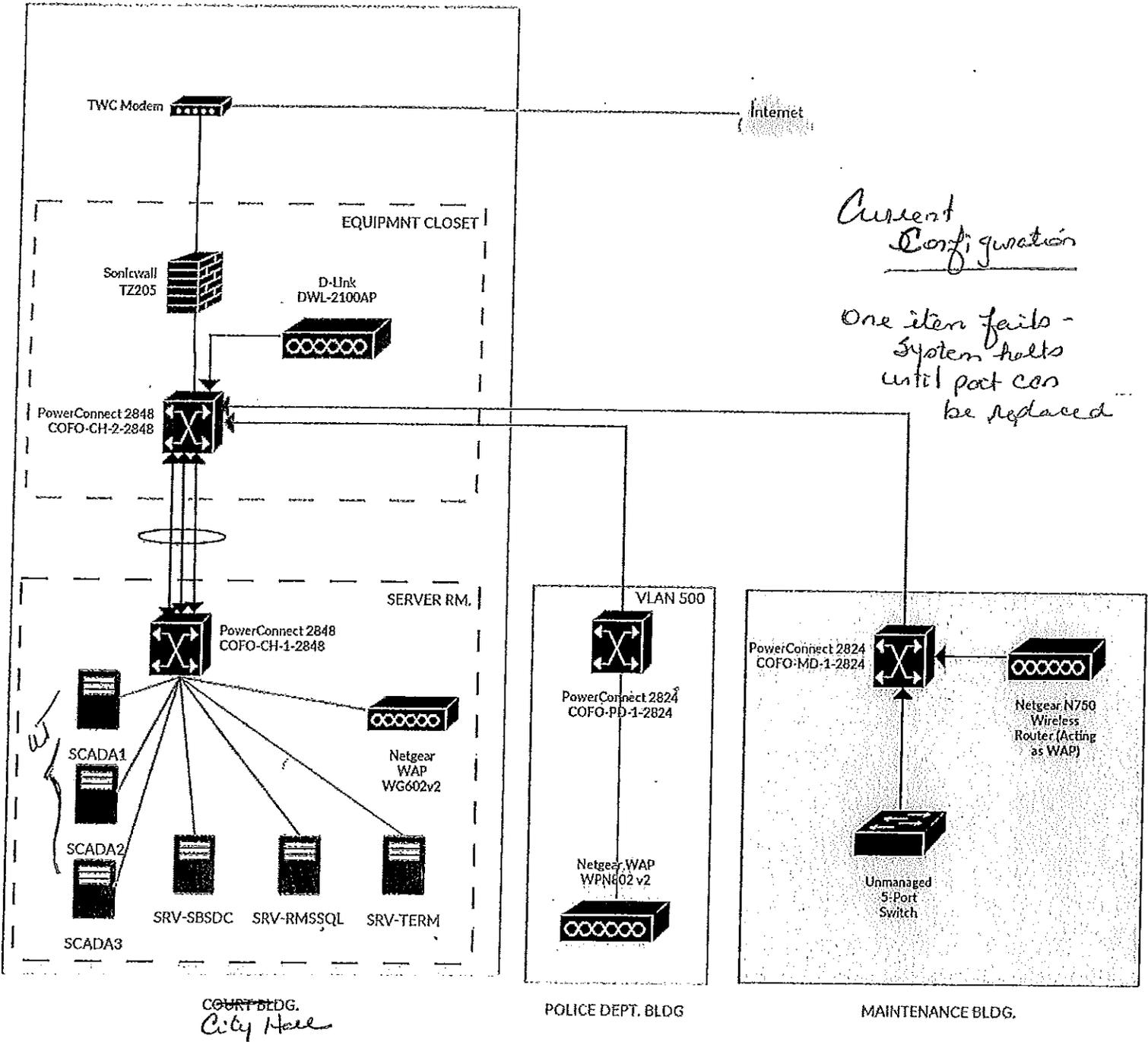
Recap		Amount
	Hardware	\$22,826.30
	Software	\$12,597.67
	Services	\$1,674.00
	Managed Services	\$0.00
	<b>Subtotal</b>	<b>\$37,097.97</b>
	Shipping	\$300.00
	<b>Total</b>	<b>\$37,397.97</b>

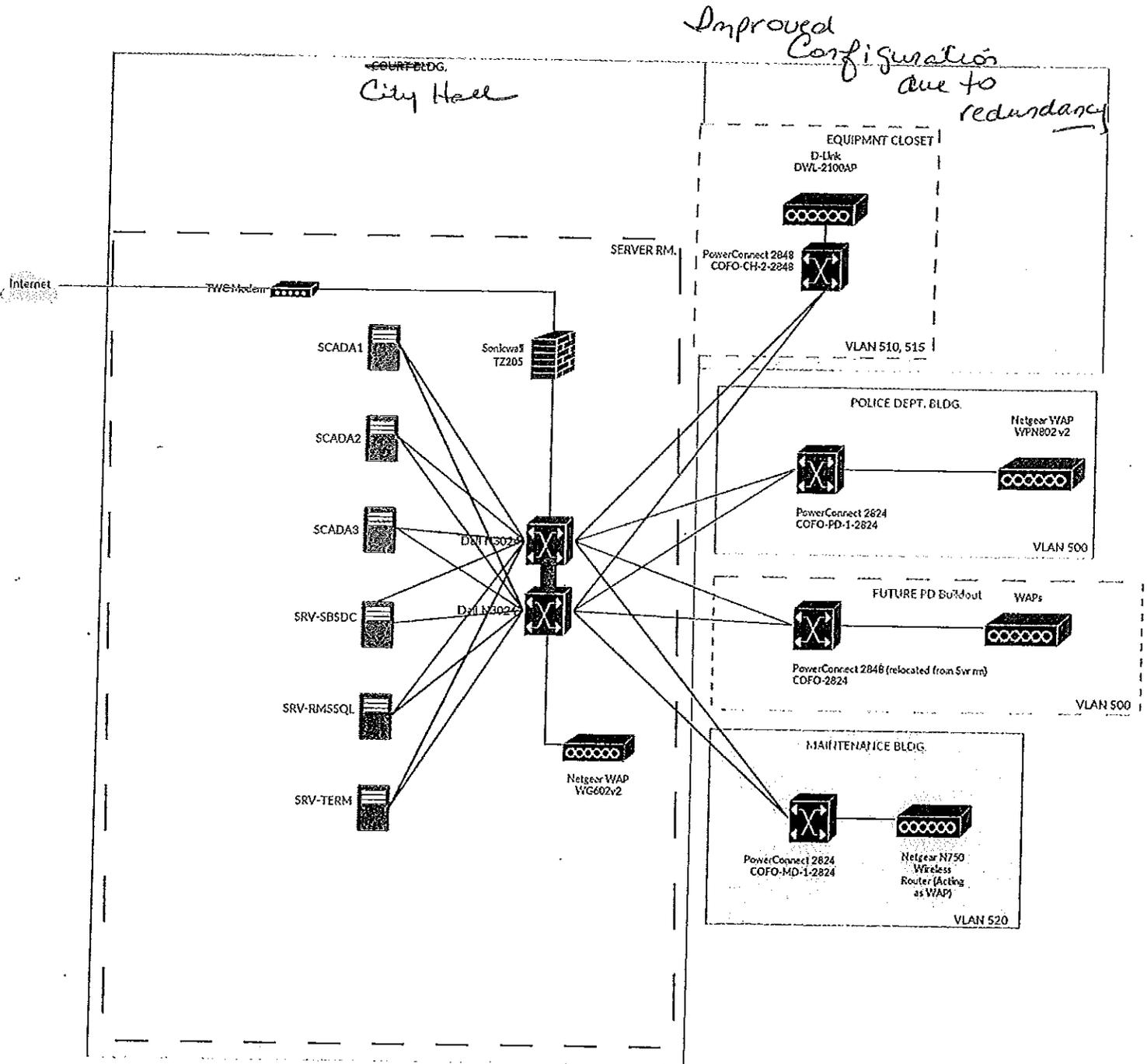
Recurring Expenses		Amount
	Managed Services	\$3,937.50
	<b>Recurring Expenses</b>	<b>\$3,937.50</b>



