City of Colleyville
City Council
Agenda

City Hall
100 Main Street
Colleyville, Texas
76034
817.503.1000
www.colleyville.com

Tuesday, July 12, 2016 City Council Chambers

PRE COUNCIL MEETING
EXECUTIVE SESSION
5:30 P.M.
EXECUTIVE CONFERENCE ROOM
THIRD FLOOR

CALL TO ORDER

PC-1 Discussion of the City Council Rules of Procedure

PC-2 Discussion of the Annual Market Study results

PC-3 Discussion of the FY17 insurance renewal recommendations

PC-4 Discussion of the July 12, 2016, City Council regular agenda items

1. EXECUTIVE SESSION - In accordance with Texas Government Code, Chapter 551, Subchapter D

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.087 – Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

RESUME REGULAR MEETING
7:30 P.M.
CITY COUNCIL CHAMBERS

INVOCATION: Associate Pastor Kyle Bauman, Bear Valley Church

PLEDGE OF ALLEGIANCE: City Attorney Matthew Boyle

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-16-4009

3. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

Announcements of civic and charitable events
Presentation of calendar events and updates
Announcements of awards and recognition

Recognition of employees' years of service
Recognition of employee achievements

4. CONSENT: READING AND PUBLIC HEARING - RESOLUTION R-16-4010

4a Approval of the City Council worksession minutes of June 14, 2016

4b Approval of the City Council worksession minutes of June 16, 2016

4c Approval of the City Council worksession minutes of June 20, 2016

4d Approval of the minutes of the regular City Council meeting of June 21, 2016

5. ORDINANCE(S): SECOND READING AND PUBLIC HEARING

5a Ordinance O-16-1980

Approval of the Fiscal Year 2017 (FY 2017) Colleyville Crime Control and Prevention District budget

5b Ordinance O-16-1981

An ordinance amending Section 3A of the Water and Sewer Policy and Procedure manual as contained in the Code of Ordinances of the City of Colleyville, Texas by eliminating tiered water rates and establishing a rate of $4.36 per thousand gallons of water for all gallons not included in the base rate, and providing for an effective date

6. ORDINANCE(S): FIRST READING AND PUBLIC HEARING

6a Ordinance O-16-1982

Consideration of an amendment to the PUDC-Planned Unit Development Commercial District on Lots 1R, 2, and 3, Block 1 of the Village Park Addition, located at 1001, 1005, and 1009 Glade Road, Case ZC16-009

6b Ordinance O-16-1983

Authorizing the sale and issuance of $6,140,000 of General Obligation Refunding Bonds, Series 2016 and providing for the redemption of the obligations being refunded

7. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA

8. REPORTS

Parks and Recreation Advisory Board Minutes - January 11, 2016

9. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR JULY 12, 2016 - READING AND PUBLIC HEARING - RESOLUTION R-16-4011

10. ADJOURNMENT

I hereby certify this agenda was posted on City Hall bulletin boards Friday, July 8, 2016 by 5:00 p.m.

Amy Shelley, TRMC
City Secretary

A quorum of any Colleyville board, commission, or committee may be present at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the City Secretary at least 48 hours in advance at 817.503.1133, and reasonable accommodations will be made to assist you.

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-1 **Agenda Date** 07/12/2016
Type Pre Council
Department City Secretary

Title
Discussion of the City Council Rules of Procedure

Strategy Map Connection
B4- Cultivate a culture of transparency and consistent communication

Explanation
Section 3.09 of the City Charter states City Council *"shall determine its own rules and order of business";* therefore, this item provides an opportunity for City Council to review and discuss the Rules of Procedure and identify possible modifications.

Staff has reviewed the City Council Rules of Procedure, and would propose the following additions: cover sheet, table of contents, history of adoption and amendments, and a section for annual review or amendments. In addition to the Rules of Procedure, staff requests City Council review the "Welcome to the City of Colleyville City Council Meeting" brochure.

Additionally, Mayor Newton wishes to discuss the attached City Secretary proposal to change the appointment dates for all boards, commissions, and committees to March, (from September and December) in an effort to cultivate citizen interest and participation.

Pending City Council direction, an item and/or items will be placed on a future City Council regular agenda for consideration of any proposed changes.

Staff has attached an excerpt of the City Charter, the current City Council Rules of Procedure, the welcome brochure, and proposal to change the appointment date of the BCCs, to this agenda briefing.

Attachments
1. City Charter Excerpt
2. Current Rules of Procedure
3. Welcome to the City of Colleyville City Council Meeting brochure
4. Proposal to change BCC appointment dates

City Charter Excerpt

Section 3.09 Meetings and Rules of Procedure:

(A) Meetings of City Council. City Council meetings shall be held at the City Hall or such place within the City of Colleyville that the City Council shall direct. The City Council shall meet regularly at least twice (2) in every month at such times as a City Council may prescribe by rule. In the event of a lack of a quorum at a regularly scheduled meeting, the meeting shall be opened and the roll call taken, recorded and adjourned until the regular or called special meeting. Special meetings may be held on the call of the Mayor or four (4) members of the City Council at the place within the City of Colleyville designated in the public notice. All meetings shall be held and public notice thereof given as required by State law. (Amended May 7, 2005)

(B) Minutes and Rules. The City Council shall determine its own rules and order of business, and shall provide for keeping minutes of its proceedings and post copy on the City Bulletin Board until the next meeting. The minutes shall be a public record.

(C) Quorum and Voting. Four (4) voting members of the City Council shall constitute a quorum. Voting, except on procedural motions, shall be by roll call and the "ayes" and "nays" shall be recorded in the minutes. The Mayor and every City Council Person shall vote on all issues unless there is a declared and recorded statutory conflict of interest. If because of a statutory conflict of interest a member steps down and remains in the Chamber to return after the item is resolved, then a quorum will be considered in attendance even though only three (3) City Council Persons are left to vote. However, no action shall be approved with less than four (4) affirmative votes. If during the course of a meeting a quorum ceases to exist, the meeting shall be deemed adjourned and no further business shall be conducted. (Amended May 7, 2005)

CITY OF COLLEYVILLE
CITY COUNCIL
RULES OF PROCEDURE

SECTION I.

AUTHORITY

1.1 Section 3.09B of the Charter of the City of Colleyville provides that "the Council shall determine its own rules and order of business...". Further, Section 2.01 of the Charter provides that the City Council shall have the powers, functions, rights, privileges and immunities of every name and nature, that are now or hereafter, may be granted to a Home Rule City by the Constitution and State law, together with all implied powers necessary to carry into execution all such powers granted". In order to provide the framework for the execution of these powers and authority, the following set of rules shall be in effect upon their adoption by the City Council and until such times as they are amended or new rules adopted in the manner provided for by these rules.

SECTION II.

GENERAL RULES

2.1 Meetings to be Public. All meetings of the City Council shall be open to the public, with the exception of Executive Session.

