



NOTICE OF MEETING
GOVERNING BODY OF MARBLE FALLS, TEXAS
Tuesday, November 15, 2016 – 6:00 pm

A quorum of the Marble Falls Economic Development Corporation
and the Planning & Zoning Commission may be present

Notice is hereby given that on the 15th day of November, 2016 the Marble Falls City Council will meet in regular session at 6:00 pm in the City Hall Council Chambers located at 800 3rd Street, Marble Falls, Texas, at which time the following subjects will be discussed:

1. **CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES AND TO THE TEXAS FLAG.** *“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”*
4. **UPDATES, PRESENTATIONS AND RECOGNITIONS**
5. **CITIZEN COMMENTS.** *This is an opportunity for citizens to address the City Council concerning an issue of community interest that is not on the agenda. Comments on a specific agenda item must be made when the agenda item comes before the Council. The Mayor may place a time limit on all comments. Any deliberation of an issue raised during Citizen Comments is limited to a proposal to place it on the agenda for a later meeting.*
6. **CONSENT AGENDA.** *The items listed are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which case the item will be removed from the Consent Agenda prior to a motion and vote. The item will be considered in its normal sequence on the Regular Agenda.*
 - (a) Approval of the [minutes](#) of the November 1, 2016 regular meeting. **Christina McDonald, City Secretary**
 - (b) Approval of distribution of funds from the [Community Event Fund](#) for holiday lighting on Main St. **Mike Hodge, City Manager**

- (c) Approval of [Resolution 2016-R-11B](#) authorizing the City of Marble Falls to participate in Texas Class Investment Pool. **Margie Cardenas, Finance Director**
- (d) Approval of the 4th Quarterly [Investment Report](#) for the period July 1, 2016 through September 30, 2016 and the Annual Investment Report for Fiscal Year 2015/2016. **Margie Cardenas, Finance Director**
- (e) Approval of [Ordinance 2016-O-11D](#) amending the City of Marble Falls Investment Policy. **Margie Cardenas, Finance Director**

7. REGULAR AGENDA. *Council will individually consider and possibly take action on any or all of the following items:*

- (a) Discussion and Action on awarding a contract for Administrative Services for grant management for the [2016 Community Development Block Grant](#) Wastewater Project. **Margie Cardenas, Finance Director**
- (b) Discussion and Action on awarding a contract for Administrative Services on the application and grant administration, if funded, of the [2017/18 Community Development Block Grant](#). **Margie Cardenas, Finance Director**
- (c) Discussion and Action on an [Agreement](#) with Marble Falls Area Volunteer Fire Department for dispatching services. **Mark N. Whitacre, Chief of Police and Stacy Baker Marberry, Communications Manager**
- (d) Discussion and Action on the appointment of a [Zoning Advisory Committee](#) (ZAC) to work with City staff and consultant, Half Associates, Inc., to develop and recommend updates to the Land Use Regulations/Zoning Regulations and associated City development codes. **Elizabeth Yeh, City Planner**

8. CITY MANAGER'S REPORT

- Storm Damage
- Public Safety Building Ground Breaking

9. EXECUTIVE SESSION

10. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.

11. ANNOUNCEMENTS AND FUTURE AGENDA ITEMS.

12. ADJOURNMENT.

“The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 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), 551.087 (Economic Development), 418.183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code, including, but not limited to, Section 321.3022 (Sales Tax Information).”

In compliance with the Americans with Disabilities Act, the City of Marble Falls will provide for reasonable accommodations for persons attending City Council Meetings. To better serve you, requests should be received 24 hours prior to the meeting. Please contact Ms. Christina McDonald, City Secretary at (830) 693-3615.

Certificate of Posting

I, Christina McDonald, City Secretary for the City of Marble Falls, Texas, do certify that this Notice of Meeting was posting at City Hall, in a place readily accessible to the general public at all times, on the 9th day of November, 2016 at 3:45 pm and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.

/s/ Christina McDonald

Christina McDonald, TRMC
City Secretary

The agenda is also posted on the City’s web site www.marblefallstx.gov

November 15, 2016

6. CONSENT AGENDA

- (a) Approval of the minutes of the November 1, 2016 regular meeting. **Christina McDonald, City Secretary**
-

Background information is attached as follows:

[November 1, 2016 regular meeting minutes](#)

STATE OF TEXAS
COUNTY OF BURNET
CITY OF MARBLE FALLS

On this the 1st day of November, 2016 the Council of the City of Marble Falls convened in regular session at 6:00 pm at the City Hall Council Chambers located at 800 Third Street, Marble Falls, Texas, with notice of meeting giving time, place, date, and subject having been posted as described in Chapter 551 of the Texas Government Code.

PRESENT:

John Packer	Mayor
Jane Marie Hurst	Mayor Pro-Tem
Rachel Austin-Cook	Councilmember
Craig Magerkurth	Councilmember
Ryan Nash	Councilmember
Reed Norman	Councilmember
Richard Westerman	Councilmember

ABSENT: None

STAFF:

Mike Hodge	City Manager
Caleb Kraenzel	Assistant City Manager
Zach Evans	City Attorney
Christina McDonald	City Secretary
Christian Fletcher	EDC Executive Director
Midge Dockery	EDC Business Development Coordinator
Eric Belaj	City Engineer
Mike Ingalsbe	Building Official
Elizabeth Yeh	City Planner
Mark Whitacre	Police Chief
Russell Sander	Fire Chief

VISITORS: Glynis Smith (The Highlander), Dwight Batch (Republic Services), Andi Ball (Congressman Roger Williams Office), Davy Roberts (LSLP), Ray Glosser (Wildflower Village POA President), Bill Smyrl (The Smyrl Group), Jason Coleman (P&Z Commissioner), Steve Reitz (P&Z Commissioner and EDC President), Mark Hodges (EDC Vice President), Scott Streit (First Capital Bank), Davy Roberts (Mustang Ridge Estates LLC and National Land Partners LLC)

1. **CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT.** Mayor Packer called the meeting to order and announced the presence of a quorum.
2. **INVOCATION.** Councilmember Norman gave the invocation.
3. **PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES AND TO THE TEXAS FLAG.** Councilmember Magerkurth led the pledges.

4. **UPDATES, PRESENTATIONS AND RECOGNITIONS**

- **Update from Republic Services.** Dwight Batch gave the update.
- **Update from Marble Falls Economic Development Corporation.** Christian Fletcher, Executive Director gave the update.

5. **CITIZEN COMMENTS.** There were no citizen comments.

6. **CONSENT AGENDA.**

(a) **Approval of the minutes of the October 18, 2016 regular meeting.**

(b) **Approval of Resolution 2016-R-11A adopting the 2016 Burnet County Hazard Mitigation Plan.**

Councilmember Nash made a motion to approve the consent agenda. Councilmember Noman seconded the motion. The motion carried by a unanimous vote (6-0).

7. **REGULAR AGENDA.**

(a) **Public Hearing, Discussion, and Action on the First Reading of Ordinance 2016-O-11A and waiving the second reading regarding a rezoning request from Single-Family Base District (R-1) and Single-Family Attached District (RA-1) to Single-Family Estates Base District (RE-1) for 173.62 acres being a tract of land out of the Logan Vandiver Survey No. 206, Abstract No. 927, the J.M. Roper Survey No. 1517, Abstract No. 1559, the Charles D. Ball Survey No. 25, Abstract No. 126, and the William C.M. Baker Survey No. 202, Abstract No. 123, and Tract No. 9 of the Holly-Naumann Subdivision, Number Three, City of Marble Falls, Burnet County, Texas, located north of the Wildflower Village Subdivision.** Councilmember Magerkurth recused himself stating a conflict of interest. City Secretary Christina McDonald acknowledged a conflict of interest affidavit had been filed. Mayor Packer opened the public hearing. Elizabeth Yeh, City Planner addressed Council. Wildflower Village Property Owners Association President Ray Glosser stated that the POA supports the project. There being no further discussion, Mayor Packer read the caption of the ordinance and closed the public hearing.

Mayor Pro-Tem Hurst made a motion to approve Ordinance 2016-O-11A and waive the second reading. Councilmember Westerman seconded the motion. The motion carried by a vote of 6-0, with Councilmember Magerkurth abstaining.

(b) **Public Hearing, Discussion, and Action on the First Reading of Ordinance 2016-O-11B and waiving the second reading regarding a rezoning request from Single-Family Base District (R-1) and General Commercial Base District (C-3) to Planned Development District (PDD) with base zoning of Neighborhood Commercial Base District (C-1), for 8.52 acres out of the William C.M. Baker Survey No. 202, Abstract**

No. 123, and the Logan Vandivier Survey No. 206, Abstract No. 127, and Lot 2A of the Holly-Naumann Subdivision Number Three. Mayor Packer opened the public hearing. Elizabeth Yeh, City Planner addressed Council. Rose Brasuel, developer, addressed Council. There being no further discussion, Mayor Packer read the caption of the ordinance and closed the public hearing.

Mayor Pro-Tem Hurst made a motion to approve Ordinance 2016-O-11B and waive the second reading. Councilmember Nash seconded the motion. The motion carried by a vote of 7-0.

- (c) **Public Hearing, Discussion, and Action on the First Reading of Ordinance 2016-O-11C and waiving the second reading regarding a zoning text amendment to Sections 690-699 of the District Regulations, Appendix B Land Use Regulations, City of Marble Falls Code of Ordinances, to amend the MH-3 Mobile Home Base District regulations.** Mayor Packer opened the public hearing. Elizabeth Yeh, City Planner addressed Council. There being no further discussion, Mayor Packer read the caption of the ordinance and closed the public hearing.

Councilmember Norman made a motion to approve Ordinance 2016-O-11C and waive the second reading. Councilmember Magerkurth seconded the motion. The motion carried by a vote of 7-0.

8. **CITY MANAGER'S REPORT.** City Manager Mike Hodge provided an update on Land Use Regulations updates.

9. **EXECUTIVE SESSION**

CLOSE OPEN SESSION AND CONVENE EXECUTIVE SESSION Pursuant to §551.071 (*Private Consultation between the Council and its Attorney*) and Pursuant to §551.072 (*Deliberation Regarding the Purchase, Exchange, Lease or Value of Real Property*) of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to discuss the following:

- Consultation with City Attorney regarding Memorandum of Understanding with the Marble Falls Independent School District
- Consultation with City Attorney regarding City owned property

7:10 pm convened to Executive Session

7:45 pm returned to Open Session

10. **RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.** There was no action taken.

11. **ANNOUNCEMENTS AND FUTURE AGENDA ITEMS.** City Manager Mike Hodge reviewed the draft November 15 regular Council Meeting agenda with Council.

12. ADJOURNMENT. There being no further business to discuss, Councilmember Austin-Cook made a motion to adjourn. Councilmember Norman seconded the motion. The motion carried by a unanimous vote (7-0) and the meeting was adjourned at 7:50 pm.

John Packer, Mayor

ATTEST:

**Christina McDonald, TRMC
City Secretary**

DRAFT

November 15, 2016

6. CONSENT AGENDA

- (b) Approval of distribution of funds from the Community Event Fund for holiday lighting on Main St. **Mike Hodge, City Manager**
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



**Council Agenda Item Cover Memo
November 15, 2016**

Agenda Item No.: 6(b)
Presenter: Mike Hodge
Department: Administration
Legal Review:

AGENDA CAPTION

Approval of the distribution of funds from the Community Event Fund for holiday lighting on Main Street.

BACKGROUND

The Community Event Fund was established in 2012 and is funded by citizens contributing a \$1.00 voluntary donation each month on their water bill. The fund has a current balance of \$28,261.00 (as of November 2016).

The EDC and the City have combined efforts to install lighting in the trees along the median of Main Street for the holiday season. This effort will be an annual one with the initial purchase of the supplies, installation and removal to be funded this year. In subsequent years, with the lights already purchased, the City will pay for installation and removal only which is estimated at \$2,500.00.

The initial investment for the lights as well as the installation and removal for 2016 is estimated at \$7,875.00. Funding from the Community Event Fund is requested at \$5,500.

Additionally, the EDC and property owners along Main Street are replacing the worn lights on the building silhouettes. As a property owner, the City would contribute \$1,000 towards lighting of the police department building.

The total request from the Community Event Fund \$6,500.

This holiday lighting is in addition to the expanded lighting along the main thoroughfares, the contribution to Walkway of Lights, and in support of the Chamber's *Community Holiday Lighting Initiative*. These efforts combined are designed to enhance the City's position in the Hill Country Trail of Lights.