**CITY HALL PCs / SVRS**

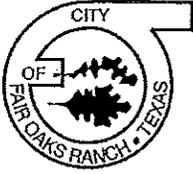
Computer Name	Manufacturer	Model	Operating System	Warranty End Date	Warranty Status (Active or Expired)
FO-LAPTOP (Court LT) <i>Y NO</i>	Dell	Latitude E6550	Windows 7 Professional SP1	9/14/2012	Expired
FO-ACCOUNTING	Dell <i>Amber</i>	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-BKRECEPTION	Dell <i>Roscoe</i>	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-BLDCODES	Dell <i>Seal</i>	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-COURTCLERK	Dell	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-CUSTOMERSVCS - <i>Wagner</i>	Dell	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-HUMANRESOURC	Dell <i>Kim</i>	Vostro 220 Series	Windows Vista Business SP2	9/17/2012	Expired
FO-BLDCODESLT <i>Y NO</i>	HP	HP Envy dv6 Notebook	Windows 8.1 Professional	11/28/2013	Expired
SRV-TERM	Dell	PowerEdge T1100	Windows Server 2008 Standard SP2	11/8/2015	Expired
SRV-SBSDC	Dell	PowerEdge T410	Windows Server 2008 Standard FE SP2	9/19/2016	Expired
SRV-RVSSOL	Dell	PowerEdge T3300	Windows Server 2008 Standard SP2	11/14/2016	Expired
FO-MAYYORI	Dell	Optiplex 3020	Windows 7 Professional SP1	4/17/2017	Expired
FO-DEPTCLERKADVMN	Dell	Optiplex 3020	Windows 8.1 Professional	3/11/2018	Expired
FO-CITYSECRETAR	Dell	Optiplex 3020	Windows 8.1 Professional	4/23/2018	Expired
FO-CITYADVMN	Dell	Optiplex 3020	Windows 8.1 Professional	7/23/2019	Expired
FO-ACCOUNTINGI	Dell	Optiplex 3020	Windows 8.1 Professional	5/29/2020	Expired
FO-RECEPTION	Dell	Optiplex 3020	Windows 8.1 Professional	8/21/2020	Expired





**STANDARD NOTES:**

\*\*Last 4 ports on every switch will be for network printers!\*\*



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**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**

---

**AGENDA TOPIC:** Repeal Resolution 64.6 and Subsequent Resolutions; Adopting the City's Financial Management Policy; Reaffirming the City of Fair Oaks Ranch Investment Policy; and Providing for an Effective Date.

**START/END DATE:** September 17, 2015

**DEPARTMENT:** Administration

**PRESENTED BY:** Kristin Akers, Finance Officer

---

**INTRODUCTION/BACKGROUND:**

Section 2256.005 of the Texas Public Funds Investment Act requires the governing body to adopt by rule, order, ordinance, or resolution, as appropriate, a written Investment Policy regarding the investment of public funds. The investment policy was first adopted in October 1995.

The investment policy must be reviewed on an annual basis. The last review was on September 18, 2014.

Recommend to repeal Resolution 64.6 and subsequent Resolutions; adopt the City's Financial Management Policy with changes noted in strikeouts and or italics and reaffirm the Investment Policy.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. The City will be in compliance with the State of Texas Public Funds Investment Act
2. Financial Management Policy and Investment Policy provide guidance to staff

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

There is no direct financial or budgetary impact.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

Recommend to repeal Resolution 64.6 and subsequent Resolutions; adopt the City's Financial Management Policy with changes noted in strikeouts and or italics and reaffirm the Investment Policy.

**RESOLUTION 2015-xx**  
**A RESOLUTION REPEALING RESOLUTION 64.6 AND SUBSEQUENT RESOLUTIONS;**  
**ADOPTING THE CITY'S FINANCIAL MANAGEMENT POLICY; REAFFIRMING THE CITY OF**  
**FAIR OAKS RANCH INVESTMENT POLICY; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, on March 2008 the City Council adopted the City's Financial Management including the Investment and Capitalization policies under Resolution 64.6; and,

WHEREAS, pursuant to the City of Fair Oaks Ranch Financial Management Policy - Section XIV, the Finance Officer is required to annually review said Policy and present to the Fair Oaks Ranch City Council ("Council") any significant changes for approval; and,

WHEREAS, due to the numerous recommended changes in the Financial Management Policy, repealing 64.6 and adopting a new Policy is warranted; and,

WHEREAS, pursuant to Government Code §2256.005, City Council shall adopt, annually, a resolution stating the Investment Policy has been reviewed to ensure the highest return and maximum security of the investments of government funds and, record any changes made thereof; and,

WHEREAS, the City Council of Fair Oaks Ranch determines it is necessary to adopt a new Financial Management Policy as presented and, affirms no amendments to the Investment Policy are warranted.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:**

**SECTION 1:** The City Council of the City of Fair Oaks Ranch, hereby repeals Resolution 64.6 and all subsequent Resolutions.

**SECTION 2:** The City Council of the City of Fair Oaks Ranch, hereby adopts the City of Fair Oaks Ranch Financial Management Policy, as attached.

**SECTION 3:** The City Council of the City of Fair Oaks Ranch, hereby reaffirms the City of Fair Oaks Ranch Investment Policy, as attached.

APPROVED by the City Council of the City of Fair Oaks Ranch, Texas on this 17th day of September, 2015.

\_\_\_\_\_  
Cheryl Landman, Mayor

ATTEST:

\_\_\_\_\_  
P. Abrego, City Secretary

**CITY OF FAIR OAKS RANCH  
FINANCIAL MANAGEMENT POLICY**

64.0	Adopt Investment Policy	October 1995
64.1	Adopt Investment Policy	January 1996
64.2	Adopt Investment Policy	October 1998
64.3	Reaffirm Investment Policy	December 2004
64.4	Amend Investment Policy	February 2006
64.5	Amend Investment Policy	April 2007
64.6	Adopt Financial/Investment/Capitalization Policy	March 2008
64.7	Amend Financial Policy to adopt Identity Theft Prevention Program	May 2009
64.8	Amend Investment Policy	June 2009
R2011-12	Amend Financial Policy to adopt GASB54 Standards	August 2011
R2011-13	Amend Financial Policy and Reaffirm Investment Policy	August 2011
R2012-09	Reaffirm Investment Policy	September 2012
R2013-11	Amend Financial Policy and Reaffirm Investment Policy	September 2013
R2014-14	Reaffirm Investment Policy	September 2014

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## I. PURPOSE STATEMENT

These policies are developed by the City Council to guide the City Staff in financial matters. The overriding goal of the Financial Management Policy is to enable the city to achieve a long-term stable and positive financial condition while conducting its operations consistent with state laws. The watchwords of the city's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure.

The purpose of the Financial Management Policy is to provide guidelines for the management staff in planning and directing the city's day-to-day financial affairs and in developing recommendations to the City Administrator. It should be noted the responsibilities and authority granted for individuals, whose titles are covered in this document, may not match the job description and explicit duties of their job. In such instances, those individuals are expected to perform their duties as outlined in their job descriptions, in accordance with agreements and job expectations of their reporting lines of authority.

The scope of these policies span accounting, investments, auditing, financial reporting, internal controls, budgeting, capital program including capitalization, revenue and cash management, expenditure control, debt management, and identity theft prevention.

## II. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

- A. **ACCOUNTING** - The Finance Officer is responsible for establishing the chart of accounts, and for properly recording financial transactions.
- B. **FUNDS** - Self-balancing groups of accounts are used to account for financial transactions in accordance with generally accepted accounting principles. Each fund is created for a specific purpose except for the Governmental Fund, which is used to account for all transactions not accounted for in other funds. Funds are created and fund names are changed by City Council approval either during the year or in the City Council's approval of the annual operating budget Ordinance.
- C. **EXTERNAL AUDITING** - The city will be audited annually by an outside independent auditor. The auditor must be a CPA, and must demonstrate that they have the breadth and depth of staff to conduct the city's audit in accordance with generally accepted auditing standards, generally accepted government auditing standards and contractual requirements. The auditor's report on the city's financial statements including federal grants single audit will be completed within 120 days of the city's fiscal year end, and the auditor's management letter will be presented to the city secretary within 150 days after the city's fiscal year end. An interim management letter will be issued prior to this date if any materially significant internal control weaknesses are discovered. The city staff and auditor will jointly review the management letter with the City Council.
- D. **EXTERNAL AUDITORS RESPONSIBLE TO CITY COUNCIL** - The external auditor is accountable to the City Council and will have access to direct communication with the City Council if the city staff is unresponsive to auditor recommendations or if the auditor considers such communication necessary to fulfill their legal and professional responsibilities.