2.2 City Council. For purposes of these rules, the collective membership of the Mayor and City Councilmembers shall be known as the City Council. Individually, each shall be referred to as Mayor, Mayor Pro Tem, or Councilmember.

2.3 Quorum. Four (4) voting members of the City Council shall constitute a quorum.

2.4 Minutes of Meetings. An account of all proceedings of the City Council shall be kept by the City Secretary and shall be entered in a book constituting the official record of the City Council. The Official City Council Minutes are action minutes and provide the action taken by the City Council and a summary of subjects discussed.

2.5 Questions to Contain One Subject. All questions submitted for a vote shall contain only one subject. If two or more points are involved, any Councilmember may require a division, if the question reasonably admits of a division. Division shall be required only on the affirmative vote of three (3) Councilmembers. If no division is so requested and approved, or the questions do not reasonably admit of a division, the question shall be submitted as originally framed.

2.6 City Manager. The City Manager shall attend all City Council meetings unless expressly excused. The City Manager may make recommendations to the City Council and take part in all discussions of the City Council, but shall have no vote.

2.7 City Attorney. The City Attorney shall attend all regular meetings of the City Council unless expressly excused and, shall upon request give an opinion, either written or oral, on questions of law during the meeting. The City Attorney shall act as the City Council's Parliamentarian. The City Attorney shall give an opinion, either written or oral, on questions of law to the City Manager or designated representative, during the course of daily affairs of the City. The City Attorney may make recommendations to the City Council and take part in all discussions of the City Council, but shall have no vote. The City Attorney shall confer and discuss with a Councilmember or the Mayor regarding a question of law pertaining to the affairs of the City. In such event, the City Attorney shall advise the City Manager of the question posed and information provided. The City Manager shall forward the information to the full City Council as soon as reasonably practical.

2.8 City Secretary. The City Secretary shall attend all meetings of the City Council unless expressly excused, and shall keep the official minutes and perform such other duties as may be requested by the City Council.

2.9 Employees. Any employee of the City, when requested by the City Manager, shall attend any meeting of the City Council and, if requested to do so by the City Manager, such employee may present information relating to matters before the City Council. The City Manager will determine the staff spokesperson for providing information, for a particular agenda item, at the City Council meeting.

2.10 Suspension of Rules. Any provisions of these rules not governed by State law, the City Charter, or City Code may be temporarily suspended by a majority vote of all Councilmembers present and eligible to vote.

2.11 Executive Session. All matters discussed in Executive Session, as authorized by the Texas Open Meetings Act, may be deemed confidential and by law, participants authorized to attend Executive Sessions are not required to make public disclosure concerning the matters discussed in Executive Session. It shall be the policy of the City Council, that the Mayor, individual Councilmembers, the City Manager, City Attorney, City Secretary and others who are authorized to attend Executive Sessions shall not make selective disclosure of confidential matters, where the disclosure of the information has not been released to the general public and/or where such disclosure provides an unfair advantage to the recipient or would be detrimental to the City and its citizens. For the opening and closing of an Executive Session, the Mayor shall do such at the location as noted on the official agenda notice posted in compliance with the Texas Open Meetings Act. For purposes of regular agenda meeting postings, the opening and closing of an Executive Session shall be done in the Executive Conference Room of City Hall.

SECTION III.

TYPES OF MEETINGS

3.1 Regular Meetings. The City Council shall meet in the City Hall on the first and third Tuesday of each month at 5:30 p.m. unless otherwise officially established by the City Council. The City Council shall take a vote at 12:00 a.m. on whether or not to continue a meeting for additional time if further items are on the agenda and have not been considered. The call for and conduct of all meetings of the City Council, both regular and special as provided in Section 3.2 hereof, shall be in accordance with State law.

3.2 Special Meetings. Special meetings may be held on the call of the Mayor or four (4) members of the City Council at the place within the City of Colleyville designated in the public notice. In accordance with State law, the notice to the public of an emergency meeting must be posted at least two hours before the meeting is scheduled to begin. An emergency meeting exists only if immediate action is required of a governmental body because of an "imminent threat to public health and safety" or a "reasonably unforeseeable situation".

3.3 Recessed Meetings. Any meeting of the City Council may be recessed to a later time provided that no recess shall be for a longer period than until the next regularly scheduled City Council meeting.

3.4 Worksession Meetings. Worksession meetings may be called by the Mayor, any three (3) Councilmembers or the City Manager for the purpose of discussing in depth, investigating or exploring matters of interest to the City, without formal action being taken thereon by the City Council. The time, place, and purpose of such worksession meeting shall be stated in a notice complying with the Texas Open Meetings Act. Such worksession meetings may be held in any appropriate location outside the City Hall upon concurrence by any three (3) Councilmembers or as determined by the City Manager. Such worksession meetings may include, but shall not be limited to, meetings with neighboring governmental bodies or agencies, meetings with one of the City's appointed boards, commissions or committees, meeting with civic organizations or a meeting for Councilmembers to research, evaluate, explore, investigate or discuss any matter of interest or possible action affecting the City, subject to compliance with the provisions of the Texas Open Meetings Act.

The City Council may establish regular worksession meetings immediately prior to regular City Council meetings. In conjunction with the regularly scheduled City Council meeting, a Pre City Council worksession shall be held at 5:30 p.m. unless otherwise officially established by the City Council. The agenda for the Pre City Council meeting shall include, among other items: routine reports, information related to the regular agenda items and issues for which the City Manager seeks direction or clarification.

No official action shall be taken at any worksession meeting, unless a regular or special meeting is called as provided for in these Rules.

SECTION IV.

CONDUCT OF MEETINGS

4.1 Presiding Officer. The Mayor, if present, shall preside at all meetings of the City Council. In the absence of the Mayor, the Mayor Pro Tem shall preside. In the absence of both Mayor and Mayor Pro Tem, the City Council shall elect a Councilmember to preside.

4.2 Call to Order. The meetings of the City Council shall be called to order by the Mayor, or in the Mayor's absence, by the Mayor Pro Tem. In the absence of both the Mayor and Mayor Pro Tem, the meeting shall be called to order by the City Secretary.

4.3 Preservation of Order. The Mayor shall preserve order and decorum, prevent clash of personalities or the impugning of Councilmembers' motives to occur and confine Councilmembers in debate to the question under discussion.

4.4 Points of Order. The Mayor shall determine all points of order, subject to the right of any Councilmember to appeal to the City Council. If any appeal is taken, the question shall be "Shall the decision of the Mayor be sustained?"

4.5 Questions to be Stated. The Mayor shall state all questions submitted for a vote and announce the result.

4.6 Substitution for Mayor. The Mayor may call the Mayor Pro Tem, or in the Mayor Pro Tem's absence, any other Councilmember to take the Mayor's place in the chair, such substitutions not to continue beyond adjournment.