November 15, 2016

6. CONSENT AGENDA

- (c) Approval of Resolution 2016-R-11B authorizing the City of Marble Falls to participate in Texas Class Investment Pool. **Margie Cardenas, Finance Director**
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



Council Agenda Item Cover Memo
November 15, 2106

Agenda Item No.: 6(c)
Presenter: Margie Cardenas
Department: Finance Department
Legal Review: Not Applicable

AGENDA CAPTION

Approval of Resolution 2016-R-11B authorizing the City of Marble Falls to participate in Texas CLASS Investment Pool.

BACKGROUND INFORMATION

Texas CLASS is an investment pool that has been around since 1996. Texas CLASS has been very competitive with their interest rates during the last few years. Currently their rates are very close if not higher than LOGIC interest rates, which is the investment pool that we heavily utilize.

Currently both LOGIC and TexPool have been approved by council as authorized investment pools for the City to utilize. TexPool has not been utilized during the last fiscal year because of their low interest rates. Therefore LOGIC is the only investment pool where we have funds invested at this time, due to their rates being higher than TexPool. Because of this, we would like to add another option in bringing in Texas CLASS as an authorized investment pool. This way we can diversify and place funds in any of the three investment pools depending on the rates.

Texas CLASS is in compliant with the rules and regulations set forth by the Public Funds Investment Act. There are no fees charged directly to the City for the investment services. The fees are factored in to the interest rate that is quoted each day. Attached is the resolution and the rate history for the last 12 months.



2016-R-11B

Texas Cooperative Liquid Assets Securities System

Resolution to Participate

WHEREAS, the Public Funds Investment Act, Texas Government Code, Section 2256.001 et seq. (the "Act"), requires the governing body of each local government in this State to adopt investment policies in accordance with the terms of the Act; and

WHEREAS, pursuant to the requirements of the Act, the Board of Trustees (the "Governing Body") of the City of Marble Falls (the "Local Government") has previously reviewed and adopted an investment policy (the "Policy") that provides in part that the funds of the local government will be invested in investments permitted by the Act in order to: (i) invest only in investments legally permitted under Texas law; (ii) minimize risk by managing portfolio investments so as to preserve principal and maintain a stable asset value; (iii) manage portfolio investments to ensure that cash will be available as required to finance operations; and (iv) maximize current income to the degree consistent with legality, safety and liquidity; and

WHEREAS, pursuant to the Policy and the Act, the Local Government has appointed Mike Hodge and Margie Cardenas (the "Investment Officer") to act as the investment officer of the Local Government; and

WHEREAS, the Act provides that funds under the control of a Local Government may be invested through investment pools meeting the standards of Section 2256.016 of the Act; and

WHEREAS, the Local Government has received and reviewed the Information Statement, dated October 1, 2013 (the "Information Statement"), of Texas Cooperative Liquid Assets Securities System, an investment pool administered by Public Trust Advisors, LLC, (the "Program"), which sets forth the information required by Section 2256.016(b) of the Act; and

WHEREAS, the Local Government has determined that the investments proposed to be acquired by the Program are of a type that are permitted by the Act and are consistent with the Policy; and

WHEREAS, the Local Government has determined that an investment in the Program will assist the Local Government in achieving the goals set forth in the Policy, and will tend to preclude imprudent investment activities arising out of investment transactions conducted between the Local Government and the Program; and

WHEREAS, the Local Government understands that the Program operates through the Sixth Amended and Restated Trust Agreement dated as of August 16, 2013 (the "Trust Agreement"), which provides the terms on which the Program will operate and the rights of the participants in the Program and sets forth the responsibilities of Public Trust Advisors, LLC, as the administrator of the Program (the "Administrator"), and of Wells Fargo Bank as custodian (the "Custodian");

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NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LOCAL GOVERNMENT:

That the form, terms and provisions of the Trust Agreement, a draft of which was presented and reviewed at this meeting, providing for the creation of the Program and for the rights of the Program participants and the duties and responsibilities of the Administrator, be and the same are hereby approved and adopted; and that the Investment Officer be and he or she is hereby authorized and directed to execute and deliver to the Administrator and the Custodian in the name and on behalf of the Local Government, a participation certificate evidencing the agreement of the Local Government to be bound by the Trust Agreement substantially in the form of the Trust Agreement reviewed and approved at this meeting, together with such changes therein as may be approved by the said officer, such approval to be conclusively evidenced by the execution thereof; and be it further

Resolved, that the investment program established by the Trust Agreement is hereby found and determined to be consistent with the Policy, and to preclude imprudent investment activities arising out of investment transactions conducted between the Local Government and the Program; and be it further

Resolved, that the Governing Body hereby officially finds and determines that the facts and recitations contained in the preamble of this Resolution are true and correct; and be it further

Resolved, that the Governing Body hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted for the time required by law preceding this meeting, and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and the Act; and be it further

Resolved, that the officers of the Local Government, and each of them, shall be and each is expressly authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Local Government all certificates, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of this Resolution and of the Trust Agreement hereby authorized and approved, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper; and be it further

Resolved, that this Resolution shall take effect and be in full force and effect upon and after its passage.

_____	_____	<u>John Packer, Mayor</u>
Signature	Date	Printed Name
_____	_____	<u>Christina McDonald, City Secretary</u>
Signature	Date	Printed Name

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Texas CLASS Historical Rates (July 2016)

MONTH	30-DAY YIELD
<i>June 2015</i>	<i>0.15%</i>
<i>July 2015</i>	<i>0.16%</i>
<i>August 2015</i>	<i>0.18%</i>
<i>September 2015</i>	<i>0.20%</i>
<i>October 2015</i>	<i>0.21%</i>
<i>November 2015</i>	<i>0.24%</i>
<i>December 2015</i>	<i>0.29%</i>
<i>January 2016</i>	<i>0.42%</i>
<i>February 2016</i>	<i>0.49%</i>
<i>March 2016</i>	<i>0.54%</i>
<i>April 2016</i>	<i>0.57%</i>
<i>May 2016</i>	<i>0.59%</i>
<i>June 2016</i>	<i>0.63%</i>

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The information above is not a recommendation to buy, sell, implement or change any securities or investment strategy, function or process. Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Of course past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

November 15, 2016

6. CONSENT AGENDA

- (d) Approval of the 4th Quarterly Investment Report for the period July 1, 2016 through September 30, 2016 and the Annual Investment Report for Fiscal Year 2015/2016.
Margie Cardenas, Finance Director
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



Council Agenda Item Cover Memo
November 15, 2016

Agenda Item No.: 6(d)
Presenter: Margie Cardenas, Director of Finance
Department: Finance
Legal Review: N/A

AGENDA CAPTION

Approval of the 4th Quarterly Investment Report for the period July 1, 2016 through September 30, 2016 and the Annual Investment Report for Fiscal Year 2015/16.

BACKGROUND INFORMATION

The 4th quarter report shows earnings of \$3,914. The higher earnings this quarter were from the investment pool, Logic at an amount of \$3,169. Followed by the demand deposit accounts at an amount of \$653, these accounts are at three of our local banks. Our weighted average yield is at .370, this rate is below the 6 months T-Bill. Our weighted average maturity rate is approximately 3 days. The majority of the investments, 98%, are in checking accounts and the investment pool. Both of these instruments have a maturity of 1 day, because of their quick liquidity.

The annual report for the fiscal year is also included at this time and total earnings for the year are \$13,276. This is a decrease from last fiscal year, of \$4,684 from \$17,960. The rates continue to be historically low. We received the bond proceeds from the 2016 Series and plan to invest the funds in the investment pools and certificates of deposits in the next 12 months.

**City of Marble Falls
Annual Investment Report
For the Fiscal Year 2015-2016**

Summary of Investments by Type

Description	Value of all Investments at 10/01/15		Value of all Investments at 9/30/16	
	Book Value	Market Value	Book Value	Market Value
Demand Deposits	\$1,234,650	\$1,234,650	\$8,828,477	\$8,828,477
Logic	783,991	783,991	3,120,673	3,120,673
Cert. of Deposit	4,248,000	4,248,000	248,373	248,373
Total:	\$6,266,641	\$6,266,641	\$12,197,523	\$12,197,523

Summary of Investments by Fund Group

Fund Description	at 10/01/15	at 9/30/16	Change
General Fund	\$606,671	\$8,135,567	\$7,528,896
Enterprise Fund	57,064	22,643	(34,421)
Economic Development Corp.	1,060,960	1,294,243	233,283
Debt Service Funds	114,716	66,047	(48,669)
Capital Project Funds	4,265,938	2,525,543	(1,740,395)
Special Revenue Funds	161,292	153,480	(\$7,812)
Total:	\$6,266,641	\$12,197,523	\$5,930,882

Summary of Interest Earnings

By Type of Investments Description	Year-to-Date		By Fund Group Fund Description	Year-to-Date	
	Oct 15 - Sept 16			Oct 15 - Sept 16	
Demand Deposits	\$3,692		General Fund	\$1,782	
Logic	6,682		Enterprise Fund	69	
Cert. of Deposit	2,902		Economic Dev. Corp.	2,890	
Total:	\$13,276		Debt Service Funds	917	
			Capital Project Funds	7,140	
			Special Revenue Funds	478	
			Total:	\$13,276	

The City of Marble Falls Investment Portfolio is in compliance with the investment strategy of its investment policy and the relevant provisions of Chapter 2256 of the Public Funds Investment Act.

Mike Hodge, City Manager/Investment Officer

Margie Cardenas, Director of Finance/ Investment Officer

Date

Date

**City of Marble Falls
Quarterly Investment Report
4TH QUARTER: JULY 1- SEPTEMBER 30, 2016**

Summary of Investments by Type

Description	Value of all Investments at 07/01/2016		Value of all Investments at 09/30/2016	
	Book Value	Market Value	Book Value	Market Value
Demand Deposits	\$1,179,185	\$1,179,185	\$8,828,477	\$8,828,477
Logic	3,117,504	\$3,117,504	3,120,673	3,120,673
Cert. of Deposit	248,373	\$248,373	248,373	248,373
Total:	\$4,545,062	\$4,545,062	\$12,197,523	\$12,197,523

Summary of Investments by Fund Group

Fund Description	at 7/01/2016	at 09/30/2016	Change
General Fund	98,491	8,135,567	\$8,037,076
Enterprise Fund	14,340	22,643	\$8,303
Economic Development Corp.	1,305,479	1,294,243	(\$11,236)
Debt Service Funds	427,658	66,047	(\$361,611)
Capital Project Funds	2,522,866	2,525,543	\$2,677
Special Revenue Funds	176,227	153,480	(\$22,747)
Total:	\$4,545,061	12,197,523	\$7,652,462

Summary of Interest Earnings by Type of Investment

Description	This Quarter	Year-to-Date	Average Interest Rate
	July 16 - Sept 16	Oct 15 - Sept 16	
Demand Deposits	653	3,692	0.250
Logic	3,169	6,682	0.725
Cert. of Deposit	92	2,902	0.150
Total:	\$3,914	\$13,276	

WEIGHTED AVERAGE YIELD **0.370**
BENCHMARK YIELD: 6 Months T-Bill Benchmark Yield **0.450**
1 Year T- Bill Benchmark Yield **0.590**
WEIGHTED AVERAGE MATURITY **3 Days**

The City of Marble Falls Investment Portfolio is in compliance with the investment strategy of its investment policy and the relevant provisions of Chapter 2256 of the Public Funds Investment Act.	
Mike Hodge, City Manager/ Investment Officer	Date
Margie Cardenas, Director of Finance/ Investment Officer	Date

**CITY OF MARBLE FALLS
DEMAND DEPOSIT ACCOUNTS
FOR THE QUARTER ENDED 09/30/2016**

<u>Account Name</u>	<u>Ending Balance at 7-01-2016</u>	<u>Ending Balance at 09-30-2016</u>	<u>Interest</u>
General Fund			
Credit Card Account - FSB	33,161.85	27,207.40	17.27
Operating Account - IBC	35,750.14	35,755.95	5.81
Operating Account - FSB	29,562.75	8,072,586.84	244.16
Insurance Trust - FSB	16.09	17.20	1.11
Total General Fund	98,490.83	8,135,567.39	268.35
Enterprise Fund			
Utility Deposit - IBC	746.88	746.88	0.00
Utility Deposit - FSB	13,592.85	21,895.98	10.96
Total Enterprise Fund	14,339.73	22,642.86	10.96
Economic Development Corporation			
Economic Development Corp.-IBC	243,177.08	243,216.59	39.51
Economic Development Corp - FSB	222,268.37	210,504.27	131.87
Total EDC	465,445.45	453,720.86	171.38
Debt Service			
General Fund I&S - FSB	425,410.11	63,795.49	90.91
Total Debt Service	425,410.11	63,795.49	90.91
Special Revenue			
Police Forfeiture Fund - FSB	85,675.99	63,265.80	50.52
Police Federal Forfeiture Fund - FSB	55,187.63	55,222.31	34.68
La Ventana PID - FSB	5,412.33	2,914.40	2.07
TIRZ Fund-FSB	29,222.56	31,347.82	24.01
Total Special Revenue	175,498.51	152,750.33	111.28
GRAND TOTAL	1,179,184.63	8,828,476.93	652.88