- E. **EXTERNAL AUDITOR ROTATION** - The city will not require external auditor rotation, but may circulate requests for proposal for audit services, periodically.
- F. **INTERNAL AUDITING** - The City Administrator, with the assistance of the Finance Officer, is responsible for establishing and performing an internal audit function. The internal auditor work plan includes compliance test work and performance auditing. The City Administrator, in written format, will establish the time and function of internal audit to be performed by the Finance Officer.
- G. **EXTERNAL FINANCIAL REPORTING** - ~~A city council member working with the Public Works Director will prepare and publish a comprehensive annual financial report (CAFR). The CAFR will be prepared in accordance with generally accepted accounting principles, be published and presented to the City Council within 150 days after the end of the fiscal year. Limitations may preclude such timely reporting; in such case, the City Administrator will inform City Council of the delay.~~
- H. **INTERNAL FINANCIAL REPORTING** - The accounting department will prepare internal financial reports sufficient for management to plan, monitor, and control the city's financial affairs.

### III. INTERNAL CONTROLS

- A. **WRITTEN PROCEDURES** - The Finance Officer and ~~City Secretary~~ *Deputy City Administrator* are responsible for developing city-wide written guidelines on accounting, cash handling, and other financial matters which will be approved by the City Administrator.
- B. **INTERNAL AUDIT** - The City Administrator will conduct reviews of the departments to determine if they are following the written guidelines as they apply to their departments. The City Administrator will also review the written guidelines on accounting, cash handling, and other financial matters. Based on these reviews the City Administrator will recommend internal control improvements as needed.
- C. **DEPARTMENT HEADS RESPONSIBLE** - Each department head is responsible to the City Administrator to ensure that good internal controls are followed throughout their department, that all guidelines on accounting and internal controls are implemented, and that all independent and internal auditor internal control recommendations are addressed

### IV. OPERATING BUDGET

- A. **PREPARATION** - The city's "operating budget" is the city's annual financial operating plan and the Mayor is the Budget Officer. It consists of governmental and enterprise funds. The budget is prepared by the ~~City Secretary~~ *Deputy City Administrator* with the cooperation of all city departments, and is submitted to the City Administrator who makes any necessary changes and transmits the document to City Council. The budget

should be presented to the City Council no later than six weeks prior to fiscal year end, and shall be enacted by the City Council prior to the fiscal year end.

- B. **BALANCED BUDGETS** - The operating budgets will be balanced, with the total revenues equaling total expenditures or balanced by ~~the use of unrestricted reserves~~ *transfer(s) from the fund balance*.
- C. **PLANNING** - The budget process will be coordinated so as to identify major policy issues for City Council consideration several months prior to the budget approval date. The city secretary will prepare an annual budget calendar to assist the Council and staff with the legal requirements of the budget process.
- D. **REPORTING** - Periodic financial reports will be prepared to enable the department heads to manage their budgets and to enable the City Administrator to monitor and control the budget as authorized by the City Council. Financial reports will be presented to the City Council each month to include current year revenue and expenditures.
- E. **CONTROL** - Operating Expenditure Control is addressed in Section VIII.
- F. **RECORD KEEPING** - All permanent historical budget documents will be filed with the city secretary for record keeping pursuant to State law, City Code, and Resolution 46.0.

#### V. FUND BALANCE/RESERVES POLICY

A. **GOVERNMENTAL FUND** - Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. The City Council shall report governmental fund balances per GASB54 definitions on the balance sheet as follows:

1. *Non-spendable* - Portion of total fund balance that is not in spendable form or required to be maintained intact. Example: Prepaids
2. *Restricted* - Portion of total fund balance constrained for specific purposes by such grantors, bondholders, higher level of government or by law. Example: Court Technology Fund
3. *Committed* - Portion of total fund balance constrained to specific purposes and amounts by City Council. Only Council can unconstrain. The commitment must be in a form of formal Council action taken prior to fiscal year end. Example: One-time Contracts extending beyond the approving fiscal year
4. *Assigned* - Portion of total fund balance the City designates for specific purposes as expressed by the City Administrator. Example: Capital Expenditure for equipment
5. *Unassigned* - Portion of total fund balance not identified in one of the above categories.

City Council will utilize funds in the following spending order: restricted, committed, assigned and unassigned.

*The fund balance will be managed carefully, keeping in mind a desired goal of at least six months of operating expenses. City should strive to replenish the capital fund balance since this was recommended by Standard and Poor during the rating process in 2015.*

**B. ENTERPRISE FUND** - The City Council shall report enterprise reserves on the balance sheet as follows: The fiscal year surplus will be distributed according to the needs of the enterprise fund as determined by the Public Works Director, and with the concurrence of the City Administrator.

1. *Operating Expense* - A reserve with a goal of at least one (1) year operating expense.
2. *Bond Debt(s)* - A reserve with a minimum of the fiscal year's Principal and Interest on the bond debt(s).
3. *Water and Wastewater Capital Projects* - Two (2) reserves, respectively, to be used for major capital outlay, unplanned projects, and any government mandates for water and wastewater capital projects.
4. *Infrastructure Improvements* - Two (2) reserves, respectively, to be used for water and wastewater rehabilitation and replacement, unplanned projects, and any government mandates.

## VI. CAPITAL EXPENDITURES AND PROGRAM

- A. **PREPARATION** - The city's capital fund expenditure accounts will include all capital expenses and projects costing over ~~\$5,000~~ \$50,000. A detailed list of expenses and projects will be prepared annually on a fiscal year basis by the City Administrator as part of the fiscal year budget. All required departments will be involved in preparing their required capital expenses.
- B. **CONTROL** - Governmental Fund capital expenditures must be appropriated in the operating budget *if less than \$50,000 or in the capital fund if more than \$50,000.*
- C. **ALTERNATE RESOURCES** - Where applicable, assessments, impact fees, or other user-based fees should be used to fund capital projects.
- D. **DEBT FINANCING** - Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases.

- E. **STREET MAINTENANCE** - The city has an 8-year street maintenance program which will continue on the purpose of pay-as-you-go basis to perform street maintenance at the lowest possible cost to avoid base failure. ~~and, to attempt to avoid a bond issue.~~

## VII. REVENUE MANAGEMENT

- A. **SIMPLICITY** - The city will strive to keep the revenue system simple which will result in a decrease of compliance costs for the taxpayer or service recipient. ~~The city will rely on ad valorem taxes as its main source of revenue.~~
- B. **CERTAINTY** - An understanding of the revenue source increases the reliability of the revenue system. The city will try to understand its revenue sources, and enact consistent collection policies so that assurance can be provided that the revenue base will materialize according to budgets and plans.
- C. **EQUITY** - The city will strive to maintain equity in the revenue system structure. That is, the city will seek to minimize or eliminate all forms for subsidization between entities, funds, services, utilities, and customers. However, it is recognized that public policy decisions may lead to subsidies in certain circumstances, e.g., senior citizen property tax exemptions.
- D. **ADMINISTRATION** - The benefits of a revenue will exceed the cost of producing the revenue. The cost of collection will be reviewed annually for cost effectiveness as a part of the indirect cost, and cost of services analysis. Where appropriate, the city will use the administrative processes of State or Federal collection agencies in order to reduce administrative costs.
- E. **REVENUE ADEQUACY** - The city will require that there be a balance in the revenue system. That is, the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
- F. **COST/BENEFIT OF ABATEMENT** - The city will use due caution in the analysis of any tax, fee, or water and wastewater incentives that are used to encourage development.
- G. **NON-RECURRING REVENUES** - One-time revenues will not be used for ongoing operations. Non-recurring revenues will be used for only non-recurring expenditures.
- H. **PROPERTY TAX REVENUES** - Property shall be assessed at 100% of the fair market value as appraised by the appropriate Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law. A 97% collection rate will serve as a minimum for tax collections, with a delinquency rate of 3%. All delinquent taxes will be aggressively pursued by the city's Delinquent Tax Attorney. A penalty will be assessed to compensate the attorney as allowed by state law, and in accordance with the attorney's contract.
- I. **USER-BASED FEES** - For services associated with a user fee or charge, the direct and indirect costs of that service will be offset by a fee where possible. There will be an

annual review of fees and charges to ensure that fees provide adequate coverage of costs of services.

- J. **IMPACT FEES** - Impact fees will be imposed for water and wastewater in accordance with the requirements of state law. The Public Works Director working with the Capital Improvements Advisory Committee shall prepare a bi-annual report on the capital improvement plans and fees. Additionally, impact fees will be re-evaluated at least every five years as required by law.
- K. **ADMINISTRATIVE CHARGES** - A method will be maintained whereby the Governmental Fund can impose a management fee to the Enterprise Fund for indirect costs performed on the Enterprise Funds' behalf.
- L. **WATER/WASTEWATER RATES** - The City Council will review water/wastewater rates and, if necessary, adopt new rates that will generate revenue required to cover operating expenditures *and will consider inflation*, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs.
- M. **INTEREST INCOME** - Interest earned from investment of available monies, whether pooled or not, will be distributed to the funds in accordance with the operating budgets which, wherever possible, will be in accordance with the equity balance of the fund from which monies were provided to be invested.
- N. **REVENUE MONITORING** - Revenues actually received will be regularly compared to budgeted revenues and variances will be investigated.