4.7 Amendment to the Minutes. Amendments to the Minutes are made by a motion during the item to consider approval of the minutes. The Minutes are action minutes and provide the action taken by City Council and a summary of subjects discussed. If a Councilmember desires that certain information be included in the minutes, the Councilmember shall state prior to the information, "For the record". If it is a lengthy statement, a written copy shall be provided to the City Secretary.

4.8 Written Correspondence. A citizen's request in the reading of a statement into the public record as part of a City Council agenda item is at the sole discretion of any member or all of the governing body. The City Council is not obligated to provide for a reading of correspondence into the public record on behalf of an absent individual as part of a City Council public hearing. The City Council, any or all Councilmembers, may elect to provide for a reading of the correspondence, make reference indicating the general position of the correspondence, or pass over the correspondence. The correspondence is provided to City Council and is included in the City Council agenda packet.

SECTION V.

AGENDA

5.1 Preparation of Agenda.

A. The order of business of each meeting shall be as contained in the City Council agenda prepared by the City Manager. The agenda shall be a listing by topic of subjects to be considered by the City Council, and, in the case of regular meetings, shall be delivered to the City Council not less than 72 hours proceeding the Tuesday evening meeting to which it pertains.

B. Any member of the City Council desiring to present a subject for City Council consideration shall advise in writing to the City Manager of the fact not later than 4:30 p.m. on Wednesday preceding regular City Council meetings.

Subject matter will be accompanied by a summary regarding the purpose for the inclusion of this subject on the agenda.

C. Items Omitted from Agenda. Any item not appearing on the agenda shall not be taken up for discussion as a matter of City Council business during a regular meeting unless it is of an emergency nature and comes to the City's attention too late to appear on the agenda. Such special, urgent or emergency issues shall be posted in compliance with the Texas Open Meetings Act and the City Charter and may be added as a supplemental item to the regular agenda.

The regular agenda items shall be considered in the following order:

1. Pre Council - 5:30 p.m. - Executive Conference Room
2. Executive Session - 5:30 p.m. - Executive Conference Room
3. Call to Order - 7:30 p.m. - Council Chambers
4. Invocation
5. Pledge of Allegiance
6. Resolution or Ordinance taking action on Executive Session items
7. Announcements, Proclamations and Presentations
8. Consent Items
9. Public Hearings
10. Citizen Comments/Presentations regarding items not on the agenda
11. Reports of Boards, Commissions, and Committees
12. Resolution approving City Council action not otherwise approved
13. Adjournment

D. The general order of a Public Hearing shall be:

a. Staff presentation
b. Open Public Hearing
c. Applicant introductory presentation - five minutes
d. Citizen comments - five minutes each (Large groups supporting the same position may be asked to select a representative to speak for the group)
e. Applicant
f. Close Public Hearing
g. City Council discussion and vote
h. In the alternative, the item may be continued to a future meeting of the City Council.

1. If the City Council wishes to consider additional public testimony, the public hearing shall be reopened and the public hearing and item shall be continued to a date certain.

2. If the Public Hearing is not reopened and continued to a date certain, the City Council may only conduct an additional public hearing upon publication of notice in accordance with Chapter 211 of the Local Government Code.

E. The City Manager shall provide the City Council with a written analysis of and recommendation of items to be acted on by the City Council at its meetings. These communications shall be generally referred to as agenda packets. The agenda packets for all regular meetings shall be delivered to the City Council by the Friday preceding the Tuesday regular meeting to which it pertains, unless an emergency condition makes it necessary to deliver the communication on a subsequent day.

F. The City Secretary shall post notices of all City Council meetings in order to afford compliance with the Texas Open Meetings Act.

5.2 <u>Consent Agenda.</u> In preparing the agenda, the City Manager shall give consideration to the number and degree of complexity of items to be considered by the City Council for the purpose of conserving the City Council's time in meetings. Items which are anticipated to be routine and require little or no discussion by the City Council shall be listed under the agenda category styled "Consent Items". Prior to taking up the Consent Agenda, the Mayor shall determine if there are any items thereon which should be removed from the Consent Agenda for discussion. Any Councilmember may, upon request, remove any item from the Consent Agenda for discussion and separate action. Thereafter, all remaining Consent Agenda items may be acted upon by a single motion approving the Consent Agenda. Items removed from the Consent Agenda shall be considered on the ending Resolution, which is for action not otherwise approved.

5.3 <u>Oral Presentations by City Manager.</u> Matters requiring the City Council's attention or action which may have developed since the deadline for delivery of the agenda packets may, upon approval of the City Council, and after satisfying the requirements of the Texas Open Meetings Act, be presented orally by the City Manager, or designated staff.

5.4 Citizen Participation at Meetings.

A. Presentations by citizens must be confined to the agenda item being considered and any questions will be directed to the Mayor. Citizens wishing to speak shall be allowed to speak, provided prior to the consideration of the item; said person completes and delivers to the City Secretary a Speaker's Card providing name, address and topic. A person who has not completed the Speaker's Card prior to discussion of the item on the agenda shall not be allowed to speak. Presentation by citizens shall be limited to a time period of not more than five (5) minutes with two (2) additional minutes to conclude, at the option of the Mayor or the consent of the City Council, for each speaker. Any time spent by the City Council will not be counted against the citizen's time allotment. No person shall speak more than the time limits provided herein on any subject. That privilege shall not be accorded unless there is an exception supported by a majority of those eligible to vote. The Mayor shall not be obligated to recognize a speaker for a second comment on a subject until all others have spoken and there is unused time available.

B. Following a request by a Councilmember, the Mayor may request that the City Council suspend the rules to allow citizens to speak after the public hearing has been closed.

C. To maintain decorum, the Mayor shall recognize persons who have completed Speaker’s Cards indicating a desire to address the City Council.

D. As a general rule, citizens may not participate in discussions of the City Council except when recognized by the Mayor and during citizen presentations, public hearings and as otherwise provided for in these Rules.

E. Citizens may speak on items not on the agenda under the item "Citizen Comments/Presentations Regarding Items Not On The Agenda". The presentation time period is as listed herein Section 5.4 A.

SECTION VI.

DECORUM AND DEBATE

6.1 Decorum and Debate.

A. These rules are intended to serve as a statement of intent as to how this City Council endeavors to conduct itself during City Council meetings. It is the intent of the City Council that all members shall act based on a consistent level of information, with the goal being to act fully informed on all matters. Accordingly, if and when a Councilmember obtains material relevant to a matter before the City Council which has not otherwise been disclosed to the City Council, such Councilmember shall promptly provide such material to the city manager for dissemination to the City Council. All such information will be disseminated and disclosed to the full City Council, prior to the case being presented.

B. When a measure is presented for consideration to the City Council, the Mayor shall recognize the appropriate Councilmember to present the case, as needed. When two or more Councilmembers wish to speak, the presiding officer shall name the Councilmember who is to speak first. No member of the City Council shall interrupt another while speaking except to make a point of order or to make a point of personal privilege.