CITY OF MARBLE FALLS POOL INVESTMENTS
AS OF 09/30/2016

LOGIC

Acct Name	Acct Number	GL Acct #	Amount	Interest
Economic Development Corp.	#25	20-1008	592,148.82	488.19
Total EDC			592,148.82	488.19
Police Forfeiture Fund	#16	09-1007	-	-
Police Federal Forfeiture	#23	67-1015	-	-
Hotel/Motel Funds	#15	03-1026	729.33	1.03
Total Special Revenue			729.33	1.03
General Fund Interest & Sinking	#27	04-1034	2,251.82	3.70
Total Debt Service			2,251.82	3.70
WWW System Improvements	#22	44-1020	2,853.99	4.64
C.O. Series 2008	#29	58-1030	156.81	0.13
Gen. Improvement Series 2011	#31	68-1033	2,505,012.07	2,642.99
Utility Improvement Series 2011	#32	45-1031	17,519.71	28.20
Total Capital Improvement			2,525,542.58	2,675.96
GRAND TOTAL			3,120,672.55	3,168.88

CITY OF MARBLE FALLS CERTIFICATE OF DEPOSIT
As of 9/30/2016

<u>CD Name</u>	<u>CD Number</u>	<u>Acct #</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Term of CD</u>	<u>Amount</u>	<u>Int Rate</u>	<u>1st Qtr Int</u>
<u>EDC FUND</u>								
EDC	67827	20-1005.06	04/10/2016	10/06/2016	180 days	248,373.15	0.15	91.86
Total EDC Fund						248,373.15		91.86
GRAND TOTAL						248,373.15		91.86

November 15, 2016

6. CONSENT AGENDA

- (e) Approval of Ordinance 2016-O-11D amending the City of Marble Falls Investment Policy.
Margie Cardenas, Finance Director
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



**Council Agenda Item Cover Memo
November 15, 2016**

Agenda Item No.: 6(e)
Presenter: Margie Cardenas
Department: Finance Department
Legal Review: Not Applicable

AGENDA CAPTION

Approval of Ordinance 2016-O-11D amending the City of Marble Falls Investment Policy.

BACKGROUND INFORMATION

The Investment Policy is reviewed annually as required by the Public Funds Investment Act (PFIA). The purpose in reviewing the policy is to update and allow changes that may be necessary.

The proposed updates to the current Investment Policy are:

- Changing the number of hours of training required from the investment officers, from 10 to 8 hours. The PFIA made the change in 2016.
- Allowing brokered dealers for certificates of deposit. The PFIA allows for this type of investment, the City did not have this in the current policy. We recommend using a brokered dealer, Financial Northeast Companies for certificates of deposit. This gives us diversity on purchasing certificates of deposit from banks all over the country through the broker. Each certificate of deposit will be insured by FDIC.
- Adding another investment pool, Texas CLASS to be an authorized vendor. The City currently has two authorized investment pools, Logic and TexPool. This will give us more flexibility in utilizing the higher yield investment pool, depending on interest rates.

Staff recommends approval of the updates to the existing Investment Policy.

ORDINANCE 2016-O-11C

**ORDINANCE AMENDING THE CITY OF MARBLE FALLS
INVESTMENT POLICY**

AN ORDINANCE AMENDING CHAPTER 18.5 (PUBLIC FUNDS INVESTMENT POLICY) OF THE CODE OF ORDINANCES OF THE CITY OF MARBLE FALLS; ESTABLISHING POLICIES GOVERNING THE INVESTMENT AND SECURITY OF PUBLIC FUNDS; COMPLYING WITH THE PROVISIONS OF CHAPTER 2256, AS AMENDED, TEXAS GOVERNMENT CODE; AND REPEALING ALL PREVIOUS INVESTMENT POLICIES AND ORDINANCES.

WHEREAS, the City of Marble Falls, Texas (the “City) has had a prudent and formal Policy in place governing the investment and management of the City’s funds and financial resources; and

WHEREAS, the City Council of the City of Marble Falls (City Council) desires to amend the current policy as required by Chapter 2256, as amended, Texas Government Code (the “Act);

NOW, THEREFORE, be it ordained by the City Council of the City of Marble Falls, Texas that Chapter 18.5 (Public Funds Investment Policy) hereby be amended as follows:

SECTION I. SCOPE & OBJECTIVES.

1.1 SCOPE

This investment policy applies to all financial assets and funds of the City of Marble Falls, Texas, held in all funds.

1.2 STATEMENT OF CASH MANAGEMENT PHILOSOPHY

The City of Marble Falls will maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City’s bank accounts, the payment of obligations to comply with state law and in accord with vendor invoices, and the prudent investment of idle funds in accord with this policy.

1.3 OBJECTIVES

The City’s investment program will be conducted to accomplish the following objectives, listed in priority order:

1. *Safety*. The City will give priority to the preservation and safety of the principal invested. Investments will be made in a manner that will mitigate credit risk and interest rate risk.

2. *Liquidity.* The City will maintain the availability of sufficient cash to pay obligations of the City when they are due.
3. *Diversification.* Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage.
4. *Yield.* The City will invest idle cash at the highest possible rate of return, consistent with state and local laws and the objectives of safety and liquidity listed above.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

SECTION 2. STANDARD OF CARE.

2.1 PRUDENCE

Investments will be made with judgment and care, under circumstances then prevailing, that 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 and the probable income to be derived. The City Council recognizes that in maintaining a diversified portfolio occasional measured losses due to market volatility are inevitable and must be considered within the contest of the overall portfolio's investment return, provided that adequate diversification has been implemented.

2.2 ETHICS AND CONFLICT OF INTEREST

Officers and employees involved in the investment process will refrain from personal business activity that could conflict with the property execution of the investment program, or which could impair their ability to make impartial investment decisions. The Officer and his/her employees will comply with all disclosure and reporting requirements of Section 2256.005 (1) of the Texas Government Code.

2.3 DELEGATION OF AUTHORITY

The City's Director of Finance is responsible for overall management of the City's investment program and is designated as the City's Investment Officer. In the event the Director of Finance is unavailable, the City Manager may conduct day-to-day emergency investment operations, provided he has been designated an Investment Officer and has met the requirements as such under Chapter 2256.008 of the Texas Government Code. Accordingly, the Director of Finance

and City Manager are responsible for day-to-day administration of the investment program and for the duties listed below:

1. Maintain current information as to available cash balances in City accounts, and as to the amount of idle cash available for investment;
2. Make investments and maintain written procedures for the operation and internal control of the investment program consistent with this policy;
3. Ensure that all investments are adequately secured; and
4. Attend training as required by Section 2256.08 (a) of the Texas Government Code and ensure that any staff executing transactions covered by this policy attends the required training. The investment training shall be attended not less than once in a two-year period and receive not less than 8 hours of instruction relating to investment responsibilities under this policy. The training must be sponsored by a recognized professional trade association or accredited college or university or its affiliate including, but not limited to:

Texas Municipal League
Government Finance Officers Association of Texas (GFOAT)
Government Finance Officers Association of US and Canada
Government Treasurers Organization of Texas
University of North Texas
Texas Tech University for Professional Development
Texas State University

5. Establish an Investment Committee and conduct quarterly meetings to deliberate and prepare for the governing body items such as: performance reports, economic outlook, portfolio diversification, maturity structure, potential risk, compile list of authorized brokers/dealers, and the target rate of return on the investment portfolio. The Investment Committee shall consist of, but is not limited to, the Director of Finance, the City Manager, and selected staff.

SECTION 3. INVESTMENT STRATEGIES.

3.1 OPERATING FUNDS

Operating Funds are defined as cash and investments used for day-to-day operations that do not fall into one of the other categories. Operating funds will be invested in a manner suitable for funds requiring a high degree of liquidity. Investments of Operating Funds shall be limited to a weighted average maturity no greater than one year, and all investment instruments must meet credit and safety criteria as required by the Public Funds Investment Act and this policy. Involuntary liquidation of Operating Fund investments is unlikely due to their short term nature. However, should a liquidation of investments prior to maturity be necessary, their short term

nature will make material losses unlikely. Operating Fund investments will be diverse and include Certificates of Deposit, U.S. treasuries and agencies, investment pools and money market mutual funds. Investment of Operating Funds will be structured to attain the highest possible yield given the liquidity and safety requirements.

3.2 CONTINGENCY RESERVES (or operating reserves)

Contingency Reserves are the minimum fund balance/working capital requirements as defined by Council in the Annual Budget Document. Contingency Reserve balances may be used to cover any cash operating shortfalls due the timing of bond issues, revenue receipts, etc. Investment of these funds may exceed 24 months with prior approval of the City Manager if short term cash flow needs are not evident. Any one security may not exceed 24 months in maturity length. The weighted average maturity for these funds may not exceed 12 months. Involuntary liquidation of Contingency Reserve investments is unlikely due to their nature. However, should a liquidation of investments prior to maturity be necessary, the comparatively longer term nature of some of the investments could result in material losses depending on financial and economic conditions. Contingency Reserve investments will be diverse and include C.D.'s, U.S. treasuries and agencies, investment pools and money market mutual funds. Investment of Contingency Reserves will be structured to attain the highest possible yield given the liquidity and safety requirements.

3.3 DEBT

3.3.1 **Reserves.** Debt reserves are defined as bond reserve funds required to be set aside in accordance with bond covenants. The City's revenue bond covenants permit the City to accumulate a reserve fund or to fund the required amount with a surety or other insurance policy; therefore, the City's investments are not adversely affected by any reserve requirement conditions. Currently the City funds its required bond reserves with a surety policy. In the event the City has bonds that require bond reserves, the reserves will be issued according to this policy.

3.3.2 **Interest and Sinking (or debt service funds).** Interest and sinking funds are defined as those funds accumulated to meet periodic payments required by bond and note maturity schedules. The investment maturities are limited by pertinent debt service requirements and tax laws limiting accumulation and earnings for such funds. Involuntary liquidation of investments is highly unlikely due to the nature of these funds. Interest and sinking fund investments will be diverse and include C.D.'s, U.S. treasuries and agencies, investment pools or money market mutual funds.

3.4 BOND PROCEEDS (capital improvement funds)

Bond proceed funds are defined as those funds received from the sales of City of Marble Falls bonds or notes and not otherwise set aside for debt service or reserve purposes. These funds typically include money to fund infrastructure construction or other large projects. The investment maturities are limited by pertinent project draw requirements and tax laws governing

earnings for such funds, but may not have a weighted average maturity in excess of one year, with no single security greater than 24 months. Involuntary liquidation of investment is highly unlikely. Bond proceed investments will be diverse and include C.D.'s, U.S. treasuries and agencies, investment pools or money market mutual funds.

SECTION 4. AUTHORIZED INVESTMENTS.

4.1 ALLOWABLE INVESTMENTS

The City of Marble Falls funds may be invested in the following instruments:

- 4.1.1 Certificates of Deposit.** Certificates of deposit that are issued by a state or national bank that has its main office or a branch office in the State of Texas and are guaranteed or insured by the Federal Deposit Insurance. All certificates of deposit in excess of the FDIC insured amount must be collateralized as described by Section 2257.023 of the Public Funds Collateral Act. Collateral must be held by a third party and in accordance with Section 5.4 and 5.5 of this policy.

In Addition certificates of deposits may be invested my an investing entity through a broker that has its main office or a branch office in the State of Texas and is selected by the investing entity. The broker arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the amount of the investing entity. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the FDIC. The investing entity appoints a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3 as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

- 4.1.2 U.S. Treasuries and Agencies.** Obligations of the United States of America, its agencies and instrumentalities.

- 4.1.3 Investment Pools.** Investment pools that meet the following criteria:

- a. An investment pool must provide and comply with the following: (1) the investment officer of the City with a detailed prospectus from the pool; (2) detailed periodic reports to the City; (3) be continuously rated “AAA” or “AAA-m”; (4) offer circular or other similar disclosure instruments; and (5) provide monthly transaction reporting as required by Section 2256.016 of the Texas Government Code.
- b. Investment pools authorized by City Council are TexPool, Logic and Texas CLASS.
- c. Investment in a new pool will require the approval of the City Council.