#### VIII. EXPENDITURE CONTROL

- A. **APPROPRIATIONS** - The level of budgetary control is the department level budget in the Governmental Fund, and the fund level in all other funds. Budget adjustments (i.e., amendments) among departments and/or funds must be approved by the City Council. Budget appropriation amendments at lower levels of control shall be made in accordance with the applicable administrative procedures.
- B. **PURCHASING** - The City will only pay from receipts, invoices and disbursement vouchers that have the appropriate authorizing signature, ~~date of approval~~, total dollar amount (excluding tax), and general ledger account code. Supervisors can authorize invoices up to \$1,000. The City Administrator and Department Heads can authorize up to \$5,000 in addition to annual and Council approved contracts, recurring charges, and prior approved budgetary items. All other disbursements exceeding \$5,000 require ~~Council~~ *City Administrator or Deputy City Administrator* approval. All credit card purchases shall be in accordance with the credit card policies as defined in the Personnel Policy Manual
- C. **PROFESSIONAL SERVICES** - Professional services will be processed through a request for qualifications as defined by the Texas local government code. The City Administrator may execute any professional services contract, except for insurance, less than \$25,000 provided there is an appropriation for such contract.

- D. **PROMPT PAYMENT** – All invoices will be paid 30 days of receipt in accordance with the prompt payment requirements of State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. However, payments will also be reasonably delayed in order to maximize the city’s investable cash, where such delay does not violate the agreed upon payment terms.
- E. **EMPLOYEE REIMBURSEMENTS/ADVANCES** - Policy set forth in the city’s Policies and Procedures Manual; Reimbursement of Expenses.

#### IX. ASSET MANAGEMENT

- A. **INVESTMENTS** - Investments will be conducted in accordance with the Investment Policy attached as Appendix A.
- B. **CASH MANAGEMENT** - The city’s cash flow will be managed to maximize the cash available to invest.
- C. **FIXED ASSETS AND INVENTORY** - The assets will be reasonably safeguarded and properly accounted for, and prudently insured.
- D. **CAPITALIZATION OF CAPITAL ASSETS** - The capitalization of capital assets will be conducted in accordance with the Capitalization of Capital Assets Policy attached as Appendix B.

#### X. FINANCIAL CONDITION

- A. **NO OPERATING DEFICITS** - Current expenditures will be paid with current revenues. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques.
- B. **RISK MANAGEMENT PROGRAM** - The city will aggressively pursue every opportunity to provide for the public’s and city employee’s safety and to manage its risk.
- C. **ENTERPRISE FUND SELF-SUFFICIENCY** - The Enterprise Funds’ resources will be sufficient to fund their operating and capital expenditures. The Funds pay their fair share of general and administrative expenses incurred by the governmental fund as defined in the city’s Code of Ordinances.

#### XI. DEBT MANAGEMENT

- A. **GENERAL** - The city’s borrowing practices will be conducted in accordance with the City Council’s approval.
- B. **SELF-SUPPORTING DEBT** - When appropriate, self-supporting revenues will pay debt service in lieu of tax revenues.

- C. **ANALYSIS OF FINANCING ALTERNATIVES** - The city will explore all financing alternatives in addition to long-term debt including leasing, grants and other aid, developer contributions, impact fees, and use of reserves or current monies.
- D. **VOTER AUTHORIZATION** - The city shall obtain voter authorization before issuing General-Obligation Bonds as required by law. Voter authorization is not required for the issuance of Revenue Bonds.

## XII. STAFFING AND TRAINING

- A. **ADEQUATE STAFFING** - Staffing levels will be adequate for the fiscal functions of the city to function effectively.
- B. **TRAINING** - The city will support the continuing education efforts of all financial staff including the investment time and materials for maintaining a current perspective concerning financial issues. Staff will be held accountable for communicating, training, and sharing with other staff members all information and training materials acquired from seminars, conferences, and related education efforts. The ~~City Treasurer,~~ *Investment Officer* as required by law, will attend one training session of 10 hours of instruction relating to the Treasurer's responsibilities within 12 months after assuming their duties and, thereafter attend one investment training session every two years consisting of not less than 10 hours of investment instruction.

## XIII. GRANT FINANCIAL MANAGEMENT

- A. **GRANT SOLICITATION** - The city will stay informed about available grants and will apply for any which would be cost beneficial and meet the city's objectives.
- B. **RESPONSIBILITY** - Department Heads will oversee the day-to-day operations of grant programs, will monitor performance and compliance, and will also keep the accounting department informed of significant grant-related plans and activities. The Finance Officer will serve as liaison with grantor financial management personnel, will prepare invoices, and will keep the books of account for all grants.

## XIV. ANNUAL REVIEW

The Financial Management Policy will be reviewed annually by the Finance Officer. Recommended amendments, with the concurrence of the City Administrator, will be presented to the City Council for approval. The City Council, pursuant to Government Code §2256.005, shall adopt, annually, a resolution stating the Investment Policy has been reviewed and, record any changes made thereof.

*Appendix A***INVESTMENT POLICY****I. Policy**

It is the policy of the City to invest public funds in a manner which will provide the highest, reasonable investment return with the maximum security of principal while meeting the daily cash flow demands of the City and conforming to all federal, state, and local statutes governing the investment of public funds. It is also the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust.

The Investment Policy shall be adopted by Resolution as part of the Financial Management Policies. The policy shall be reviewed and adopted by Resolution annually by the City Council.

**II. Purpose**

The purpose of this policy is to comply with Chapters 2256 and 2257 of the Texas Government Code, which requires City Council to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City's funds.

**III. Scope**

This investment policy applies to all financial assets and funds of the City. Funds are defined in the City's audited Annual Financial Report. Funds are created by the City unless specifically exempted by the City Council and this policy.

**IV. General Objectives**

The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, diversification, and yield.

**Safety** - Safety of the principal is the foremost objective of the city. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

**Liquidity** - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated.

**Diversification** - Diversification of the portfolio will include diversification by maturity and market sector.

**Yield** - The investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the investment risk constraints and liquidity needs. Market rate of return may be defined as the average yield of the current six month US Treasury Bill. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Effective cash management is recognized as essential to good fiscal management. Cash Management is defined as process of managing monies in order to ensure maximum cash availability. The City will effectively collect account receivables, practice prudent investment of its available cash, disburse payments in accordance with invoice terms and manage banking services.

## V. Prudence

The standard of prudence to be used by investing officials shall be the "prudent person" rule and shall be applied in the context of managing an overall portfolio. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence 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 expected income to be derived."

**Limitation of Personal Liability** - Investment officials acting in accordance with this policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change is reported in a timely fashion and the appropriate action is taken to control unfavorable developments.

**Ethics and Conflicts of Interest** - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions that conduct business with the City. An investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and City Council.

## VI. Delegation of Authority

The city's Finance Officer, acting on behalf of the city, is designated as the Investment Officer of the city. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. The Investment Officer shall be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and established written procedures.

**Training** - Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties, and shall attend an investment training session not less than once in a two year period and receive not less than 10 hours of instruction relating to investment responsibilities.

## VII. Internal Controls

The City Administrator and Investment Officer are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

## VIII. Safekeeping and Custody

**Authorized Financial Dealers and Institutions** - The Investment Officer will maintain a list of financial institutions and security broker/dealers authorized to provide investment/depository services.

Those firms that request to become qualified bidders for securities transactions must provide one or more of the following as applicable: audited financial statements, proof of National Association of Security Dealers certification, trading resolution, proof of state registrations, certification of having read the entity's investment policy and depository contracts.

**Depository Agreement** - The City shall follow Section 105 of the Local Government Code when entering into a depository agreement for normal banking services including disbursements, collections, and safekeeping. Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository.

**Delivery vs Payment** - All trades with the exception of investment pools and mutual funds will be executed by delivery vs payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.

#### **IX. Authorized and Suitable Investments**

**Eligible Investments** - Assets of the City may be invested in the following instruments as authorized by the Public Funds Investment Act (Section 2256). Only those instruments listed in this section are authorized and will be used as needed to maintain an appropriate diversified portfolio:

1. Local Government Investment Pools which meets the requirements of Chapters 2256.016-2256.019 of the Public Funds Act and are rated no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.
2. Obligations of the United States or its agencies and instrumentalities.
3. Certificates of Deposit issued by a depository institution that has its main office or a branch in Texas. The CD must be guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations in a manner and amount as provided by law.
4. No-load Money Market Mutual Funds that 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or fewer, 3) seek to maintain a net asset value of \$1 for share, and 4) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City may not invest in money market mutual funds in the aggregate more than 80 percent of its monthly average fund balance.