C. The Mayor shall not be obligated to recognize any Councilmember for a second comment on the subject or amendment until every Councilmember wishing to speak has been allowed a first comment.

D. Questions from speakers to the City Council with request for an immediate answer, except the applicants and persons representing applicants on platting or zoning cases, shall be prohibited. A Councilmember's questions to speakers should be to specific individuals and the Mayor should explain to those individuals beforehand that they may come to the podium and answer if they choose to; but, they cannot offer additional unsolicited input or engage in question and answer sessions with Councilmembers.

E. Any Councilmember desiring to speak shall be recognized by the Mayor, and shall confine remarks to the subject under discussion or to be discussed. No Councilmember shall be allowed to speak more than once on any one subject until every Councilmember wishing to speak shall have spoken.

F. No Councilmember shall be permitted to indulge in personalities, use language personally offensive, impugn motives of Councilmembers, charge deliberate misrepresentation, or use language tending to hold a member of the City Council, the public or City staff up to contempt.

G. The Mayor shall not permit unrecognized speaker's comments or allow a member of the audience to indulge in personalities, use language tending to hold the City Council, the public or City staff up to contempt.

H. If a Councilmember is speaking or otherwise transgressing the rules of the City Council, the Mayor shall or any Councilmember may call him/her to order in which case he/she shall immediately be quiet unless permitted to explain. The City Council shall, if appealed to, decide the case without debate. If the decision is in favor of the Councilmember called to order, he/she shall be at liberty to proceed, but not otherwise, and if the case occurs, he/she shall be liable to censure or such punishment as the City Council deems proper, consistent with City Ordinances, Resolutions and Charter.

I. Any individual of the public who shall disrupt the City Council proceedings or disregard the Mayor shall first be warned of such offense and be requested that they refrain from disrupting the proceedings and/or disregarding the instructions of the Mayor. Any individual of the public failing to honor the first warning of the Mayor for order, shall receive a second and final warning prior to expulsion and/or citation for disturbing a public meeting pursuant to State law. When the Mayor fails to maintain order and decorum, the Councilmembers may compel the Mayor to enforce this provision following due parliamentary procedure, which affirms such compulsion by a majority vote of the City Council.

SECTION VII.

PROCEDURES FOR CITY COUNCIL APPOINTMENTS

7.1 Procedures for City Council Appointments. The following procedures are for making appointments to boards, committees and commissions established by ordinance or resolution. Appointments to ad hoc committees and task forces established by resolution should not necessarily be bound by the same procedures, but may be done in a manner appropriate to the situation as deemed proper by the City Council. The City Council shall set the quorum for a committee. The City Council shall vote whether the committee selection will be handled by the rules of procedures or by slate.

A. Announce the position(s) to be filled. In the announcement, define the duties of the position(s), define the term of the position and request that applications be formally submitted to the City Council by a specific deadline. This announcement should be made at least 30 days prior to the deadline for submission of applications and should be placed in the local newspaper, posted at City Hall, on the website and placed in the *City e-news* (if timely).

Upon review of the Applications for Appointment, City Council will determine if interviews shall be conducted. If Council desires, interviews will be conducted prior to a City Council meeting, which may be subject to the Texas Open Meetings Act or be conducted in Executive Session. If no applications are received or fewer applications than open positions are received, the City Council may fill positions from the floor or request the City Secretary to advertise the open position(s). In the event of a vacancy other than an expiring term, the City Council may fill the position by a majority vote of the City Council without advertising. The appointee shall serve the unexpired term.

B. The candidates will be selected to fill the open positions no later than the second City Council meeting after the deadline for application submission, in the following manner:

  a. If more than one position is to be filled, consider the appointment for each position individually in the order selected by the Mayor, as follows:
  b. The Mayor shall open the floor for nominations and if there are no nominations, the Mayor will call on each Councilmember for a nomination.

c. Councilmembers or the Mayor may decline to make a nomination if previous nominations are acceptable.

d. After each Councilmember has had an opportunity to make a nomination or defer to make a nomination, the Mayor will take a vote on the slate of nominees by asking each Councilmember to state the name of the nominee that the Councilmember votes to appoint to the position under consideration.

e. Return to Step b and repeat the process for the next position to be filled until all positions are filled.

SECTION VIII.

MEMORIALS

8.1 Memorials. The following procedures are for honoring deceased current or former City elected officials, sitting board, commission or committee members and community volunteers.

A. Recognition of the death of a current or former City elected official. When the City is notified of the death of a current or former elected official, flowers or a plant will be sent to the memorial service, or a donation to an organization specified by the family (in an amount not to exceed $50.00), and a sympathy card will be sent to the family. A Memorial Proclamation, honoring the official, will be sent to the memorial service or to the family. The City Manager's Office will coordinate the donation of a book, in which the official's name is inscribed on a bookplate inside of the book, to the Colleyville Public Library, in an amount not to exceed $50.00. A letter from the Library Director will notify the family of the book donation.

B. At the family’s request and with City Manager approval, members of the Colleyville Police and Fire Department Honor Guard may attend the funeral of a current or former City elected official as representatives of the City.

C. Recognition of the death of a sitting board, commission or committee member. When the City is notified of the death of a sitting board, commission or committee member, the City Manager’s Office will forward a sympathy card to the family.

D. Recognition of the death of community volunteers. Due to the significant number of community volunteers assisting a multitude of organizations across the City of Colleyville, it will not be the practice of the City to recognize these individuals in a formal capacity. During a City Council meeting, elected officials may, at their discretion, verbally recognize the efforts of these individuals and their service to Colleyville during the agenda item for Announcements, Proclamations and Presentations.

8.2 Recognition by lowering of the United States Flag. The City is not at liberty to proclaim the Flag of the United States be flown at half-staff in recognition of a City official. Per the United States Code, only the President of the United States or the State Governor can order the flag lowered to half-staff.

8.3 Use of City equipment and personnel. At no time will City equipment be used to carry the casket or participate in the funeral procession of a deceased, current or former City elected official, board, commission, committee member or community volunteer. Exceptions to this rule may include City equipment earmarked for use by community groups, such as the Citizen Fire Academy Alumni Association Rehab Team and the Citizen Police Academy Alumni Association Citizens on Patrol, where equipment use for a group member's funeral may be authorized by the Department Director.

Addressing City Council

Citizens may address the City Council during any public hearing agenda item by completing a speaker card and presenting it to the City Secretary. There is time for the public to address the City Council on any subject. However, in accordance with the Texas Open Meetings Act, the City Council cannot discuss issues raised or make any decisions at this time since the topic is not a posted agenda item. Issues raised may be referred to City staff for research and possible future action.