- d. A public funds investment pool created to function as a money market mutual fund must (1) mark its portfolio to market daily, (2) include in its investment objectives the maintenance of a stable net asset value of \$1 for each share and (3) be continuously rated no lower than AAA or at an equivalent rating by at least one nationally recognized rating service.

4.1.4 Money Market Mutual Funds. No-load money market mutual funds if the fund:

- a. Is regulated by the Securities and Exchange Commission;
- b. Marks its portfolio to market daily;
- c. Includes in its investment objectives the maintenance of a stable net asset value of \$1 for each share;
- d. Has a dollar-weighted average stated maturity of 90 days or fewer;
- e. Is continuously rated no lower than AAA or at an equivalent rating by at least one nationally recognized rating service.

4.1.6 Other Investments. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council.

4.2 COMPLIANCE WITH STATE LAW

All authorized investments outlined above must meet the requirements of the Public Funds Investment Act, Section 2256 of the Texas Government Code. No investment may be made in any instrument except as provided above. In accordance with Section 2256.025 of the Texas Government Code, the City may only engage in investment transactions with qualified brokers/dealers that are hereby authorized by the governing body, as listed in Exhibit "A", attached.

4.3 CASH ON HAND

Cash resources required for the immediate needs of the City and not otherwise available for longer term investment will be placed in checking account(s) at the City's Depository/Depositories. Such checking account(s) will earn interest at the highest rate(s) provided in the respective depository contract(s).

4.4 LENGTH OF INVESTMENTS

The following general constraints will apply. Maturities exceeding 12 months will require authorization by the City Manager, with no single maturity greater than 24 months. Maturities will be staggered to avoid undue concentration of assets in a specific maturity sector and maturities selected will provide for stability of income and reasonable liquidity. In no instance

shall the maximum stated maturity be greater than its longest stated debt service requirement unless further restricted in Section 3, Investment Strategies, of this policy; bond covenants or state law.

SECTION 5. SAFEKEEPING AND CUSTODY.

5.1 AUTHORIZED DEALERS

Authorized investments in U.S. treasuries and agencies may be purchased only through brokers/dealers who are licensed and in good standing with the Texas Department of Securities, the Securities Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organization.

The Investment Officer will maintain a list of approved security brokers/dealers principally on the basis of evidenced credit worthiness that are authorized to provide investment services. Before engaging in investment transactions with a broker/dealer, Investment Pool or Money Market Mutual Funds, the Investment Officer will have received from said firm a signed Certification Form. This form will attest that the individual responsible for the City's account with that firm has received and reviewed the City's Investment Policy and that the brokerage firm has implemented reasonable procedures and controls in an effort to preclude imprudent activities arising out of investment transactions conducted between City and the brokerage firm. The letter must be signed by a qualified representative as defined by Section 2256.002 of the Texas Government Code.

“Qualified Representative” means a person who holds a position with a business organization who is authorized to act on behalf of the business organization and who is one of the following:

- (1) A business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;
- (2) for a state or federal bank, a savings bank or state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution.
- (3) For an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool, or
- (4) For an investment management firm registered under the Investment Advisers Act of 1940 or, if not subject of registration under the Act, registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

5.2 AUTHORIZED FINANCIAL INSTITUTIONS

Certificates of Deposit may be purchased at a qualified bank. The City must have a written agreement with the qualified bank and that bank must meet all State Law for deposit of public funds.

5.3 ACKNOWLEDGEMENT OF INVESTMENT POLICY

Every dealer and financial institution with whom the City transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City.

5.4 PRUDENCE

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states:

“Investments shall be made with judgement 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

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and 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 or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

5.5 INTERNAL CONTROLS

All investment transactions will be documented by the Investment Officer. The Investment Officer may make investments orally, but will follow promptly with a written confirmation to the financial institution or broker/dealer, with a copy of such confirmation retained in the City’s files.

On investments in U.S. treasuries and agencies, the Investment Officer will take competitive bids. At least two (2) quotations will be taken for each such investment made.

Market value of the portfolio and each security will be monitored at least quarterly through industry standard publications/sources for market data such as, but not limited to, The Wall Street Journal.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

5.6 SAFEKEEPING

All securities purchased by the City under this policy must be designated as assets of the City, must be conducted on a delivery-versus-payment (DVP) basis, and must be protected through the use of a third-party custody/safekeeping agent. The City will enter into a formal agreement with an institution of such size and expertise as is necessary to provide the services needed to protect and secure the investment assets of the City.

5.7 COLLATERALIZATION

To the extent not insured by federal agencies that secure deposits, City of Marble Falls funds (including cash on hand and C.D.'s) must be collateralized by collateral securities in compliance with the Texas Public Funds Collateral Act and pertinent federal banking regulations. Only securities prescribed as eligible investments under the Public Funds Investment Act qualify as pledged securities.

Securities pledged as collateral must be retained in a third party bank in the State of Texas or with a Federal Reserve Bank in the City's name. The City will provide the original safekeeping receipt on each pledged security. The City, financial institution, and the safekeeping bank(s) will operate in accordance with a master safekeeping agreement signed by each of the parties. Collateral pledged to the City must be approved by the financial institution's board or directors or loan committee, and documented as pledged to the City in the minutes of the meeting. The City's Investment Officer must approve in writing the release of collateral prior to its removal from the safekeeping account in accordance with the terms of depository agreement.

The financial institution(s) with which the City invests and/or maintains deposits will provide monthly a listing of the collateral pledged to the City marked to current market prices. The listing will include total pledged securities itemized by name, type and description of the security; safekeeping receipt number; par value; current market value; maturity date, if available; and Moody's or Standard & Poor's rating, if available.

SECTION 6. REPORTING.

6.1 QUARTERLY REPORTING

The Investment Officer shall prepare and submit to the Council a quarterly report on investment transactions for all funds covered by this policy. The report will be prepared in compliance with the Public Funds Investment Act, and generally accepted accounting practices. The report will cover the investment position of the City at the end of each fiscal quarter. The contents will include at a minimum:

- a. Beginning, ending and significant changes in market value of the portfolio;
- b. Beginning and ending market value and book value, maturity date, type of funds, interest coupon, accrued interest and yield for each separate security; and
- c. A statement as to the compliance with this policy and state law.

6.2 ANNUAL REPORTING

Within 90 days following the end of the fiscal year, the Investment Officer will present to the City Council a comprehensive annual report on the investment program and investment activity. In addition to the information required for quarterly reporting, the annual report will include a review of the activities and return for the twelve months, suggest policy revisions and improvements that might enhance the investment program, and include an investment plan for the ensuing fiscal year.

6.3 PERFORMANCE STANDARDS

In order to evaluate portfolio performance of funds subject to this policy, the City of Marble Falls portfolio will be compared against appropriately competitive and reasonable benchmarks, including money market mutual funds or investment pools of similar make-up and maturities.

6.4 COMPLIANCE

A compliance audit of management controls and adherence to this policy as it relates to the City of Marble Falls' investments and investing activity will be performed on an annual basis in conjunction with the City's annual financial audit if the criteria of Section 2256.023 (d) LGC are met.

SECTION 7. POLICY REVIEW and AMENDMENTS.

This investment policy will be reviewed by the City Council of the City of Marble Falls on at least an annual basis as required by the Public Funds Investment Act and make amendments as necessary. The Council will review the policy as part of the annual investment report presented by staff.

READ, PASSED, APPROVED AND ADOPTED this 15^h day of November, 2016.

John Packer, Mayor

ATTEST:

APPROVED AS TO FORM:

**Christina McDonald, TRMC
City Secretary**

Patty L. Akers, City Attorney

EXHIBIT A

SELECTION OF AUTHORIZED BROKERS/DEALERS

BANKS

American Bank of Texas
BBVA Compass Bank
First State Bank of Central Texas
Grand Bank of Texas
IBC Bank
Northstar Bank of Texas
Security State Bank and Trust

Brokered Dealer
Financial Northeast Companies

INVESTMENT POOLS

Logic
Tex-Pool
Texas CLASS

November 15, 2016

7. REGULAR AGENDA

- (a) Discussion and Action on awarding a contract for Administrative Services for grant management for the 2016 Community Development Block Grant Wastewater Project.
Margie Cardenas, Finance Director
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation\](#)



Council Agenda Item Cover Memo
November 15, 2016

Agenda Item No.: 7(a)
Presenter: Margie Cardenas
Department: Finance Department
Legal Review: Not Applicable

AGENDA CAPTION

Discussion and Action on awarding a contract for Administrative Services for grant management for the 2016 Community Development Block Grant.

BACKGROUND INFORMATION

The City advertised on October 18th, Request for Proposals for grant management services. The deadline for submission was October 31, 2016. The prospective candidate will administer the CDBG 2016 grant. We emailed RFP's to 7 prospects and received one proposal.

The proposal received is from Langford Community Management Services in the amount of \$30,000. The grant administration fees are part of the grant funds and local match funds that were committed in the application. The amount of the grant is \$275,000 and a local match of \$55,000, making the total project \$330,000. This grant will replace a sewer line at the alley between Avenue K and Avenue J.

Staff recommends awarding the contract to Langford Community Management Services in the amount of \$30,000 based on their past satisfactory experience with the City of Marble Falls.

PROPOSED COST OF SERVICES

Our proposed cost of services for grant management of your CDBG contract is a fixed fee of \$30,000 (thirty thousand dollars), which includes all extraordinary and unexpected services such as program amendments, performance statement modifications, change orders, and re-evaluation of the environmental record.

Our firm will pay the costs for the publication of required notices, such as environmental Finding of No Significant Impact and Request for Release of Funds, bid advertisements, and the final public hearing, up to \$1,000. Our fee is payable in the percentages indicated upon the completion of the following milestones:

MILESTONE / TASK	% OF CONTRACT FEE
Establishment of recordkeeping system	15%
Completion of all necessary Civil Rights Activities	15%
Environmental – release of funds	20%
Procurement of construction contractor and submittal of Financial Interest Report(s) for construction costs	25%
50% completion of construction	15%
Filing of all required close-out information	10%

The grant administration fee for this project is included in the grant funds and local match funds that were committed in the application.

HISTORICALLY UNDERUTILIZED BUSINESS

LCMS is a State of Texas Certified Historically Underutilized Business (HUB) and an Equal Opportunity Employer. Please see attached State Certificate.

PROPOSED SCOPE OF SERVICES

LCMS shall provide, as needed, the following scope of services:

A. Project Management

1. Develop a recordkeeping system consistent with program guidelines, including the establishment of a filing system.
2. Maintenance of filing system.
3. Provide general advice and technical assistance to the City/County personnel on implementation of project and regulatory matters.
4. Assist in the procurement of professional consulting engineering services through the request for proposal process, if applicable, and as required by the TxCDBG regulations.
5. Furnish City/County with necessary forms and procedures required for implementation of project.
6. Assist the City/County in meeting all special condition requirements that may be stipulated in the contract between the City/County and TDA.
7. Prepare and submit to TDA documentation necessary for amending the TxCDBG contract.
8. Conduct re-assessment of environmental clearance for any program amendments.
9. Prepare and submit quarterly reports (progress and minority hiring).
10. Prepare Financial Information Report or City/County.
11. Establish procedures to document expenditures associated with local administration of the project.
12. Provide guidance and assistance to City/County regarding acquisition of property:
 - Submit required reports concerning acquisition activities to TDA;
 - Establish a separate acquisition file for each parcel of real property acquired;
 - Determine necessary method(s) for acquiring real property;
 - Prepare correspondence to the property owners for the City/County's signature to acquire the property or to secure an easement; and
 - Assist the City/County in negotiation with property owner(s).
13. Maintain TxCDBG Property Management register for any property/equipment purchased or leased.
14. Serve as liaison for the City/County during any monitoring visit by staff representatives from either TDA or the U.S. Department of Housing and Urban Development (HUD).

B. Financial Management

1. Assist the City/County in proving its ability to manage the grant funds to the state's audit division.
2. Assist the City/County in establishing and maintaining a bank account (Direct Deposit account) and/or separate local Bank Account, Journals and Ledgers.
3. Assist the City/County in submitting the required Accounting System Certification letter, Direct Deposit Authorization Form (if applicable), and/or Depository/Authorized Signatory form to TDA.
4. Prepare all fund drawdowns on behalf of the City/County in order to ensure orderly, timely payments to all contracting parties within the allotted time period.