**Collateralization** - Collateralization will be required on all funds on deposits with a depository bank, other than investments. In order to anticipate market changes and provide a level of security, the collateralization level will be one hundred two percent (102%) of market value of principal and accrued interest.

#### **X. Investment Parameters**

**Diversification** - See Section IV; General Objectives

**Maximum Maturities** - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

#### **XI. Investment Strategies**

The City maintains separate portfolios for individual funds that are managed according to the terms of this Policy. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act.

The City maintains a pooled fund group that is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average stated maturity of the investment portfolio shall not exceed one (1) year. The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy.

#### **XII. Reporting**

**Methods** - As required by Government Code 2256.023, on a quarterly basis, the Investment Officer shall prepare and submit to the City Council, a written report of investment transactions that have occurred since the previous report and, the market value of current investments.

**Performance Standards** - The investment portfolio shall be managed in accordance with the objectives specified in this 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. The investment officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.

*Appendix B***CAPITALIZATION POLICY FOR CAPITAL ASSETS**

The purpose of this policy is to establish a capitalization policy for auditing purposes and, to set standards of accounting for City of Fair Oaks Ranch assets according to Government Accounting Standards Board Statement 34 with regard to categories and threshold amounts to be capitalized.

**SECTION 1.** Capital assets categories and thresholds are:

Land/land improvement	Any amount
Buildings/building improvements	\$25,000.00
Infrastructure	\$25,000.00
Personal property	\$ 5,000.00
Leasehold improvements	\$25,000.00

**SECTION 2.** For clarification purposes the above items are generally defined as, but not expressly limited to the following definitions:

Land is the purchase price or fair market value at time of gift, any commissions, professional fees, land excavation, fill, grading, drainage, demolition of existing building (less salvage), property removal (relocation or reconstruction) of others (railroad, telephone, and power lines), date of purchase accrued mortgage interest and any unpaid taxes and right of way cost. Land improvements are considered to be fencing, landscaping structure(s), parking lots, driveway, recreation areas, septic systems, and pavilions.

A building is a structure that is permanently attached to the land, has a roof, and is partially or completely enclosed by walls. A building improvement must extend the life of the building or increase the value of the building. Examples of capitalized building improvements are structural changes & installation or upgrade of roofing, heating & cooling systems, electrical, etc.

Infrastructure is usually considered stationary and can be preserved for a significantly greater number years than most capital assets. They are often linear and continuous in nature. Infrastructure improvements should extend the useful life and /or increase the value by 25% of the original cost or life period. Examples of infrastructure are streets, curbs, gutters, sidewalks, fire hydrants, bridges, dam, drainage facility, radio tower, water main and distribution lines, light systems and signage.

Personal property is fixed or movable tangible assets to be used for operations that has a life beyond one year. Examples of personal property are vehicles, other motor vehicles, furnishings & equipment.

Leasehold improvements are the construction of new buildings or improvements made to existing structures by the lessee, who has the right to use these leasehold improvements over the term of the lease.

*Appendix C***Identity Theft Prevention Program****Purpose**

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.

**Definitions**

*Covered account* means:

1. An account that a financial institution or creditor offers or maintains, primarily for personal, family, or household purposes that involves or is designed to permit multiple payments or transactions. Covered accounts include credit card accounts, mortgage loans, automobile loans, margin accounts, cell phone accounts, utility accounts, checking accounts and savings accounts; and
2. Any other account that the financial institution or creditor offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation or litigation risks.

*Customer* means a person that has a covered account with a financial institution or creditor.

*Identity theft* means fraud committed or attempted using the identifying information of another person without authority.

*Red flag* means a pattern, practice or specific activity that indicates the possible existence of identity theft.

*Service provider* means a person that provides a service directly to the financial institution or creditor.

*Utility* means Fair Oaks Ranch Utilities

**Establishment of an Identity Theft Prevention Program Requirements**

The City of Fair Oaks Ranch establishes an Identity Theft Prevention Program to detect, prevent and mitigate identity theft in connection with the opening of a covered account or any existing covered account. The Program shall include reasonable policies and procedures to Identify Red Flags, to Detect Red Flags, to respond appropriately to Red Flags, to ensure the Program is updated as needed to reflect changes in risks to customers and to the safety and soundness of Fair Oaks Ranch Utilities from identity theft.

**Administration of the Program**

1. City Council approved written Program;

2. The City Administrator or his designee shall be responsible for the development, implementation, oversight and continued administration of the Program;
3. Staff shall be trained, as necessary, to effectively implement the Program; and
4. Appropriate and effective oversight of service provider arrangements shall be made.

### Guidelines

#### A. The Program

The Utility shall incorporate, as appropriate, its existing policies, procedures, and other arrangements that control reasonably foreseeable risks to customers or to the safety and soundness of the financial institution or creditor from identity theft.

#### B. Identifying Red Flags

1. Consider the following *risk factors* in identifying relevant red flags for covered accounts:
  - a. The types of covered accounts offered or maintained;
  - b. The methods provided to open covered accounts;
  - c. The methods provided to access covered accounts; and
  - d. Its previous experience with identity theft.
2. Incorporate relevant red flags from the following *sources*:
  - a. Incidents of identity theft previously experienced;
  - b. Methods of identity theft that reflect changes in risk; and
  - c. Applicable supervisory guidance.
3. *Identify* relevant red flags for covered accounts it offers or maintains:
  - a. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services;
  - b. The presentation of suspicious documents;
  - c. The presentation of suspicious personal identifying information;
  - d. The unusual use of, or other suspicious activity related to, a covered account; and
  - e. Notice from customers, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts.

#### C. Detecting Red Flags

Detect red flags in connection with the opening of covered accounts and existing covered accounts by:

1. Obtaining identifying information about, and verifying the identity of, a person opening a covered account; and
2. Authenticating customers, monitoring transactions, and verifying the validity of change of address requests in the case of existing covered accounts.

#### D. Preventing and Mitigating Identity Theft

The Program shall provide for appropriate responses to detect red flags to prevent and mitigate identity theft. Appropriate responses may include:

1. Monitoring a covered account for evidence of identity theft;
2. Contacting the customer;
3. Changing any passwords, security codes or other security devices that permit access to a covered account;
4. Reopening a covered account with a new account number;

5. Not opening a new covered account;
6. Closing an existing covered account;
7. Not attempting to collect on a covered account or not selling a covered account to a debt collector;
8. Notifying law enforcement; or
9. Determining no response is warranted under the particular circumstances.

#### **E. Updating the Program**

The Program shall be updated as needed to reflect changes in risks to customers and to the safety and soundness of the Utility from identity based on factors such as:

1. The experiences of the Utility with identity theft;
2. Changes in methods of identity theft;
3. Changes in methods to detect, prevent and mitigate identity theft;
4. Changes in the types of accounts that the Utility offers or maintains;
5. Changes in the business arrangements of the Utility, including mergers, acquisitions, alliances, joint ventures and service provider arrangements

#### **F. Methods for Administrating the Program**

*Oversight* shall include:

1. The City Administrator or his designee responsible for the development, implementation, oversight and continued administration of the Program;
2. Staff trained, as necessary, to effectively implement the Program;
3. Exercising appropriate and effective oversight of service provider arrangements;
4. Review of reports prepared by staff regarding compliance; and
5. Approving of material changes to the Program as necessary to address changing risks of identity theft.

*Reports* shall be prepared by the City Administrator, annually:

1. On compliance; and
2. Address material matters related to the Program and evaluate issues such as:
  - a. The effectiveness of the policies and procedures in addressing the risk of identity theft in connection with the opening of covered accounts and with respect to existing covered accounts;
  - b. Service provider agreements;
  - c. Significant incidents involving identity theft and management's response; and
  - d. Recommendations for material changes to the Program.

#### *Oversight of Service Provider Arrangements*

Steps shall be taken to ensure that the activity of a service provider is conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft whenever the Utility engages a service provider to perform an activity in connection with one or more covered accounts.

#### **Duties Regarding Address Discrepancies**

##### **A. Reasonable Belief**

The Utility shall develop and implement reasonable policies and procedures designed to enable them to form a reasonable belief that a credit report relates to the consumer for whom it was requested if

the Utility receives a notice of address discrepancy from a nationwide consumer reporting agency indicating the address given by the consumer differs from the address contained in the consumer report.