Each citizen presentation will be limited to five minutes. Delegations or groups are asked to select one spokesperson for the group to speak for five minutes. When addressing City Council, the presentation should be thorough, concise, and complete. No additional information may be given following your presentation, unless specific questions are asked by Council-members.

The Mayor will recognize each citizen appearing before the City Council. After recognition, speakers should move to the podium, state their name and address for the public record. If the speaker is representing an organization or group, the group should be identified before the presentation. Presentations and discussions should be directed to the City Council and all questions to the Mayor.

During staff presentations and City Council deliberation, there will be no citizen participation, except to answer questions by City Council. These procedures shall remain flexible and in compliance with the City Charter.

Tips for making successful presentations to the City Council

- Short and to the point presentations are most effective.
- All public comments should be addressed through the Mayor.
- If your point has been expressed by previous speakers, you may wish to inform the Mayor that you choose not to speak as your position has already been articulated.
- Persons wishing to address the City Council on a specific public hearing item or an item not on the agenda under "Citizen Comments" must complete a "Speaker Card."
- Be courteous. Profanity, abusive language or general disruption will not be tolerated.

WEBCASTS AND BROADCAST SCHEDULE

Meeting webcasts are available at: www.colleyville.com/webcasts. Meetings are televised live on Verizon Cable Channel 16 and Time Warner Cable Channel 15 and rebroadcast at 6:00 p.m. Thursday and Sunday of the same week.

CITY OF COLLEYVILLE TEXAS

WELCOME TO THE CITY OF COLLEYVILLE CITY COUNCIL MEETING

The Colleyville City Council welcomes all citizens to attend public meetings. Citizens wishing to address the City Council should become familiar with the procedures listed in this brochure. The City Council is interested in ideas and constructive comments provided by citizens.

The City of Colleyville operates under the laws of the State of Texas and within the framework of a Home Rule Charter adopted by the citizens in 1977 and amended twice. The City Council prepared this brochure to assist in understanding how local government functions, including conduct of the City Council meetings.

Please silence all communication devices during the City Council Meeting

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For more information, please contact the
Office of the City Secretary
100 Main Street
Colleyville, Texas 76034
817.503.1130
ashelley@colleyville.com or
cloven@colleyville.com

City Government

The Colleyville City Council is composed of seven members; six City Councilmembers elected by place number and a Mayor. All members are elected from the City at-large. Under the provisions of the City Charter, and subject only to the limitations imposed by State law, the City Council enacts local legislation, adopts the annual operating budget, and sets policy in the Council-Manager form of government. The City Manager carries out policy and administers the day-to-day operation of the City, while the Mayor is recognized as the head of the City government for all ceremonial purposes, and has the responsibility of presiding over all meetings of the City Council.

Guidelines for City Council Meetings

All City Council meetings are open to the public. Public notices of City Council meetings are posted 72 hours in advance of the meeting at City Hall, and on the City's web site. A meeting agenda is available at all meetings. The City Council, on occasion, will call a special meeting or a worksession, as necessary, and reserves the right to change the meeting place and date.

The Meeting Agenda

When an item on the posted agenda is considered by the City Council, staff presentations will be heard first followed by citizen presentations. The item will then go to the City Council for deliberation and action.

During staff presentations and City Council deliberation, there will be no citizen participation except to answer questions by Councilmembers. These procedures shall remain flexible and in compliance with the City Charter.

Pre Council Meeting

The City Council conducts a Pre Council meeting to discuss and receive information regarding the agenda. Items that are not ready for a City Council vote, but which City Council desires to discuss, may also be placed on the Pre Council agenda. The Pre Council meeting begins at 5:30 p.m., on the first and third Tuesday of each month, prior to the Regular Meeting, in the Executive Conference Room on the third floor of City Hall.

Executive Session

Executive Sessions may be conducted immediately following the Pre Council meeting and prior to, or following, the Regular Meeting. Executive Sessions are closed meetings and are permitted for the discussion of the following items that legitimately fall within the exceptions as stated in the Texas Open Meetings Act. No action is taken during Executive Session.

- ❖ Consultation with the City Attorney to seek advice about pending or contemplated litigation, settlement offer, or other matter as permitted
- ❖ Deliberations regarding the purchase, lease, exchange or value of real property
- ❖ Deliberations regarding personnel matters
- ❖ Deliberations regarding economic development negotiations

Regular City Council Meeting

Regular City Council meetings are scheduled in the City Council Chamber at City Hall, 100 Main Street, at 7:30 p.m., on the first and third Tuesday of each month.

Consent Agenda Items

Consent Agenda items are routine in nature and deemed to require little or no deliberation by the City Council. To save time, these items are considered collectively.

Ordinances

All ordinances exclusive of emergency ordinances as defined by the City Charter, shall be read in an open meeting at two (2) consecutive regular City Council meetings. No final vote of approval or disapproval shall be taken by City Council until after the second reading and public hearing on each ordinance.

Resolutions

Any official action of the City Council not authorized by ordinance shall be authorized by resolution. All resolutions shall be read in an open meeting of the City Council and shall be followed by public hearing.

CITY COUNCIL MEETING PROTOCOL

While City Council is in session, we request the following protocol be followed:

- ❖ All persons shall remove hats and refrain from private conversations in the City Council Chambers. No handguns or other weapons are allowed to be carried openly.
- ❖ Citizens attending City Council meetings shall observe the same rules of propriety, decorum, and good conduct applicable to members of the City Council. Any person making personal, impertinent, and slanderous remarks, or who becomes boisterous while addressing the City Council or attending the City Council meeting, will be asked to leave City Hall by the Mayor.
- ❖ No placards, banners, or signs of any kind will be permitted in the City Council Chambers. However, exhibits, displays, and visual aids used in connection with the presentations to the City Council are permitted.

Proposal to change BCC appointment dates

The City Secretary's office would like City Council's consideration of moving the board, commission, and committee (BCC) appointments to once a year versus twice a year. Currently, there are six BCCs with terms appointed and expiring in September, and four BCCs in December. We advertise for September openings and/or vacancies July through August, and October through November for the December appointments.

September term expiration	**December term expiration**
Colleyville Economic Development Corporation	Architectural Review Commission
Historical Preservation Committee	Colleyville Center Advisory Committee
Library Board	Parks and Recreation Advisory Board
Metroport Teen Court Advisory Board	Tax Increment Financing District Board
Planning and Zoning Commission	
Zoning Board of Adjustment	

In addition, there are two committees and one board that are comprised of sitting committee members recommended by their board or committee and approved by Council, whose terms run concurrently with their other appointments:

Capital Improvement Advisory Committee	Planning and Zoning Commissioners plus a member of the development community and a member of the real estate community
Colleyville Tree Board	Three members of the Parks and Recreation Advisory Board and three members recommended by Keep Colleyville Beautiful and/or the Colleyville Garden Club
Park Land Dedication Committee	Two members of the Planning and Zoning Commission and two members from the Parks and Recreation Advisory Board

This appointment schedule has been consistently conducted twice a year for the past decade, but we believe the summer and holiday advertising timeframes limit the interest and time of citizens; therefore, reducing the number of applicants. All BCCs are established by City Council resolution and the terms, etc. can be modified at the Council's pleasure.