5. Review invoices received for payment and file back-up documentation.
6. Provide general advice and technical assistance to City/County personnel on implementation of project and regulatory matters.
7. Assist the City/County in establishing procedures to handle the use of any TxCDBG program income.

C. Environmental Review

1. Prepare environmental assessment.
2. Coordinate environmental clearance procedures with other federal or state agencies and interested parties responsible for implementing applicable laws.
3. Document consideration of any public comments.
4. Prepare any required re-assessment of environmental assessment.
5. Prepare Request for Release of Funds and certifications to be sent to TDA.

D. Acquisition

1. Prepare required acquisition reports(s).
2. Obtain documentation of ownership for City/County-owned property and/or Right of Way (ROWs).
3. Maintain a separate file for each parcel of real property acquired.
4. Determine necessary method(s) for acquiring real property.
5. Prepare correspondence with property owners.
6. Assist City/County in negotiations with property owner(s).
7. Prepare required acquisition reports and submit to TDA.

E. Construction Management

1. Establish procedures to document expenditures associated with local construction of the project (if force account is applicable).
 - Assist City/County in determining whether and/or what TxCDBG contract activities will be carried out in whole or in part via force account labor.
 - Assist City/County in determining whether or not it will be necessary to hire temporary employees to specifically carry out TxCDBG contract activities.
 - Assist City/County in maintaining adequate documentation of personnel, equipment and materials expended/used and their costs.
2. Assist City/County in documenting compliance with all federal and state requirements related to equal employment opportunity.
3. Assist City/County in documenting compliance with all federal and state requirements related to minimum wage and overtime pay requirements.
4. Provide assistance to or act as local labor standards officer. Notify TDA in writing of name, address, and phone number of appointed labor standards compliance officer.
5. Request wage rates from TDA.

- 6. Provide sample TxCDBG contract documents to engineer.
- 7. Advertise for bids.
- 8. Make ten-day call to TDA.
- 9. Verify construction contractor eligibility with TDA.
- 10. Review construction contract.
- 11. Conduct pre-construction conference and prepare minutes.
- 12. Submit any reports of additional classification and rates to TDA.
- 13. Issue Notice of Start of Construction to TDA.
- 14. Review weekly payrolls, including compliance follow-ups. Conduct employee interviews.
- 15. Process change orders approved by City/County and the project engineer and submit to TDA prior to execution with the construction contractor.
- 16. Obtain Certificate of Construction Completion/Final Wage Compliance Report and submit to TDA.
- 17. Provide general advice and technical assistance to City/County personnel on implementation of project and regulatory matters.

F. Fair Housing / Equal Opportunity

- 1. Assist the City/County in developing, implementing and documenting new activities to affirmatively further fair housing during the contract period.
- 2. Maintain documentation of all project beneficiaries by ethnicity and gender.
- 3. Assist with the development and administration of the Citizen Participation Plan per 24 CFR Part 91, including grievance procedures.
- 4. Assist with Section 3 requirements per 24 CFR Part 135.
- 5. Prepare all Section 504 requirements per 24 CFR Part 8.
- 6. Provide all applicable equal opportunity provisions and certifications for inclusion in bid packet.
- 7. Ensure adoption of Excessive Force provision per 24 CFR Part 91.
- 8. Ensure the adequate publication of required notices.

G. Relocation

- 1. Prepare and submit local relocation guidelines to TDA for approval.
- 2. Assist City/County in identifying individuals to be relocated and prepare appropriate notices.
- 3. Interview relocatees and identify assistance needs.
- 4. Maintain a relocation record for each individual/family.
- 5. Provide education/assistance to relocatees.
- 6. Inventory local available housing resources and maintain a referral list.
- 7. Issue appropriate notices to relocatees.
- 8. Ensure that all payments are made in a timely manner.

H. Rehabilitation of Private Property

1. Prepare and submit local rehabilitation guidelines to TDA for approval.
2. Assist City/County in establishing escrow account and obtaining TDA approval.
3. Develop outreach and necessary application processing/verification forms.
4. Screen applicants.
5. Prepare work write-ups and cost estimates.
6. Issue Notice to Proceed to construction contractor(s).
7. Conduct interim/final inspections, process final contract documents, and maintain a record of beneficiaries.
8. Maintain client files following TDA requirements.

I. Audit / Close-out Procedures

1. Prepare the final Project Completion Report, including the General Report, Recipient Beneficiary Report, Final Financial Interest Report, and any required documentation regarding citizen participation/equal rights/fair housing and Certificate of Completion.
2. Assist City/County in resolving any monitoring and audit findings.
3. Assist City/County in resolving any third party claims.
4. Provide auditor with TxCDBG audit guidelines.

November 15, 2016

7. REGULAR AGENDA

- (b) Discussion and Action on awarding a contract for Administrative Services on the application and grant administration, if funded, of the 2017/18 Community Development Block Grant. **Margie Cardenas, Finance Director**
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



Council Agenda Item Cover Memo
November 15, 2016

Agenda Item No.: 7(b)
Presenter: Margie Cardenas
Department: Finance Department
Legal Review: Not Applicable

AGENDA CAPTION

Discussion and Action on awarding a contract for Administrative Services on the application and grant administration if funded, of the 2017/18 Community Development Block Grant.

BACKGROUND INFORMATION

The City advertised on October 21st, Request for Proposals for grant management services. The deadline for submission was November 2, 2016. The prospective candidate will prepare the application for the CDBG 2017/18 grant and if funded they will also conduct the grant administration. We emailed RFP's to 7 prospects and received one proposal.

The proposal received is from Langford Community Management Services at no cost for the application process and if funded, the grant administration fees are \$30,000. The amount of the grant we will apply for is \$275,000 with a local match of \$55,000, making the total project \$330,000. The proposed project will be to replace two deteriorating clay sewer lines located at an alley between Broadway and Avenue P, and the other along First Street and Avenue L.

Staff recommends awarding the contract to Langford Community Management Services for the application process and no cost and if funded, grant administration services in the amount of \$30,000.

PROPOSED COST OF SERVICES for TxCDBG Programs

Scope 1:

Our proposed cost of services for grant application preparation services for each program:

- ◆ Texas Community Development Block Grant - No application fee

Scope 2:

Our proposed cost of services for grant management services for each program:

- ◆ Texas Community Development Fund- \$30,000

Our fees include all extraordinary and unexpected services such as program amendments, performance statement modifications, change orders, and re-evaluation of the environmental record.

Our firm will pay the costs for the publication of required notices, such as environmental Finding of No Significant Impact and Request for Release of Funds, bid advertisements, and the final public hearing, up to \$1,000. Our fee is payable in the percentages indicated upon the completion of the following milestones:

MILESTONE / TASK	% OF CONTRACT FEE
Establishment of recordkeeping system	15%
Completion of all necessary Civil Rights Activities	15%
Environmental – release of funds	20%
Procurement of construction contractor and submittal of Financial Interest Report(s) for construction costs	25%
50% completion of construction	15%
Filing of all required close-out information	10%

The grant administration fee for the project is included in the grant funds and local match funds that were/ will be committed in the application.

PROPOSED SCOPE OF SERVICES FOR TxCDBG

LCMS shall provide, as needed, the following scope of services:

A. Project Management

1. Develop a recordkeeping system consistent with program guidelines, including the establishment of a filing system.
2. Maintenance of filing system.
3. Provide general advice and technical assistance to the City/County personnel on implementation of project and regulatory matters.
4. Assist in the procurement of professional consulting engineering services through the request for proposal process, if applicable, and as required by the TxCDBG regulations.
5. Furnish City/County with necessary forms and procedures required for implementation of project.
6. Assist the City/County in meeting all special condition requirements that may be stipulated in the contract between the City/County and TDA.
7. Prepare and submit to TDA documentation necessary for amending the TxCDBG contract.
8. Conduct re-assessment of environmental clearance for any program amendments.
9. Prepare and submit quarterly reports (progress and minority hiring).
10. Prepare Financial Information Report or City/County.
11. Establish procedures to document expenditures associated with local administration of the project.
12. Provide guidance and assistance to City/County regarding acquisition of property:
13. Submit required reports concerning acquisition activities to TDA;
14. Establish a separate acquisition file for each parcel of real property acquired;
15. Determine necessary method(s) for acquiring real property;
16. Prepare correspondence to the property owners for the City/County's signature to acquire the property or to secure an easement; and
17. Assist the City/County in negotiation with property owner(s).
18. Maintain TxCDBG Property Management register for any property/equipment purchased or leased.
19. Serve as liaison for the City/County during any monitoring visit by staff representatives from either TDA or the U.S. Department of Housing and Urban Development (HUD).

B. Financial Management

1. Assist the City/County in proving its ability to manage the grant funds to the state's audit division.
2. Assist the City/County in establishing and maintaining a bank account (Direct Deposit account) and/or separate local Bank Account, Journals and Ledgers.
3. Assist the City/County in submitting the required Accounting System Certification letter, Direct Deposit Authorization Form (if applicable), and/or Depository/Authorized Signatory form to TDA.
4. Prepare all fund drawdowns on behalf of the City/County in order to ensure orderly, timely payments to all contracting parties within the allotted time period.
5. Review invoices received for payment and file back-up documentation.
6. Provide general advice and technical assistance to City/County personnel on implementation of project and regulatory matters.
7. Assist the City/County in establishing procedures to handle the use of any TxCDBG program income.

C. Environmental Review

1. Prepare environmental assessment.
2. Coordinate environmental clearance procedures with other federal or state agencies and interested parties responsible for implementing applicable laws.
3. Document consideration of any public comments.
4. Prepare any required re-assessment of environmental assessment.
5. Prepare Request for Release of Funds and certifications to be sent to TDA.

D. Acquisition

1. Prepare required acquisition reports(s).
2. Obtain documentation of ownership for City/County-owned property and/or Right of Way (ROWs).
3. Maintain a separate file for each parcel of real property acquired.
4. Determine necessary method(s) for acquiring real property.
5. Prepare correspondence with property owners.
6. Assist City/County in negotiations with property owner(s).
7. Prepare required acquisition reports and submit to TDA.

E. Construction Management

1. Establish procedures to document expenditures associated with local construction of the project (if force account is applicable)
 - Assist City/County in determining whether and/or what TxCDBG contract activities will be carried out in whole or in part via force account labor.
 - Assist City/County in determining whether or not it will be necessary to hire temporary employees to specifically carry out TxCDBG contract activities.
 - Assist City/County in maintaining adequate documentation of personnel, equipment and materials expended/used and their costs.
2. Assist City/County in documenting compliance with all federal and state requirements related to equal employment opportunity.
3. Assist City/County in documenting compliance with all federal and state requirements related to minimum wage and overtime pay requirements.
4. Provide assistance to or act as local labor standards officer. Notify TDA in writing of name, address, and phone number of appointed labor standards compliance officer.
5. Request wage rates from TDA.
6. Provide sample TxCDBG contract documents to engineer.
7. Advertise for bids.
8. Make ten-day call to TDA.
9. Verify construction contractor eligibility with TDA.
10. Review construction contract.
11. Conduct pre-construction conference and prepare minutes.
12. Submit any reports of additional classification and rates to TDA.
13. Issue Notice of Start of Construction to TDA.
14. Review weekly payrolls, including compliance follow-ups. Conduct employee interviews.
15. Process change orders approved by City/County and the project engineer and submit to TDA prior to execution with the construction contractor.
16. Obtain Certificate of Construction Completion/Final Wage Compliance Report and submit to TDA.
17. Provide general advice and technical assistance to City/County personnel on implementation of project and regulatory matters

F. Fair Housing / Equal Opportunity

1. Assist the City/County in developing, implementing and documenting new activities to affirmatively further fair housing during the contract period.
2. Maintain documentation of all project beneficiaries by ethnicity and gender.
3. Assist with the development and administration of the Citizen Participation Plan per 24 CFR Part 91, including grievance procedures.
4. Assist with Section 3 requirements per 24 CFR Part 135.
5. Prepare all Section 504 requirements per 24 CFR Part 8.
6. Provide all applicable equal opportunity provisions and certifications for inclusion in bid packet.
7. Ensure adoption of Excessive Force provision per 24 CFR Part 91.
8. Ensure the adequate publication of required notices.