**B. Consumer's Address**

The Utility may reasonably confirm that an address is accurate by any of the following means:

1. Verification of the address with the consumer;
2. Review of the Utility's records;
3. Verification of the address through third-party sources; or
4. Other reasonable means.

If an accurate address is confirmed, the Utility shall furnish the consumer's address to the consumer reporting agency from which it received the notice of address discrepancy if:

1. The Utility establishes a continuing relationship with the consumer; and
2. The Utility, regularly and in the ordinary course of business, furnishes information to the consumer reporting agency.

*Appendix D***TAX-EXEMPT FINANCING COMPLIANCE PROCEDURE****ARTICLE I  
DEFINITIONS**

**Section 1.1. Definitions.** Capitalized words and terms used in this Compliance Procedure have the following meanings:

**“Annual Compliance Checklist”** means a questionnaire and/or checklist described in Section 6.1 hereof that is completed each year for the Tax-Exempt Bonds.

**“Bond Compliance Officer”** means the Issuer’s Finance Officer or, if the position of Finance Officer is vacant, the person filling the responsibilities of the Finance Officer for the Issuer.

**“Bond Counsel”** means a law firm selected by the Issuer to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Issuer on matters referenced in this Compliance Procedure.

**“Bond Restricted Funds”** means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

**“Bond Transcript”** means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Compliance Procedure”** means this Tax-Exempt Financing Compliance Procedure.

**“Cost” or “Costs”** means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Project Facility or costs of issuing Tax-Exempt Bonds for a Project Facility.

**“Final Written Allocation”** means the Final Written Allocation of Tax-Exempt Bond proceeds prepared pursuant to Section 5.4 of this Compliance Procedure.

**“Financed Assets”** means that part of a Project Facility treated as financed with Tax-Exempt Bond proceeds as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Issuer and the Tax Compliance Agreement for the Tax-Exempt Bonds.

**“Governing Body”** means the City Council of the Issuer.

**“Intent Resolution”** means a resolution of the Issuer stating (1) the intent of the Issuer to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing and (3) the intent of the Issuer to reimburse Costs of the Project Facility paid by the Issuer from proceeds of the Tax-Exempt Bonds.

**"IRS"** means the Internal Revenue Service.

**"Issuer"** means the City of Fair Oaks Ranch, Texas.

**"Placed In Service"** means that date (as determined by the Bond Compliance Officer) when the Project Facility is substantially complete and in operation at substantially its design level.

**"Project Facility"** means all tangible or intangible property financed in whole or in part with Tax-Exempt Bonds that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

**"Rebate Analyst"** means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

**"Regulations"** means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

**"Tax Compliance Agreement"** means the Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Issuer setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

**"Tax-Exempt Bonds"** means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Issuer or another political subdivision or government instrumentality, the proceeds of which are to be loaned or otherwise made available to the Issuer, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding (or to be outstanding after the completion of the lease purchase agreement to finance installation of energy savings improvements) and subject to this Compliance Procedure as of March \_\_, 2014, is attached as Exhibit A.

**"Tax-Exempt Bond File"** means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution.
- (b) Bond Transcript.
- (c) Final Written Allocation and/or all available accounting records related to the Project Facility showing expenditures allocated to the proceeds of the Tax-Exempt Bonds and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate.
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
  - (1) bid solicitation, bid responses, certificate of broker;
  - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
  - (3) copies of the investment agreement and any amendments.

(g) Any item required to be maintained by the terms of the Tax Compliance Agreement involving the use of the Project Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.

(h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript.

(i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript.

(j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP).

(k) Any available questionnaires or correspondence substantiating the use of the Project Facility in accordance with the terms of the Tax Compliance Agreement for the Tax-Exempt Bonds.

(l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

## ARTICLE II PURPOSE AND SCOPE

### Section 2.1. Purpose of Compliance Procedure.

(a) Issuer's Use of Tax-Exempt Bonds. The Issuer uses Tax-Exempt Bonds to fund Costs of a Project Facility. The Issuer understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Project Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment, use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Issuer recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

**Section 2.2. Scope of Compliance Procedure; Conflicts.** This Compliance Procedure applies to all Tax-Exempt Bonds currently outstanding and all Tax-Exempt Bonds issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any other specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Issuer in the Tax Compliance Agreement, will be noted by the Bond Compliance Officer and incorporated into the Annual Compliance Checklist.

**Section 2.3. Amendments and Publication of Compliance Procedure.** This Compliance Procedure may be amended from time-to-time by the Governing Body. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Issuer.

**ARTICLE III**  
**BOND COMPLIANCE OFFICER; TRAINING**

**Section 3.1. Bond Compliance Officer Duties.** The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with other employees that use the Project Facility to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Bond Counsel, legal counsel to the Issuer, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Governing Body as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

**Section 3.2. Training.**

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Issuer under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Issuer.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Issuer will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Issuer's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

**ARTICLE IV**  
**TAX-EXEMPT BONDS CURRENTLY OUTSTANDING**

**Section 4.1. Tax-Exempt Bonds Covered by Article IV Procedures.** This Article IV applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding as of March \_\_, 2014 (including the lease purchase agreement to finance energy savings improvements by the Issuer to be hereinafter completed); these Tax-Exempt Bonds are listed on Exhibit A.

**Section 4.2. Tax-Exempt Bond File.** As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on Exhibit A.

**Section 4.3. Annual Compliance Checklists.** As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will work with Bond Counsel and/or legal counsel to the Issuer and cause Annual Compliance Checklists to be completed for all outstanding Tax-Exempt Bonds and will follow the procedures specified in Article VI to complete the Annual Compliance Checklists and thereafter include each completed Annual Compliance Checklist in the Tax-Exempt Bond File. A sample Annual Compliance Checklist is attached hereto as Exhibit B.

**Section 4.4. Correcting Prior Deficiencies in Compliance.** In the event the Bond Compliance Officer determines any deficiency in compliance with a Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on Exhibit A, the Bond Compliance Officer will follow the procedures described in

the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Issuer to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Governing Body and obtaining its approval.

**ARTICLE V**  
**COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BOND ISSUES**

**Section 5.1. Application.** This Article V applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

**Section 5.2. Prior to Issuance of Tax-Exempt Bonds.**

(a) Intent Resolution. The Governing Body will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution or ordinance, the Governing Body may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Issuer's costs and expenses incurred to implement this Compliance Procedure.

(c) Tax Compliance Agreement. For each issuance of Tax-Exempt Bonds, a Tax Compliance Agreement will be signed by the Bond Compliance Officer. The Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Assets, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, require a Final Written Allocation, and (4) contain a form of the Annual Compliance Checklist for the Tax-Exempt Bonds. The Bond Compliance Officer will confer with Bond Counsel and the Issuer's counsel regarding the meaning and scope of each representation and covenant contained in the Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each issuance of Tax-Exempt Bonds, the Bond Compliance Officer, in consultation with Bond Counsel, will prepare a preliminary cost allocation plan for the Project Facility. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Tax-Exempt Bonds (the "Financed Assets") and the portions, if any, expected to be financed from other sources.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance

Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

### **Section 5.3. Accounting and Recordkeeping.**

(a) Accounting for New Money Projects. The Bond Compliance Officer will be responsible for accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds. The Bond Compliance Officer will establish separate accounts or subaccounts to record expenditures for Costs of the Project Facility. Where appropriate, the Bond Compliance Officer may use accounts established as part of the Issuer's financial records for this purpose. In recording Costs for the Project Facility, the Bond Compliance Officer will ensure that the accounting system will include the following information: (1) identity of person or business paid, along with any other available narrative description of the purpose for the payment, (2) date of payment, (3) amount paid, and (4) invoice number or other identifying reference.

(b) Accounting for Refunded Bonds and Related Refunded Bond Accounts. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds.

(c) Tax-Exempt Bond File. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

### **Section 5.4. Final Allocation of Bond Proceeds.**

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer is responsible for making a written allocation of proceeds of Tax-Exempt Bonds to expenditures and identifying the Financed Assets. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Tax-Exempt Bond proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facility has been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Bond Compliance Officer will work with Bond Counsel to prepare and/or document the Final Written Allocation for the Project Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money of the Issuer to the Costs of the Project Facility. If no special allocation is required or recommended, the Bond Compliance Officer will allocate Costs of the Project Facility to the proceeds of the Tax-Exempt Bonds in accordance with the Issuer's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to Costs of the Project Facility, (2) the percentage of the cost of the Project Facility financed with proceeds of the Tax-Exempt Bonds (sale proceeds plus any investment earnings on those sale proceeds), (3) the Project Facility's Placed in Service date, (4) the estimated economic useful life of the Project Facility, and (5) any special procedures to be followed in completing the Annual Compliance Checklist (e.g., limiting the Annual Compliance Checklist to specific areas of the Project Facility that the Final Written Allocation or the Tax Compliance Agreement treats as having been financed by Tax-Exempt Bonds).