Staff proposes all BCC appointments be held annually/biannually, depending on the BCC bylaw requirements, in March. March appointments would allow for an advertising period beginning January 1 through the month of February, the scheduling of City Council applicant interviews, and for the placement of the appointments on the City Council agenda at the second meeting in March.

For the appointments which would be made in September and December of this year, we believe City Council could leave those appointments, and we would just update their terms to reflect March to the year of which those appointments were made.

For example:

September 2016 Appointment	**December 2016 Appointment**
<u>Planning and Zoning Commission</u> Jim Gotcher Current Term: Sep 2014-Sep 2016 New Term: Sep 2016 – Mar 2018	<u>Parks and Recreation Advisory Board</u> Ken Llewellyn Current Term: Dec 2014 – Dec 2016 New Term: Dec 2016 – Mar 2018

If this is approved by City Council, we will work with all staff members, who are liaisons to a BCC, to ensure this transition is smooth, and all bylaw requirements are accurately reflected.

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-2 **Agenda Date** 07/12/2016
Type Pre Council
Department Human Resources

Title
Discussion of the Annual Market Study results

Strategy Map Connection
B3- Utilize partnerships to implement cost-effective service solutions
B4- Cultivate a culture of transparency and consistent communication
F3- Forecast needs and plan for the future, balancing priorities with resources
L1- Attract, develop, and retain skilled employees who embrace our values

Explanation
The purpose of this item is to receive the City Council's direction on the FY2017 annual market adjustment.

History/Background
The City of Colleyville compensation program is comprised of two key components - the merit system and market adjustments. Both merit and market play a critical role in maintaining a strategic compensation system that meets the City's objectives of attracting and retaining a quality workforce. This type of system provides greater opportunity to recruit, motivate, and retain successful and exceptional employees.

Market Adjustments
The new job classification and compensation system was established in FY2014 in order to ensure the City maintains competitiveness in the market. The new system contains a philosophy that plans for the long-term through a multi-year budget forecast (Attachment A). The philosophy also incorporates market competitiveness, which is to pay employees, on average, at the 50th percentile of the market rate. This means half of the market we compete with pays more than Colleyville and half of the market pays less. The market rate represents the value of a job for a fully functioning and successful employee. The market comparisons for non-sworn positions includes the public and private sector because we compete for employees from both of these sectors. The market comparisons for sworn positions includes the public sector only because we typically compete for employees only in the public sector. Salary movement through the range is based on changes in the comparative labor market, and for successful and exceptional employee performance (merit).

In order to keep the new system current, the City follows a two-pronged market competitive approach: salary structure updates annually to keep abreast of any necessary market adjustments, coupled with long-term comprehensive maintenance every three to four years. Annual market adjustments are necessary to help alleviate significant salary lags between the larger, more comprehensive surveys. This avoids a large survey expense every year and helps maintain market competitiveness with easier to absorb smaller salary adjustments.

In May, staff requested Gallagher Benefit Services, Inc. (GBS), analyze the salary trends in Texas and the Dallas area for both public administration jobs and all industries, which included private sector jobs, and to provide recommendations for salary structure adjustment. The full study results are provided in Attachment B of this briefing. Based upon their analysis, GBS recommended the City do one of the following:

- Consultant Recommendation 1: The City can choose to utilize the market data that is reflective of the average aggregate movement (public and private sectors combined) when considering salary range adjustments, which would result in salary range adjustments of 2.1% for Executive and Non-Exempt salary ranges and 1.9% for Non-Executive Exempt salary ranges.

- Consultant Recommendation 2: The City can choose to provide for salary range adjustments that are consistent across all levels of employees, a 2.0% across-the-board salary range adjustment, based on the aggregate movement for all levels of employees identified in the Texas and Dallas Metro Area table.

Staff Recommendation

For consistency and ease of implementation, staff recommends the second option - a 2.0% across-the-board salary range adjustment. The application of any necessary salary structure adjustments resulting from this recommendation could be handled in either of the following ways:

- Option 1 – Move all ranges 2.0% and move employees who fall out of the new range to the new minimum of the range. This would affect 16 employees who would have to move up to the minimum of the new range. It would cost approximately $11,623 to move up these 16 employees to the new minimum.

- Option 2 – Move all ranges 2.0% and move all employees by the same percentage. In this scenario, all 200+ employees would receive a 2.0% adjustment. The cost would be approximately $305,730.

Staff recommends Option 1, to move all ranges and move only those employees who fall out of the range, for a total budgetary impact of $11,623. In reviewing Option 1, staff considered what effect, if any, this increase might have on compression within the ranges. If the City were only to complete the market piece of the compensation system, compression can occur when only the employees who fall out of the minimum range are moved up and no other employees are moved within the ranges. However, because the City also incorporates a merit program in conjunction with market adjustments, the merit facilitates the ability for employees within the ranges to move up within the range, thus reducing the likelihood of compression. Because of the overall budgetary impact of Option 2, staff does not recommend this option.

As a final note, as mentioned above, for long-term maintenance of the salary structure, a comprehensive salary survey should be conducted every three to four years to review our overall competitiveness in the labor market. Since the last comprehensive market study was implemented in FY2014, the next comprehensive study should be performed in FY2017 for implementation in the FY2018 budget year. Staff will be bringing the results of that comprehensive study to the City Council next spring.

Summary

The objective of the compensation system is to keep the City competitive in hiring, provide a merit system to retain high-performing employees, and to hold all employees accountable for job performance and service delivery. The recommended program maintenance strategy, including periodic comprehensive market salary assessments, coupled with small market adjustments on an annual basis, minimizes costs, yet continues to address the primary objectives of the compensation program.

Attachments

1. Annual Market Study Presentation
2. Attachment A - Compensation Philosophy
3. Attachment B - Annual Market Study Results

Employee Compensation
Annual Market Study

Pre Council June 21, 2016

Compensation System

Merit ⟷ Market

Salary Structure Maintenance

ANNUAL ADJUSTMENTS

Apply overall salary structure adjustment in years that comprehensive market survey is not conducted

LONG-TERM COMPREHENSIVE MAINTENANCE

Conduct comprehensive market salary survey every three (3) to four (4) years

Annual Adjustment FY2017

Option 1

- Move all ranges 2.0% and move employees who fall out of the new range to the new minimum of the range
- 16 employees move to the minimum of the new range
- Cost approximately $11,623

Option 2

- Move all ranges 2.0% and move all employees by the same percentage
- 200+ employees would receive a 2.0% adjustment
- Cost approximately $305,730

Summary

- Staff recommends for FY2017 to implement Option 1 - Move all ranges 2.0% and move employees who fall out of the new range to the minimum.
- Continue with merit program – March 2017 performance evaluations.
- Perform comprehensive market assessment in FY2017 with implementation in FY2018.