G. Relocation

1. Prepare and submit local relocation guidelines to TDA for approval.
2. Assist City/County in identifying individuals to be relocated and prepare appropriate notices.
3. Interview relocatees and identify assistance needs.
4. Maintain a relocation record for each individual/family.
5. Provide education/assistance to relocatees.
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I. Audit / Close-out Procedures

1. Prepare the final Project Completion Report, including the General Report, Recipient Beneficiary Report, Final Financial Interest Report, and any required documentation regarding citizen participation/equal rights/fair housing and Certificate of Completion.
2. Assist City/County in resolving any monitoring and audit findings.
3. Assist City/County in resolving any third party claims.
4. Provide auditor with TxCDBG audit guidelines.

November 15, 2016

7. REGULAR AGENDA

- (c) Discussion and Action on an Agreement with Marble Falls Area Volunteer Fire Department for dispatching services. **Mark N. Whitacre, Chief of Police and Stacy Baker Marberry, Communications Manager**
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



**Council Agenda Item Cover Memo
November 15, 2016**

Agenda Item No.: 7(c)
Presenter: Mark N. Whitacre, Chief of Police and Stacy Baker Marberry,
Communications Manager
Department: Police Department
Legal Review: N/A

AGENDA CAPTION

Discussion and Action on an Agreement with Marble Falls Area Volunteer Fire Department for dispatching services.

BACKGROUND INFORMATION

In July of 2016, the Marble Falls Area Volunteer Fire Department made inquiry of the City of Marble Falls as to the availability of providing dispatching services.

After several meetings with staff members from both entities discussing expectations and procedural protocol, it was determined the City of Marble Falls could perform all of the tasks requested without additional personnel and/or equipment.

Attached for your review is an Agreement for certain dispatch services between the City of Marble Falls and the Marble Falls Area Volunteer Fire Department specifically detailing the purpose, obligations of both entities, fees, and terms of the agreement. Included in this Agreement is an Attachment "A" which specifically identifies what particular services will be performed by both entities and how. Attachment "B" identifies the specific service area covered within this agreement.

The attached Agreement, including Attachments "A" and "B" will become effective on November 16, 2016 at 12:01 am if approved by the Marble Falls Area Volunteer Fire Department on November 8, 2016 and approved by the Marble Falls City Council on November 15, 2016.

**MARBLE FALLS AREA VOLUNTEER FIRE DEPARTMENT AND CITY OF
MARBLE FALLS AGREEMENT**

For the Provision of Certain Dispatch Services beginning NOVEMBER 16, 2016

This Agreement is made by and between The City of Marble Falls, Texas ("City") and the Marble Falls Area Volunteer Fire Department ("Contracting Entity"), to be effective as of November 16, 2016, 12:01 am.

WHEREAS the Contracting Entity would like to contract with the City of Marble Falls to provide certain radio dispatch services ("Dispatch Services") that would be beneficial to the health, safety and welfare of the residents of the Contracting Entity;

WHEREAS the City of Marble Falls, acting by and through the City's Police Department ("Department"), has facilities and personnel appropriate and sufficient to provide such Dispatch Services to other local governmental entities in need of such services to promote and protect the health, safety and welfare of their residents, and is willing to provide such Dispatch Services for other local governments or local government departments in the geographical area under the terms and conditions of this Agreement;

WHEREAS the Contracting Entity desires to contract with the City to provide Dispatch Services to the Marble Falls Area Volunteer Fire Department whose boundaries for fire protection and rescue services include all of Burnet County Emergency Services District #6 service area together with the City of Meadowlakes city limits and the City of Marble Falls extraterritorial jurisdiction as depicted on map in **Attachment B**;

NOW THEREFORE the City and the Contracting Entity agree as follows:

I.

EXECUTION OF AGREEMENT; FINDINGS BY PARTIES

1. By execution of this Agreement, the Parties hereby make and fully incorporate for all purposes the findings as recited above.

II.

PURPOSE OF AGREEMENT

1. The purpose of this Agreement is to provide a lawful means by which a contracting entity that does not currently have the resources, capability or capacity to provide certain services for itself, or which otherwise finds it convenient, efficient or otherwise appropriate to do so, may obtain such services from the City.
2. The "Dispatch Services" to be provided by the City to the Contracting Entity hereunder are radio dispatch services, including, as appropriate to the particular Contracting Entity and as specifically agreed by and between the City and the Contracting Entity, namely, those services specified in **Attachment A** hereto.

III.
DESIGNATION OF DEPARTMENT TO SUPERVISE AGREEMENT

The Contracting Entity and the City hereby designate the City's Police Department ("the Department"), acting for the City and under its authority, to supervise and administer this Agreement and the performance of the Dispatch Services hereunder. The City may employ personnel, perform administrative activities and provide administrative services necessary to perform this Agreement.

IV.
OBLIGATIONS OF THE CITY

1. The City shall provide the Dispatch Services specified in **Attachment A** for the Contracting Entity, subject to the Department's existing dispatch capability and manpower. The City is not required to increase its capacity or ability to provide dispatch services beyond that in place as of the time of execution of this Agreement by the Contracting Entity, except as expressly agreed by the City in **Attachment A**. The Contracting Entity understands and agrees that the City's dispatch employees are not dedicated specifically to the providing of dispatch services, and that different City employees may provide the Dispatch Services from time to time, according to the City's practices and staffing decisions in effect at the time. The City may from time to time utilize increased dispatch staff, at its sole discretion and election, but has no obligation hereunder to do so, nor, should it do so at any time or from time to time, to continue to do so, except as expressly agreed by the City in **Attachment A**.
2. The City shall establish and communicate to the Contracting Entity any requirements for equipment and staffing necessary or appropriate for the Contracting Entities to receive the Dispatch Services. The City has no obligation to provide equipment or technical assistance to the Contracting Entity, or to train any personnel of the Contracting Entity, or to provide any other assistance, but may provide such assistance as it may elect from time to time, in its sole discretion. The provision of any such elective assistance does not establish a contractual obligation to provide, or to continue to provide, such assistance.
3. The City will ensure that all City personnel who provide Dispatch Services will be trained by the City in basic dispatching operations, record keeping, and appropriate procedures for dispatching Fire Rescue services.
4. The City will be responsible for scheduling and assigning personnel who will provide Dispatch Services, which schedules and assignments shall be made at the City's sole discretion.

V.
OBLIGATIONS OF THE CITY AND CONTRACTING ENTITY

1. The Contracting Entity shall comply with any requirements, obligations or duties stated in **Attachment A**.
2. The Contracting Entity shall cooperate with the Department in accomplishing the Dispatch Services, including but not limited to: following all rules and practices of the Department regarding the Dispatch Services, and responding promptly and fully to Department requests regarding the Dispatch Services.
3. The Contracting Entity shall provide and maintain, at its own expense, whatever equipment is necessary or appropriate to enable it to make use of the Dispatch Services, including but not limited to equipment compatible with the Department's system. Contracting Entity shall upgrade its equipment such that all user equipment shall be compliant with recommendations set by Spillman, the Western Region Radio System, and the Department. Such equipment shall have the characteristics and capabilities as the Department may reasonably deem necessary from time to time, including but not limited to characteristics and capabilities required for updates and upgrades that may be made at the Department's sole discretion from time to time. The City shall have no obligations to provide Dispatch Services if Contracting Entity's equipment is not upgraded to be compatible with City's equipment. The type of equipment needed by Contracting Entity and the deadlines for acquisition of the equipment is described in **Attachment A**.
4. The Contracting Entity shall make payments of all Annual Fee installments promptly and timely. Payments must be made from current revenues of the Contracting Entity.
5. The Contracting Entity shall designate a contact person (or position) who shall be the person with whom the Department communicates regarding matters and issues related to the provision and coordination of the services.
6. The City and Contracting Entity shall comply with all applicable federal, state and local laws and regulations regarding or applicable to the Dispatch Services.
7. The City and the Contracting Entity shall promptly make such written reports as each Party may reasonably require from time to time.
8. The Contracting Entity shall promptly provide the Department and the Dispatchers with all applicable mapping and routing information, and staffing and on-call rosters necessary or appropriate to perform the Dispatch Services, and shall update this information from time to time as needed or appropriate to ensure that the Dispatchers have current mapping and routing information, and staffing and on-call rosters at all times.

VI. FEES

1. The Annual Fee for the Dispatch Services for the term of this Agreement shall be \$12,900.00 for the initial contract year. Fees for subsequent years of dispatch service shall be negotiated on an annual basis. Such fee for the first year of this Agreement may be prorated depending upon the commencement date for the Dispatch Services.

2. Any costs, expenses or other charges identified in **Attachment A** hereto which are attributable to or assessed to the Contracting Entity are payable by the Contracting Entity in addition to the Annual Fee.
3. The Annual Fee is payable by the Contracting Entity in four (4) equal quarterly installments ("Quarterly Installment"), each of which shall be due in advance for the Dispatch Services for the respective quarter, that is, on or before: October 1 (for the first year of services, prorated for the portion of the year and/or quarter when services commence) January 1, April 1 and July 1. Payment shall be in a manner acceptable to the Parties. As a reminder to the Contracting Entity, the City will invoice the Contracting Entity prior to the next payment due date, but it shall be the Contracting Entity's responsibility to ensure that required payments are timely made.
4. The Parties acknowledge and agree that the Dispatch Services to be provided by the City under this Agreement are based solely on currently existing levels of service demands, public convenience, and existing needs and necessity of the residents of the City of Marble Falls and the residents of the Contracting Entity, and that if such levels of demand should change in the future, amendments to this Agreement may be required. The Parties agree to work together in good faith to accommodate any such increased demands. This agreement contemplates the provision of Dispatch Services within the areas served by the Marble Falls Area Volunteer Fire Department which includes the boundaries of Burnet County Emergency Services District #6, the city limits of the City of Meadowlakes and the extraterritorial jurisdiction of the City of Marble Falls (Base Services) as depicted on the maps in **Attachment B**, the boundaries of which are collectively referred to herein as the "Service Area". Should Contracting Entity desire to expand the coverage of Dispatch Services beyond the Service Area, this Agreement would first need to be amended.
 - a. If during the term of this Agreement there is an increase in demand, within the Service Area, the Contracting Entity may be required to cover the increased costs to the City for staffing, training, equipment, telephone or other applicable contractual services, overhead, and other costs associated with increasing the capacity of the Dispatch Center to respond to such increased demand. In such case, the Parties will mutually agree to the increased cost and shall amend this Agreement before Contracting Entity is responsible for the increased costs. If Contracting Entity does not agree to pay the increased costs, then City may terminate this Agreement or continue to provide Dispatch Services without the increased costs at its option. If City chooses to terminate pursuant to this provision, City shall provide Contracting Entity 30 days written notice and Contracting Entity shall not be responsible for payment of any unpaid Annual Fee after the date that Dispatch Services have ceased.
 - b. If during the term of this Agreement, Contracting Entity wishes to expand the Service Area ("New Area") for Dispatch Services, the Annual Fee shall be adjusted as of such date ("New Area Effective Date") to reflect the resulting increase in call volume attributable to such increased service area; provided, however, that the New Area Effective Date shall be subject to the City's approval of the adjusted Annual Fee, and the Parties' mutual agreement to amend this Agreement before City is responsible for providing Dispatch Services to the New Area and before Contracting Entity is responsible for the increased costs. If Contracting Entity does not agree to pay the increased costs, or if City does not agree to provide Dispatch Services to the New Area, then City may terminate this Agreement, or may continue to provide Dispatch Services to the original Service Area without service to the New Area at its option.

- c. If there are records available that document the dispatch demand (call volume) attributable to the New Area for a period prior to the New Area Effective Date that reliably documents the annual dispatch demand for the New Area, that dispatch demand shall be used to calculate the increase in the Annual Fee.
7. The City shall own any and all equipment and software or other materials or property acquired for and used by the City from time to time in the provision of the Dispatch Services ("Necessary Equipment"), regardless of whether the Annual Fee or any increase in such Annual Fee is based in part, directly or indirectly, on the cost of owning or operating Necessary Equipment. The Contracting Entity is responsible for the acquisition, maintenance, repair and replacement, and any other associated costs for any equipment, hardware, software, materials, real property, third-party services, or personnel needed or appropriate from time to time for Contracting Entity to make use of the Dispatch Services.

VII. TERM; RENEWAL

1. The Initial Term of this Agreement shall be for twelve months (one year) commencing on November 16, 2016, 12:01 am.
2. Thereafter, this Agreement shall automatically renew for succeeding one-year Renewal Terms, commensurate on October 1 of each year, unless either party has given the other Party at least one hundred twenty (120) days' prior written notice that it does not wish to renew this Agreement.