(c) Finalize Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Annual Compliance Checklist contained in the Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Annual Compliance Checklist.

(d) Review of Final Written Allocation and Annual Compliance Checklist. Each Final Written Allocation and Annual Compliance Checklist will be reviewed by legal counsel to the Issuer or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

#### ARTICLE VI ONGOING MONITORING PROCEDURES

**Section 6.1. Annual Compliance Checklist.** An Annual Compliance Checklist will be completed by the Bond Compliance Officer each year following completion of the Final Written Allocation. Each Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Tax Compliance Agreement or this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Project Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Issuer or Bond Counsel and, if recommended by counsel, will follow the procedure set out in **Section 4.4** hereof to remediate the non-compliance.

**Section 6.2. Arbitrage and Rebate Compliance.** The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

EXHIBIT A

LIST OF TAX-EXEMPT BONDS COVERED BY THIS COMPLIANCE PROCEDURE

1. Leasing Schedule #280-0002457-001 to Master Lease Purchase Agreement between the City of Fair Oaks Ranch, Texas, as lessee, and Siemens Public, Inc., as lessor (Proposed—March \_\_, 2014 Estimated Closing Date).
2. *General Obligation Bond, Series 2015 \$7,000,000 – Roadway Reconstruction*

EXHIBIT B

NOTE THIS SAMPLE ANNUAL COMPLIANCE CHECKLIST IS INTENDED ONLY AS AN ILLUSTRATION AND SHOULD BE MODIFIED TO ACCOUNT FOR SPECIAL CIRCUMSTANCES OF EACH GOVERNMENTAL TAX-EXEMPT BOND ISSUE. FOR EXAMPLE, IF THE PROJECT FACILITY IS TO BE MANAGED UNDER A QUALIFIED MANAGEMENT AGREEMENT THAT BOND COUNSEL HAS APPROVED, ONLY CHANGES TO THAT MANAGEMENT AGREEMENT SHOULD TRIGGER BOND COUNSEL REVIEW, ETC.

SAMPLE  
ANNUAL COMPLIANCE CHECKLIST FOR GOVERNMENTAL TAX-EXEMPT BONDS

Name of tax-exempt bonds (“Bonds”) financing	
Financed Asset:	
Issue Date of Bonds:	
Name of Bond Compliance Officer:	
Period covered by request (“Annual Period”):	

Description of Project Facility

*(Note: in lieu of completing the table below, the Issuer may attach a copy of the Preliminary Cost Allocation or Final Written Allocation, as may be updated from time to time)*

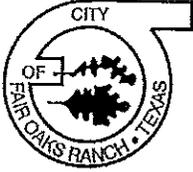
Description	Actual Date Placed in Service	Estimated Useful Life	Actual Total Cost	Actual Amount Financed From Bonds

Item	Question	Response
1 Ownership	Was the entire Project Facility owned by the Issuer during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases & Other Rights to Possession	During the Annual Period, was any part of the Project Facility leased at any time pursuant to a lease or similar agreement for more than 50 days?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
<b>3</b> <b>Management</b> <b>or Service</b> <b>Agreements</b>	During the Annual Period, has the management of all or any part of the operations of the Financed Asset been assumed by or transferred to another entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the management agreement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>4</b> <b>Other Use</b>	Was any other agreement entered into with an individual or entity that grants special legal rights to the Financed Asset?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement?  If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.  If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>5</b> <b>Arbitrage</b> <b>&amp; Rebate</b>	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: \_\_\_\_\_

Date Completed: \_\_\_\_\_



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**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**

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AGENDA TOPIC: Approval of Front Gate Unit 2A Final Plat  
START/END DATE: May 2015/ September 2015  
DEPARTMENT: Public Works  
PRESENTED BY: Adrian Garcia

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**INTRODUCTION/BACKGROUND:**

On May 19, 2015 a Preliminary Plat, subdividing Front Gate Unit 2A, was submitted to the Public Works Department by Alamo Consulting Engineering and Surveying (ACES), Inc. After review and comments, ACES updated the Preliminary Plat and submitted a Final Plat on July 28, 2015 for consideration. On August 6, 2015 a variance request was presented to City Council, by ACES, for discussion of the proposed dimensions of lot 225 and 226. The variance was presented and denied at the August 20, 2015 City Council meeting. A final plat was submitted on September 4, 2015 with the following changes:

1. The dimensions of lot 225 were adjusted to comply with Article III, Section 3, (C) of the City Subdivision Ordinance stating, "Lots that have a long dimension (depth) greater than five times the lots street frontage (width) shall only be permitted with City Council approval."
2. Lots were renumbered to account for the change in dimensions and the greenbelt, lot 237, was expanded.

The proposed detention basin will be located outside of the subdivision as originally planned. The final plat of Front Gate Unit 2A has satisfied all requirements of the City Subdivision Ordinance.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

N/A

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

None

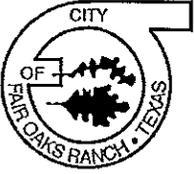
**LEGAL ANALYSIS:**

None

**PROPOSED MOTION:**

I move to grant approval of the final plat that subdivides Front Gate Unit 2A.





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## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

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**AGENDA TOPIC:** Approval of Resolution nominating Bud Paulson for an additional two-year term for director to the Kendall Appraisal District Board of Directors.

**START/END DATE:** September 17, 2015

**DEPARTMENT:** City Council

**PRESENTED BY:** Mayor

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#### **INTRODUCTION/BACKGROUND:**

Since the City, as a taxing unit in Kendall County, votes for Directors on the Kendall Appraisal District Board, the City is entitled to nominate a candidate for each of the seven (7) positions to be filled on the Board.

Section 6.03 of the Texas Property Tax Code states each taxing unity that is entitled to vote may nominate, by resolution, one candidate for each of the positions to be filled on the Appraisal District Board of Directors. The mayor must submit the names of the taxing unit's nominees to the Appraisal District before October 15 so that the nominee can be placed on the ballot.

For over 15 years a city resident has been a Board Director. Mr. Bud Paulson, resident in Stone Creek Ranch, has requested to be re-nominated – see Bio attached.

#### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. Provides information consistency on appraisal issues and changes to City Hall
2. Keeps the City's presence active in the appraisal district(s)
3. Board of Directors set policy for the Appraisal District

#### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

There is no direct City financial / budget item for revenue or expenses.

#### **LEGAL ANALYSIS:**

Kendall Appraisal District must obey the state laws; again, there is no direct legal concerns to the City.

#### **RECOMMENDATION/PROPOSED MOTION:**

Recommend to approve the Resolution nominating Bud Paulson for an additional two-year term for director to the Kendall Appraisal District Board of Directors.

## **Bud Paulson**

Myhre E. "Bud" Paulson is a resident of the Stone Creek Ranch subdivision, Fair Oaks Ranch, Kendall County, Texas. An active volunteer, he currently serves as a mentor for Boerne ISD and is active in the Stone Creek Ranch Homeowners Association as the Chairman of the Maintenance Committee and a member of the Architectural Control Committee, and Landscape Committee. He is a member of the Air Force Association and the Association of Graduates, US Military Academy. He is also a member of the Kendall Appraisal District Board of Directors and has been since 2013. Currently under contract with Academy Associates, LLC, he provides executive recruiting and human resource consulting services. Bud received a Bachelor of Science degree in Military Science and Engineering from the United States Military Academy, West Point, NY and Master of Science degree in Systems Management from the University of Southern California, Los Angeles, CA. He is a graduate of Air Force Squadron Officer School, Air Command and Staff College, Industrial College of the Armed Forces, Air War College, the US Air Force Base Commander's Course and Leadership for a Democratic Society at the Federal Executive Institute.

Bud has over 35 years of professional leadership experience in military and federal government organizations. In December 2011, he was retired from Federal service having served as the Director of the Western Management Development Center (WMDC), US Office of Personnel Management, located in Aurora, CO since May 2004. At WMDC he was responsible for residential leadership development programs, customized training solutions, and organizational consulting services for government employees at all levels. From January 2001 to May 2004, Bud was the Chief Training Officer, Food Safety and Inspection Service (FSIS), US Department of Agriculture and the Director of the FSIS Center for Learning. His duties included planning, developing, directing, and conducting comprehensive education, training, development, and career-counseling programs for over 9,000 employees who performed meat and poultry inspection services nationwide. Prior to joining FSIS, Bud was a consultant for Johnson Controls World Services and for Scientific Applications International Corporation (SAIC).