Questions and Discussion

Attachment A

CITY OF COLLEYVILLE
COMPENSATION PHILOSOPHY & STRATEGY
Effective Fiscal Year 2014

PURPOSE

- The City of Colleyville (City) values its employees as the key to providing efficient, effective, responsive and creative public services.
- The purpose of a compensation system is to support the recruitment, **motivation** and retention of well-qualified employees. In order to obtain and maintain taxpayer support, the compensation system should be fiscally sound and cost effective while supporting the employees of the City by encouraging them to be responsive to customers/taxpayers.
- The compensation system shall be administered in an efficient, cost effective, responsive, fair and equitable manner to meet the needs of all stakeholders including elected officials, managers, employees and citizens of the City.

GOAL 1 – ORGANIZE THE WORK

To provide for a simplified flexible classification system that defines the general scope and complexity of the work required. The classification system will also facilitate internal equity across all jobs within all departments of the City.

Objective 1 – Broad Class Structure

To establish a classification structure that reflects meaningful and measurable differences in the level of work within each occupational group but maintains the flexibility necessary for employee growth and efficient management.

Strategies – Broadly Defined Classes

- The classification system will consist of <u>broadly defined</u> classes that reflect the essential duties and responsibilities performed by incumbents in each class. This approach will facilitate flexibility in the assignment of duties to individual employees within the job classification.
- Where practical and feasible within each occupational group, there will be an opportunity for career advancement opportunities. The differences in job levels will be clearly defined and defensible.

Objective 2 – Classification Structure

The classification plan will meet the current needs of the departments while providing maximum flexibility to manage and organize the work in a changing environment.

Strategies – Classification System Maintenance

- The existing classification system will be reviewed to identify current requirements that may inhibit management flexibility. Recommendations will be made to make the system consistent with the City's goals and objectives and will position the City to be responsive to change.
- The class specifications, including the statements of essential duties, minimum qualifications, and physical requirements, will be written to reflect the current needs of the City. The goal is to ensure that new hires are qualified and capable of performing the work required. Incumbents who currently do not meet the minimum qualifications will be grandfathered into their current classes. However, any incumbent not meeting the new minimum requirements will be required to acquire the applicable knowledge and/or skills within a reasonable time period so that they will be qualified for their job. Otherwise, the employee may apply for vacant positions elsewhere in the City, or other positions external to the City, for which they qualify.

Objective 3 – Reclassification of Jobs

The reclassification process will be administered by the Human Resources Department in an efficient, cost effective, responsive, fair, and equitable manner to meet the needs of both the City and its employees. Because the City has adopted the concept of broad job classifications, the number of reclassifications should be minimal since the differences between classifications will be clearly defined.

Strategies – Reclassification Process

- Timetables will be established which will set the time the reclassifications will be reviewed and acted upon.
- Responsibilities for each step of the reclassification process will be established to include the employee, department head, and the Human Resources Department.
- Employees will be notified in writing of the results of the reclassification process and the reasons for approval or denial.
- Employees who are reclassified will not receive any adjustment in their base compensation unless the salary range for the class into which they are reclassified has a minimum salary that exceeds the employee's current salary. Reclassification should not be used to circumvent promotions into a higher job classification.

Objective 4 – Creation of New Jobs

The classification system will be responsive to organizational and environmental change through the creation of new classes and redefinition of job responsibilities as defined by the City and its departments.

Strategies – New Job Development Process

- The class specifications will be reviewed by the departments on an annual basis to ensure they meet current needs. The Human Resources Department will facilitate the review process.
- The Human Resources Department will respond to department requests for individual reclassification, and will assist with the revision of class specifications and development of new class specifications within the broad class concept, as necessary to meet the on-going operational requirements of the City.

GOAL 2 – DISTRIBUTE PAY

The compensation system should reflect economic conditions of the various occupational labor markets in which the City competes. The system should also reward employees who perform at above-standard levels within their respective job class.

Objective 1 – Compensation Levels

Compensation levels should reflect the multiple labor markets (both public sector and private sector) in which the City competes. The value of compensation offered to City employees shall be consistent with the value of compensation offered by employers with whom the City must compete within both the public and the private sectors.

Strategies – Executive Level Classes

- For FLSA exempt classes and jobs that are most commonly found in the public sector, the labor market should include the various government entities within Texas. The jurisdictions and organizations should be similar in size and character and perform a similar range of services as the City. Salary comparisons shall reflect the cost of labor differences for each geographic location.

Strategies – All Other Classes

- For FLSA non-exempt classes, the labor market should include public and private sector employers in the Dallas/Fort Worth metropolitan area that are of a similar size and complexity to the City and/or with whom the City competes for such employees.

Objective 2 – Market Parity

Pay grade midpoints should approximate the actual average salaries paid to positions in the relevant labor market(s) as reported in salary survey and market pricing results. Pay range minimums and maximums should be established from survey/market pricing results to provide for market parity within the pay structures.

CITY OF COLLEYVILLE
COMPENSATION PHILOSOPHY & STRATEGY
Effective Fiscal Year 2014

	Strategies – Range Spans
	▪ The salary structure should provide sufficient breadth with range spans based on the level of the job classification and market information. Typically, salary ranges for lower level jobs are narrower than for upper level jobs. For example, defined jobs within an organization might have a maximum salary that is only 20% to 25% greater than the salary range minimum for the job class. For executive level jobs, the salary range maximum may be as much as 75% to 90% greater than the minimum of the salary range for the class. This range spread at higher levels in the organization reflects a variety of factors including a longer learning curve, greater consequence of error, the cost of recruitment and training, and increasing value to the organization over time. As class structures become broader to accommodate simplification and flexibility, broader salary ranges will have higher maximum rates of pay than with a narrow structure.
	Strategies – Depth of Range Progression
	▪ The salary structure should provide sufficient depth to achieve midpoint progression between salary ranges of five to ten percent. (This is the percentage difference in salary range midpoints from one level or salary grade to the next.) The salary structure is based on a multiple regression model using salary survey results. (Most regression models exclude outliers that exceed two standard deviations from the norm.)
	Strategies – Process for Salary Progression
	▪ The length of time for progression within the salary range should increase as jobs move up the salary grade structure. Progression within the salary range should be based on proficient or competent performance up to the 50th percentile or job rate of the established salary range. Progression above the job rate of the salary range shall be based on performance that is above proficient and should be tied to the performance management process. Compensation above the job rate will be performance based and may be added to base compensation or may be granted as a one-time bonus.
	Strategies – Job Rate Percentile
	▪ Each classification should have a job rate (the midpoint for non-sworn positions and the maximum for sworn positions) set at a percentage of the actual average salary paid incumbents occupying like positions in the relevant labor market. The job rate shall approximate the 50th percentile or the median of pay for like positions in the labor market.
	Strategies – Hiring Range
	▪ The hiring range is from the range minimum for minimally acceptable qualified candidates to the job rate for exceptionally well qualified candidates.