VIII. TERMINATION

1. After the Initial Term of this Agreement, either party to this Agreement may terminate this Agreement at the end of the Agreement term, without penalty, with or without cause, by giving written notice to the other party at least one hundred twenty (120) days' prior to the end of the term. If termination occurs pursuant to this provision of the Agreement, each Party shall be responsible to the other Party to complete all obligations of the Agreement until the end of the Agreement term.
2. The City or Contracting Entity may terminate this Agreement at any time for cause, by giving written notice to the other Party, together with sufficient detail to describe the breach complained of as the basis for such termination for cause, and providing the other Party ten (10) business days to cure the alleged breach, unless, in the reasonable judgment of the Parties, such breach cannot or will not be cured. Cause for such termination may be, but is not limited to, failure of the Contracting Entity to, *e.g.*, make payments timely and in full when due; maintain appropriate equipment necessary to receive the Dispatch Services; adequately staff for responses to service calls, with appropriately trained personnel, so that the City's delivery of Dispatch Services requires excessive Dispatcher time; cooperate reasonably with the City in effecting the delivery of the Dispatch Services, or other failure to cooperate as requested that materially compromises the ability of the City to deliver the Dispatch Services timely and efficiently; or any acts or omissions of the Contracting Entity or its personnel that compromise or threaten to compromise the ability of the City to deliver dispatch services to other contracting entities. If termination occurs by City pursuant to this provision of the Agreement, Contracting Entity shall remain liable to City for the remaining portion of the Annual Fee until the end of the Agreement term. If termination occurs by Contracting Entity because of a breach by City,

contracting Entity shall not be responsible for the remaining unpaid portion of the Annual Fee.

IX. CONSULTATION

1. At least once per calendar quarter, beginning three months after the beginning of the Initial Term of this Agreement, the parties' designated Contact Persons will meet or otherwise communicate to discuss and determine whether the Dispatch Services being provided by the City are sufficient and satisfactory to the Contracting Entity.
2. If it is determined that additional City Personnel are required to fulfill the needs of the Contracting Entity, the parties will work together in good faith to determine appropriate staffing levels.
3. The parties may consider from time to time whether any modifications to this Agreement may be appropriate and may be mutually agreed.
4. The City will receive and consider suggestions from the Contracting Entity from time to time concerning City procedures and policies, and will make a good faith effort to accommodate such suggestions, in its sole discretion, to the extent that (i) adopting or implementing such suggestions would not result in practices or procedures that the City, in its sole judgment, determines might materially interfere with, be contradictory to or inconsistent with, or require a material alteration of the City's customary manner of provision of such services for its own residents, and (ii) does not increase the costs of providing the Dispatch Services.

X. LIMITATION OF LIABILITY; SOLE REMEDY; ASSIGNMENT OF RESPONSIBILITY FOR CIVIL LIABILITY; INDEMNITY

1. The City provides the Dispatch Services in the manner, and according to the practices and procedures by which, the City provides such services for itself. The City makes no warranties or representations that such services will have any particular quality or adequacy for the needs of the Contracting Entity.
2. Each party to this Agreement assumes full risk and responsibility for any claims, damages, costs, penalties, fines and expenses, including attorney fees, for injury to or death of any person and for damages to or loss of property arising in whole or part, directly or indirectly, as a result of that party's conduct pursuant to this Agreement or the provision of the Dispatch Services hereunder.
3. The City shall have no liability of any kind to the Contracting Entity for or arising from the provision of the Dispatch Services. The Contracting Entity's sole remedy under this Agreement shall be termination of this Agreement.
4. The Parties to this Agreement agree that any civil liability arising from or related to the services provided under this Agreement shall be solely the responsibility of, and shall lie exclusively with, the Party that actually incurred the liability.

5. Nothing in this Agreement is intended to or shall have the effect of adding to or changing the liability limits and immunities for a governmental unit provided by the Texas Tort Claims Act, Texas Civil Practice and Remedies Code Chapter 101, or other applicable law.
6. To the extent permitted by law, each Party agrees to indemnify and hold harmless the other Party, including its officers, employees, agents and representatives, from and against any and all third party claims of any kind arising from or related to each Party's own conduct performed in accordance with this agreement, including, without limitation, costs of court, awards of damages, fines or penalties, reasonable attorney fees and other costs of defense or of settlement, attempted settlement or alternative dispute resolution.

XI. MISCELLANEOUS

1. Applicable law. The parties to this Agreement designate the law applicable to the City as the law applicable to this Agreement and to the provision of the Dispatch Services.
2. Governing law. This Agreement shall be governed by the laws of the State of Texas, without giving effect to its choice of laws principles, and the Charter and ordinances of the City of Marble Falls.
3. Venue. Venue for any actions arising from or related to this Agreement shall be and lie exclusively in the state and county courts of Burnet County.
4. Force Majeure. If either Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall mean: acts of God; acts of the public enemy, or war; orders of any kind of any governmental entity or any civil or military authority; acts, orders or delays thereof of any regulatory authorities with jurisdiction over the parties; insurrections, riots, civil disturbances, explosions, or epidemics; arrests or restraints of government and people; strikes, lockouts, or other industrial disturbances; landslides, lightning, earthquakes, fires, hurricanes, tsunamis, tornadoes, ice ages, floods, washouts, droughts, or other acts of Nature; breakage of, damage to, or accidents involving necessary machinery or other infrastructure; interruption or other limitation of fuel or other necessary supplies or utilities or utility services; or any other conditions that are not within the reasonable control of the party claiming force majeure. It is understood and agreed that the settlement of strikes and lockouts affecting a party hereto shall be entirely within the discretion of that party, and that the above requirement that any condition of force majeure shall be remedied with all reasonable dispatch shall not, however, require the settlement of strikes, lockouts or other industrial disturbances by acceding to the demand of the opposing third party or parties when such a settlement is determined to be unfavorable or undesirable to the affected party hereto in the sole judgment of that party.
5. Duplicate original counterparts; other similar agreements distinct. This Agreement may be executed in duplicate original copies by the parties. Similar agreements by and between the City and other contracting entities may be made; each such separately executed version of this Agreement is and

shall constitute a separate and distinct agreement between the City and the particular other contracting entity, but does not create obligations or rights as between contracting entities.

6. No third party beneficiaries. This Agreement is not intended to and does not create rights or remedies in favor of any third parties.
7. Complete agreement; amendment in writing. This Agreement, including **Attachment A**, is the sole agreement between the parties concerning the subject matter hereof, and supersedes any and all prior understandings, agreements, representations or undertakings between the parties concerning that subject matter. This Agreement may be amended or modified only by a writing duly executed by both parties. No official, employee, agent or representative of either party has the authority to amend or modify this Agreement without the official approval of that party's governing body.
8. No exclusivity. This Agreement does not create any exclusive rights in the Contracting Entity regarding the City's provision of dispatch services; and the City may provide such services to other local government entities as may be permitted by law.
9. No assignment. This Agreement is not assignable in whole or part by either party without the express written consent of the other; provided, however, that the City may, in its discretion, contract with third parties to assist the City to provide services hereunder.
10. Non-waiver. Any act of forbearance by either party will not constitute and will not have the effect of an amendment of this Agreement. The failure of either party to exercise any right under this Agreement under certain circumstances does not imply a waiver of such right under like circumstances later occurring.
11. Notice. Any notice required to be given under this Agreement by one party to the other must be in writing, and is deemed to have been given (i) immediately if delivered in person to, or (ii) within three business days after the mailing of the notice if placed in the United States Mail, postage prepaid, by registered or certified mail with return receipt requested, and addressed to: the person named below at the address specified below (or to such person at such address as the party being notified has from time to time designated in writing to the notifying party) .

For notice to the City:

Chief of Police, City of Marble Falls
209 Main Street
Marble Falls, Texas 78564
(830) 693-3611

For notice to the Contracting Entity:

Fire Chief, Marble Falls Area Volunteer Fire
606 Avenue U
Marble Falls, Texas 78654
(830) 637-7174

12. Severability. If any part of this Agreement is held unenforceable by a court of competent jurisdiction and authority, the remainder of the Agreement shall be construed as if that portion held unenforceable were not part of the Agreement, and effect shall be given to the remainder of the Agreement to the extent possible without internal contradictions created by such severance.
13. Conflict between Agreement and Attachment A. In the event of a conflict between the provisions of this main body of this Agreement and the terms provided in **Attachment A**, the provisions of this Agreement shall control and be given predominant effect.

ACCEPTED AND APPROVED:

CITY OF MARBLE FALLS

CONTRACTING ENTITY

Marble Falls Area Volunteer Fire

Department

By: _____

By: _____

Name printed: John Packer

Name printed: George Tennison

Title: Mayor

Title: MFAVFD, President

Date: _____

Date: _____

ATTEST:

Christina McDonald, City Secretary

Jeanette Tennison, MFAVFD, Secretary

APPROVED AS TO FORM:

Patty L. Akers, City Attorney

Ken Campbell, Attorney

ATTACHMENT A
To Dispatch Agreement between
The City of Marble Falls and the Marble Falls Area Volunteer Fire Department

DISPATCH SERVICES

1. The City, acting through its officers, employees, contractors, agents and representatives (hereinafter collectively, "Personnel"), shall provide Dispatch Services to the Contracting Entity's fire rescue department's "Service Area" as described in the Agreement, see map, **Attachment B**.

2. DISPATCHING

2.1 Two types of Dispatch Services shall be provided; 911 Dispatch Services and non-emergency Dispatch Services (collectively "Dispatch Services"). The City will provide Contracting Entity's 911 and non-emergency calls for fire rescue with Dispatch Services twenty-four hours per day, seven days a week ("24/7").

2.2 At all times during the Initial Term of this Agreement and any Renewal Terms, the City will maintain a radio communication dispatch center ("Dispatch Center") at which to receive requests for service and from which to dispatch Contracting Entity's fire rescue personnel to respond to such service requests. The City shall be solely responsible for scheduling and staffing the Dispatch Center. The Dispatch Center shall be located at the Marble Falls Police Department's main offices, currently located at 209 Main Street, Marble Falls, Texas, or at such other location as the City may determine in its sole discretion from time to time.

2.3 The City will provide an adequate number of persons to provide the Dispatch Services to Contracting Entity as provided herein, and will ensure that the persons providing the actual radio dispatch services ("Dispatchers") are trained by the City in procedures concerning dispatching requirements and procedures appropriate to police, fire and EMS dispatching and record-keeping.

2.4 The Dispatcher(s) will service requests, directed to the Marble Falls Dispatch Center (to be located at the Marble Falls Police Department) by residents of the Contracting Entity or other persons in the Contracting Entity's Service Areas.

2.5 The Dispatcher(s) will dispatch Contracting Entity's fire rescue in a manner consistent with the City's training, instruction, procedures, practices, and policies, and consistent with how the City dispatches its own services.

2.6 All calls for the Contracting Entity's fire rescue agency shall be dispatched by the City on the Western Region Radio System, on talk groups specified by dispatch to ensure interoperability.

2.7 The Contracting Entity will provide the Marble Falls Police Department and the City's Dispatchers with all applicable current mapping and routing information, personnel and on-call rosters, and vehicle identifier numbers that are necessary 'or appropriate to allow the City to perform the Dispatch Services efficiently . The Contracting Entity shall update this information

from time to time as needed or appropriate to ensure that the Dispatchers have current mapping and routing information, personnel and on-call rosters, and vehicle identifier information at all times. 2.8 The City will likewise provide to Contracting Entity maps and routing information, personnel and on-call rosters as requested by the Contracting Entity.

3. EQUIPMENT AND CALL VOLUME CAPACITY

3.1 The City shall provide and pay all costs associated with the purchase, installation, maintenance, repair and replacement of all radio communications and other equipment to be located at the Dispatch Center ("Equipment").

3.2. Notwithstanding that any fees payable by Contracting Entity for the Dispatch Services may be applied by the City to the costs associated with the Equipment, the Equipment shall be and shall remain the property of the City; and the Equipment may be removed from the Dispatch Center by the City, at its sole expense, in the event of the termination of this Agreement. The City may utilize the Equipment for services other than the Dispatch Services, or may use the Equipment to provide dispatch services to other local governmental entities, in its sole discretion.

3.3 The Contracting Entity shall be fully responsible for acquiring, installing, maintaining, repairing and the use of any equipment required by the Contracting Entity to utilize the Dispatch Services, and for all staffing it may need to utilize those services, including the training of such staff. Mobile Hardware/Software costs include, but are not limited to, Spillman Mobile Licenses, Netmotion, Computrace, Rocket Router, Wireless Air Card, and other Hardware/Software recommendations by the City.