In July 2000, Bud completed a thirty-year career in the United States Air Force. He is a rated military and commercial pilot. Serving as a crewmember on the B-52 "Stratofortress", he was qualified as a navigator, radar navigator, and instructor pilot for this aircraft. During this time, he logged over 4000 flight hours, 800 combat flight hours, and 84 combat missions during the Southeast Asian conflict. In addition to twelve years of flying duties, he also served in command and staff assignments. His most recent Air Force assignments include Commander Joint Task Force Bravo, Guantanamo Bay, Cuba; Base Commander, Offutt AFB, Bellevue, NE; Chairman, Department of Aerospace Studies (ROTC), Southwest Texas State University, San Marcos, TX; and Deputy Director of Plans and Programs, Air Education and Training Command (AETC), Randolph AFB, TX. As Deputy Director, Plans and Programs, Bud was responsible for training and education resources supporting an 86,000 person command whose mission was to provide initial, continuing, technical, graduate, and executive training for 100,000 students participating daily in over 3,300 courses worldwide.

Bud and his wife, Jane, have two children. Their daughter, Rebecca Martinka, is a Purchasing Supervisor for the State of Texas; she and her family reside in Georgetown, Texas. Their son, Stephen, is an Emergency Medicine Physician and former Air Force Major and Flight Surgeon; he and his family reside in Boerne, TX. Bud and Jane have been blessed with five grandsons.

**RESOLUTION 2015-XX  
NOMINATING A CANDIDATE FOR DIRECTOR TO THE KENDALL  
APPRAISAL DISTRICT BOARD OF DIRECTORS**

**WHEREAS**, the City of Fair Oaks Ranch, is required by Texas Tax Code Section 6.03(g) to file, by October 15, 2015, with the Chief Appraiser a nomination by resolution for positions on the Appraisal District Board of Directors; and,

**WHEREAS**, a portion of the City of Fair Oaks Ranch is serviced by the Kendall Appraisal District.

**NOW, THEREFORE**, be it resolved that the City Council of Fair Oaks Ranch hereby nominates to the Kendall Appraisal District Board of Directors the following candidate for the position of Director for 2015 and 2016:

BUD PAULSON

**PASSED and APPROVED** this 17th day of September, 2015

\_\_\_\_\_  
Cheryl Landman, Mayor

Attest:

\_\_\_\_\_  
P. Abrego, City Secretary

- A. The following personnel changes have occurred:
1. Fulltime HR Specialist, Kim Stahr, hired July 2015
  2. Fulltime Police Administration Clerk, Graciella Mitchell, resigned August 2015
  3. Fulltime Patrol Officer on light duty, Lillian Ramos, covering Police Administration Clerk position, August 2015 until approximately March 2016
  4. Internal transfer of Utility Technician, Mike Davis, to Maintenance Supervisor August 2015
  5. Fulltime Utilities Billing Clerk, Kelly Barbour, resigned August 2015
  6. Reclassification of Utilities Billing duties to Finance Assistant, Amber Kinsey, September 2015
  7. Internal transfer of Administration Assistant, Sandy Gorski, to Utilities Clerk September 2015
- B. Currently recruiting for the following open positions:
1. Administration Clerk (downgraded from Administration Assistant)
  2. Utility Technician

# WORK PLAN STATUS

September 17, 2015

## HUMAN RESOURCE INITIATIVES

- **Classification & Pay Plan / Employee Evaluation Process:** Council received the Final Report and Recommendations Werling Associates at a Special Council Meeting on September 11.
- **Personnel Manual:** Alamo HR Services has completed its final draft for Staff review and presentation to City Council scheduled for the beginning of the 2016 Fiscal Year.

## USE OF TECHNOLOGY AND COMMUNICATIONS

- **IT Support:** Fully implemented.
- **Upgrade Audio/Visual Capabilities of City Council Chambers:** No additional improvements are scheduled for this fiscal year.
- **Enhance Website:** City Website Improvements will continue throughout the remainder of the fiscal year and next fiscal year.

## FINANACIAL MANAGEMENT INITIATIVES

- **Street Bond Issuance:** Engineering of the street bond projects is in progress. Construction is projected to begin January 2017.
- **Separate Operating and Capital Funds:** Separate Operating and Capital Budgets are incorporated in the FY 2015-16 Proposed Budget as well as separate funds for the Street Bond Projects and Tax Supported Debt Service.
- **Multi-Year Capital Improvement Program (CIP):** A Proposed Capital Improvement Program was presented to Council at the City Council Work Session on September 3.

## DEVELOPMENT AND GOVERNANCE ISSUES

- **Strategic Planning Process:** Consideration of the Strategic Planning process has been deferred indefinitely.
- **General Law vs. Home Rule Governance:** Funding has been included in the FY 2015-16 Proposed Budget for the deliberation of the Home Rule Issue.
- **Revisions to City's Subdivision Regulations:** Revisions to the Construction and Maintenance Bond provisions of the Subdivision Ordinance are were presented for Council consideration at the August 20 City Council meeting.
- **Expand Water and Sewer Service into the City's Remaining ETJ:** The Public Utility Commission (PUC) has declared the City's application for extending the water and sewer CCN administratively complete. The City has initiated the appropriate public notices as required by State law. Action is pending with the Texas PUC.
- **Inter-Local Development Agreements (Pending.)**  
Staff is reviewing options proposed from both Bexar and Kendall Counties for the processing of plats in the ETJ.

- **Agreements for Fire Code Enforcement:** An agreement with the Bexar County Fire Marshal was approved by City Council on July 16. Bexar County action remains pending.

#### **ORGANIZATIONAL STRUCTURE AND MANAGEMENT**

- **Office of the City Administrator / City Manager**  
An ordinance creating the position of City Administrator was presented to Council at a Special Council Meeting on September 11 for discussion and direction.

#### **OTHER PROJECTS**

- **Public Safety Building:** Ground breaking for the building was July 16. Construction is underway. The Project Manager will present a status report September 17.
- **Utilities Dashboard:** In Beta testing with approximately 15 customers. Goal to go live in October.
- **Oak Wilt Survey:** Staff will develop a draft ordinance for consideration by Council to better address controlling the spread of oak wilt in FY 2015-16.
- **TCEQ Water System Regulatory Requirements:** TCEQ regulatory action remains pending.
- **Extension of Solid Waste Contract:** The City has executed a contract for a one year extension with Republic Services which includes service to the Woods of Fair Oaks.

**1. National Night Out – Tuesday, October 6, 2015**

Purpose:

- A. annual community-building campaign
- B. promotes police-community partnerships and neighborhood camaraderie
- C. make our neighborhoods safer, better places to live

Neighborhoods –

- A. host block parties, parades, cookouts and other community events
- B. Emphasis on safety demonstrations, visits from emergency personnel and exhibits.

So far it looks like 15 or so FOR neighborhoods planning events and our PD, FIRE, EMS will visit with each.

**2. TXDOT/Ralph Fair Rd. also Hwy 3351**

Casual meeting last week initiated by TXDOT re Hwy 3351 and potential Proposition 7 passing in November 2015. Concept is to include 3351 in AAMPO call for projects as available – improve 3351 to 4-lane highway.

Overall Plan and costs: preliminary plan is do 3351 in segments which have not been established yet. An example, could be 3351 from Old Fredericksburg to Old Paseo Rd as one segment: cost ~ \$ 13-15 Million. Second segment moves up 3351 through FOR to Keeneland maybe: cost ~ \$15 Million + \$8 Million for CC bridge elevation.

This is very preliminary and in the concept stages: Like the IH 10/Fair Oaks Bridge, 10% contribution may apply. More information will be developed as TXDOT continues its study, options, etc.

**3. Water Conservation Workshops – TX A&M AgriLife**

- a. **Rain Barrel Workshop:** Saturday, Sept. 26<sup>th</sup> at City Campus; details on website. Limited seating. RSVP + \$25.00 by Sept. 23<sup>rd</sup>. Flyers on the table tonight or See City Website.
- b. **Winterize Landscape and Irrigation Systems:** Saturday, Nov. 1<sup>st</sup> City Campus (details coming) SAVE THE DATE
- c. **2016 – Tx A & M** already planning for 5 workshops – all on Saturday in the morning at City Campus. Sign up for “notify me” on city website to receive electronic announcements.