3.4 The parties agree that, should the Dispatch Center be relocated during the Initial Term of this Agreement or any Renewal Term, the parties will work together in good faith to coordinate equipment relocation and the dispatching services transition in a manner designed to avoid material disruption or degradation of the Dispatch Services.

4. DOCUMENTATION

The City agrees to make available and provide to the Contracting Entity and each of the Contracting Entity's departments for which Dispatch Services will be provided hereunder, at the Contracting Entity's sole cost, copies of pertinent literature and/or documentation that the City and the Contracting Entity agree will be needed by the Contracting Entity's departments in order to permit them to use the Dispatch Services.

5. CONFIDENTIALITY; NONDISCLOSURE; OPEN RECORDS

5.1 Unless otherwise required by law, no information regarding service requests dispatched by the City will be disclosed to third parties, without the written consent of the Contracting Entity

and the persons involved in or served by the service call; provided, however, that the City may disclose such information if required by applicable law or regulation, or by order or other request of a court or governmental agency of competent jurisdiction.

5.2 The Contracting Entity has access to computerized call and disposition records for all service calls made by residents of the Contracting Entity's Service Areas ("Contracting Entity Calls"). It therefore is the responsibility of the Contracting Entity to provide responses to requests made for such records under the Texas Public Information Act ("TPIA") and all other applicable laws. If the City provides assistance to the Contracting Entity on request, or if, because the City is providing Dispatch Services, the City is legally obligated under the TPIA or applicable law to respond to such requests related to Contracting Entity Calls, the City shall have the right to bill the Contracting Entity for the costs and expenses of providing such assistance or in making such required responses, including the cost of staff and attorney time provided. The Contracting Entity agrees to promptly pay the City for such costs and expenses upon receipt of an invoice.

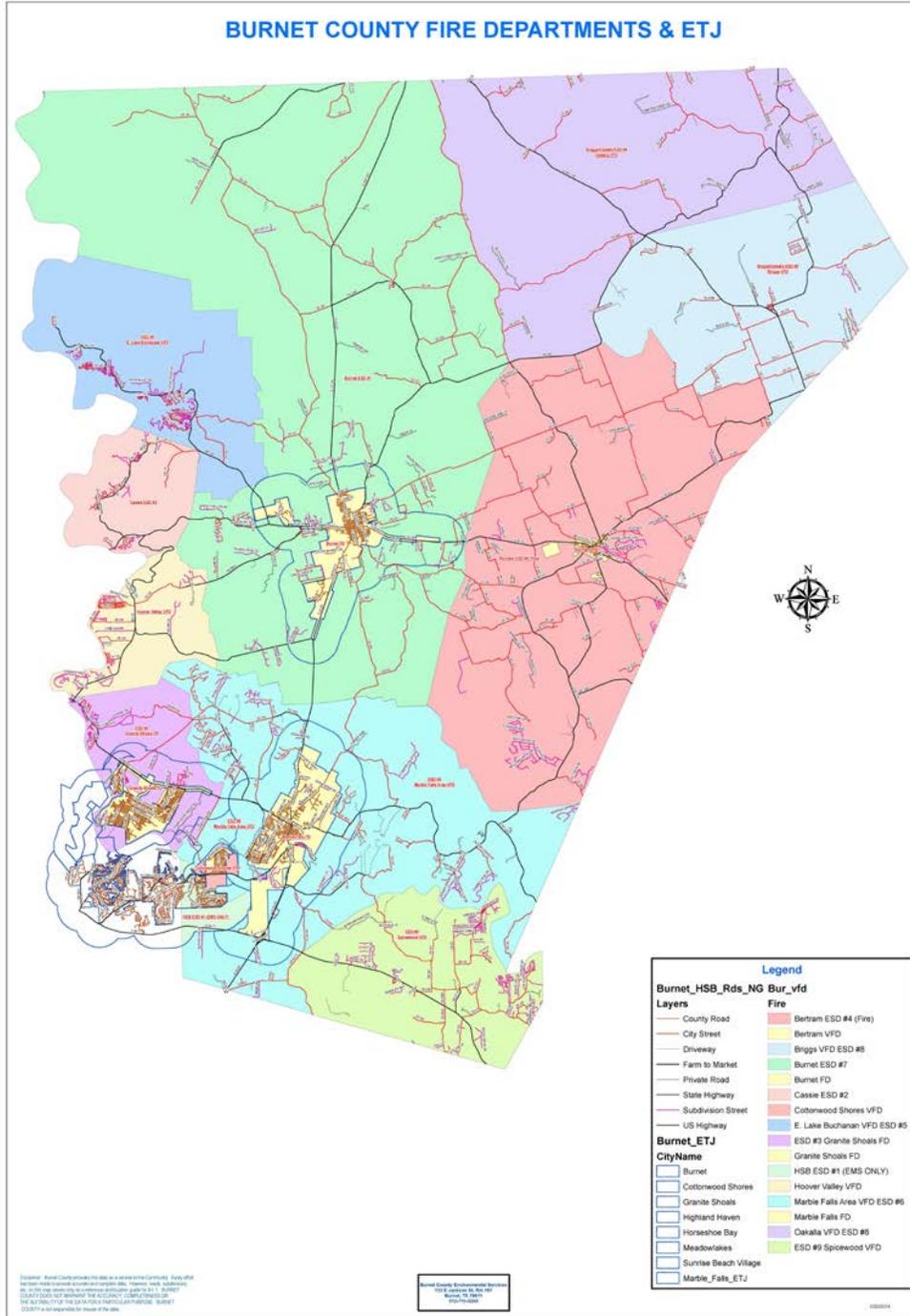
6. RECORD KEEPING AND REPORTING

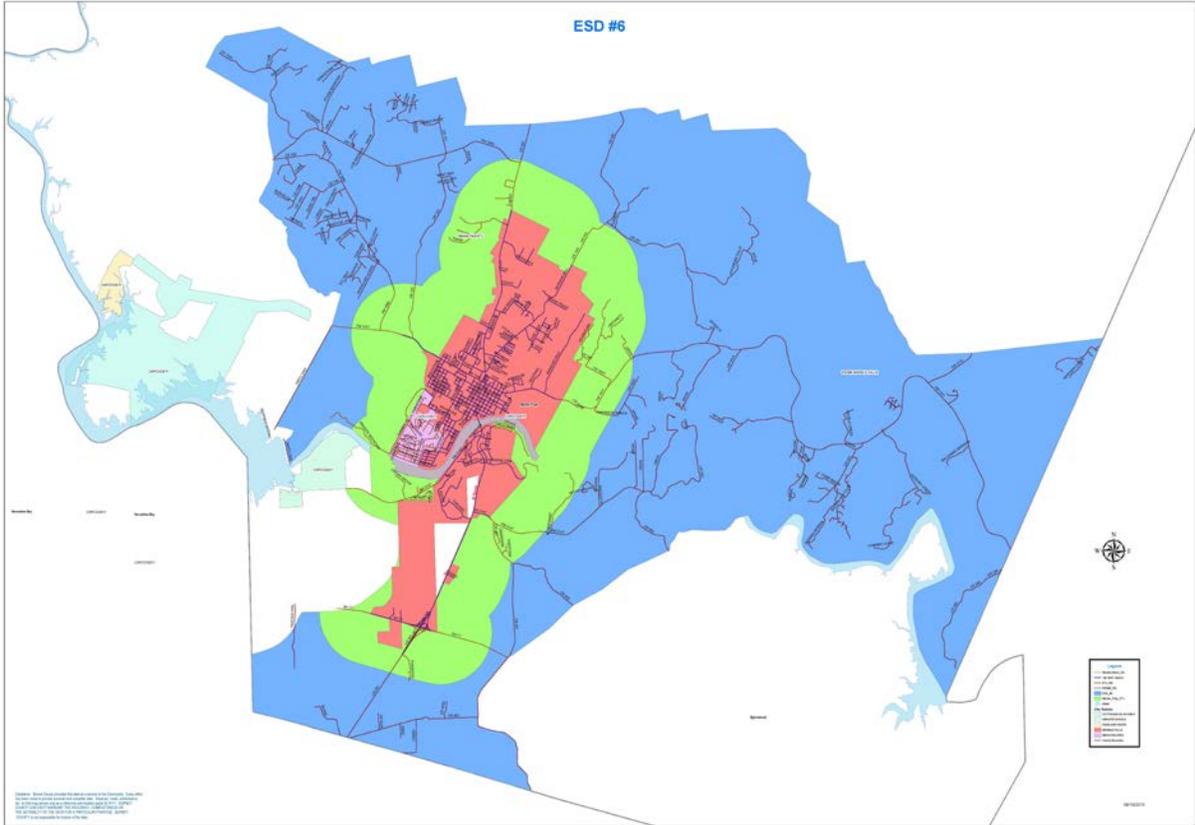
6.1 The City shall maintain records that memorialize the services provided by the City under this Agreement, to the extent required by the City's and/or State's mandated record retention schedule. The Contracting Entity may access records via the Spillman Mobile Software Solution or upon reasonable request, the City shall provide to the Contracting Entity copies of such records.

6.2. The City shall maintain an electronic records management system. A Fire Incident record shall be made for each received request for assistance and for each reported unit-initiated activity.

ATTACHMENT B
To Dispatch Agreement between
The City of Marble Falls and the Marble Falls Area Volunteer Fire Department

SERVICE AREA





November 15, 2016

7. REGULAR AGENDA

- (d) Discussion and Action on the appointment of a Zoning Advisory Committee (ZAC) to work with City staff and consultant, Halff Associates, Inc., to develop and recommend updates to the Land Use Regulations/Zoning Regulations and associated City development codes. **Elizabeth Yeh, City Planner**
-

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



**Council Agenda Item Cover Memo
November 15, 2016**

Agenda Item No.: 7(d)
Presenter: Elizabeth Yeh, City Planner
Department: Development Services
Legal Review: N/A

AGENDA CAPTION

Discussion and Action on the appointment of a Zoning Advisory Committee (ZAC) to work with City staff and consultant, Halff Associates, Inc., to develop and recommend updates to the Land Use Regulations/Zoning Regulations and associated City development codes.

BACKGROUND INFORMATION

This item is for the appointment of a Zoning Advisory Committee (ZAC) to work with consultant and staff in updating the City of Marble Falls Land Use Regulations. The Committee will review and recommend updates to the Land Use Regulations/Zoning Regulations and associated development codes (Parking, Landscaping, Non-conforming development, accessory buildings, etc) associated with the update. This Committee will recommend to the Planning and Zoning Commission whom then will recommend to City Council.

All prospective candidates listed below have expressed an interest in volunteering to serve on the ZAC. This Committee is proposed to exist and meet for the duration of the project, due to this the membership is not limited to City residents. However, the proposed committee composition has a majority of resident membership, business representation, developer representation, and a strong, yet diverse, degree of experience with zoning/development regulations. Additionally, with the Comprehensive Plan setting the direction and general objectives for the future of the City, members from the Comprehensive Plan Advisory Committee are represented. The proposed Committee consists of 12 people total.

Proposed - Zoning Advisory Committee (ZAC)

City Council Representatives

Jane Marie Hurst – Committee Chair

Mayor Pro-Tem, EDC Board, Ex-P&Z Commissioner, 09 & 16 CPAC, Realtor/Business Owner, Resident

John Packer

Mayor, EDC Board, Business Owner, Resident

Richard Westerman

Councilmember, Ex-Mayor, IDC, Business Owner, Resident

Planning and Zoning Commission Representatives

Steve Reitz

Chairperson, EDC Board, 09 & 16 CPAC, CIP Committee, Downtown Master Plan Committee, Builder/Business Owner, Resident

Darlene Oostermeyer

Commissioner, Falls on Colorado Museum Board/Chair, 09 CPAC, Resident

Greg Mills

Commissioner, Habitat for Humanity Board, Business Owner, Resident

Business, Developer, CPAC, and/or Citizen Representatives

Brian Shirley

2016 & 09 CPAC Chair, Downtown Master Plan Committee, CIP Committee, Ex-City Council/EDC, Business Owner, Resident

Jim Weber

2016 & 09 CPAC, Ex-City Council/EDC, Realtor/Business Owner, Resident

Matt Fields

2016 CPAC, HCBA President, Builder/Business Owner, ETJ Resident

Dave Plante

TIRZ Board, Ex-Chamber Board, Business Owner, ETJ Resident

John Page

Chamber Advisory Board, Business Owner

Steve Nash

Developer/Builder/Business Owner

RECOMMENDATION

Staff recommends appointment of the Zoning Advisory Committee.