	Appointment above the mid-point will require the approval of the City Manager.

Arthur J. Gallagher & Co.

May 24, 2016

Rachel Huitt, SPHR, SHRM-SCP
Human Resources Director
City of Colleyville
100 Main Street
Colleyville, TX 76034

Salary Range Adjustment Recommendations

Dear Rachel:

Gallagher Benefit Services, Inc. (GBS) is pleased to provide our recommendations on proposed salary range adjustments for the City of Colleyville (the City). GBS collected data on salary range movement from the 2015 WorldAtWork Salary Budget Report in order to develop our recommendations.

Data was collected for the following market sectors:

- Public Administration (Texas and Dallas Metro specific)
- All Industries (Texas and Dallas Metro specific)

The following tables provide a summary of the data collected:

Texas - Statewide[1]				
	Executive	**Professionals**	**Non-Exempt**	**Aggregate**
Texas: Public Administration	NEI[2]	1.60%	NEI[2]	1.70%
Texas: All Industries	2.00%	2.10%	2.20%	2.10%

Dallas Metro Area[1]				
	Executive	**Professionals**	**Non-Exempt**	**Aggregate**
Dallas Metro: Public Administration	NEI[2]	NEI[2]	NEI[2]	1.50%
Dallas Metro: All Industries	2.20%	2.10%	2.00%	2.10%

Texas and Dallas Metro Areas[1]				
	Executive	**Professionals**	**Non-Exempt**	**Aggregate**
Avg:	**2.10%**	**1.93%**	**2.10%**	**2.04%**
Median:	**2.10%**	**2.10%**	**2.10%**	**2.10%**
High:	**2.20%**	**2.10%**	**2.20%**	**2.17%**
Low:	**2.00%**	**1.60%**	**2.00%**	**1.87%**

[1]Data collected from 2015 WorldAtWork Salary Budget Survey and reflective of predicted 2016 salary range movement.
[2]Not enough information to report

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Recommendations:
Based on the above data collected, GBS recommends that the City utilize the market data that is reflective of the average aggregate movement (public and private sectors combined) when considering salary range adjustments, which would result in salary range adjustments of 2.1% for Executive and Non-Exempt salary ranges and 1.9% for Non-Executive Exempt salary ranges. These figures take into account range movement among the multiple sectors in which the City competes for talent.

Should the City desire to provide for salary range adjustments that are consistent across all levels of employees, a 2.0% across-the-board salary range adjustment would be recommended, based on the aggregate movement for all levels of employees identified in the Texas and Dallas Metro Area table above.

Thank you for the opportunity to provide our recommendations. Should you have any questions regarding the above information, please contact me at lori_messer@ajg.com or 480-845-6204.

Sincerely,

Lori Messer, MA, CCP
Senior Consultant

City Hall
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City of Colleyville
City Council
Agenda Briefing

Agenda Number PC-3 **Agenda Date** 07/12/2016
Type Pre Council
Department Human Resources

Title
Discussion of the FY17 insurance renewal recommendations

Strategy Map Connection
F4- Adhere to the City's financial and budgetary policies
L1- Attract, develop, and retain skilled employees who embrace our values

Explanation
This item provides an opportunity for City Council and staff discussion of the employee health insurance bid results and recommendations for Fiscal Year 2017 (FY17). Staff is seeking City Council direction on final vendor selections and funding of premium changes.

Insurance Bid Process Overview
In May and June 2016, staff received initial FY17 insurance renewals for the following lines of coverage:

Medical Insurance
Dental Insurance
Vision Insurance
Basic and Voluntary Life and Accidental Death and Dismemberment (AD&D)
Flexible Spending Account (FSA) Administration
Health Reimbursement Arrangement (HRA) Administration

The City advertised and instructed the City's benefits broker/consultant, Holmes Murphy and Associates, Inc. (Holmes Murphy), to evaluate the bids for the current lines of coverage using the existing plan design of each coverage. In addition, based upon input from the Employee Benefits/Wellness Committee (the "Committee" - Attachment A) and other staff, the City requested bids for a new healthcare service - Pricing Transparency. Pricing transparency services provide a toll free number for employees to call to ask questions about prices for healthcare services with various providers, compare and shop prices among providers and prescriptions, and enable them to better manage their out-of-pocket costs. This type of service assists employees in becoming smarter consumers of healthcare, therefore saving the medical plan money. By providing personalized information, a pricing transparency vendor can make it easy for employees to make the right healthcare decisions. Attachment B shows the list of vendors who participated in the bid proposal process and those who declined to bid. The bid opening took place on June 14, 2016.

The Committee met with Human Resources staff and Holmes Murphy to review the insurance proposals received. The Committee's responsibility is to evaluate benefits from an employee's perspective based upon financial feasibility, customer satisfaction, the least disruption in service, benefit plan design, and administrative efficiencies and make a recommendation to City management. City management then reviews the Committee's recommendations and makes a final recommendation to City Council based on budgetary and policy parameters.

Medical Insurance
The City bid the existing two medical plans. The following chart summarizes the current medical plan designs:

Plan Design	Base Plan PPO	Buy Up Plan PPO
Deductible - (Individual / Family)	$4,000 / $8,000	$2,000 / $4,000
Out of Pocket Maximum (Individual / Family)	$5,000 / $10,000	$3,000 / $6,000
Coinsurance (In-Network / Out of Network)	80% / 50%	90% / 70%
Primary Care/Specialist Copay	$30 / $50	$25 / $30
Emergency Room Copay	$250	$200
Prescription/RX (Generic / Preferred / Non-Preferred)	$20 / $40 / $70	$20 / $40 / $70

The City received bids from four medical carriers: Aetna, BlueCross BlueShield (BCBS), Texas Municipal League (TML), and United Healthcare (UHC) (Attachment C). CIGNA declined to bid. During the bid process, carriers quote similar plan designs or plan design options the City may want to consider. The medical bids with comparable base plans to the existing base plan (Aetna, TML and UHC) came in at double-digit increases. The City's current carrier, BCBS, bid a 5.1% increase to the current base plan and a 3.6% increase to the current buy up plan.

Based on the bid results, there were three options staff and the Committee evaluated in detail. The following were key discussion points among staff, the Committee and Holmes Murphy:

1. BCBS Current Two Preferred Provider Organization (PPO) Medical Plans: BCBS, the City's current medical carrier, bid an increase of 5.1% to the base plan and 3.6% to the buy up plan. Based upon a current medical spend of $2,031,976 annually, this results in an increase of $103,630, of which approximately $81,744 would be in the General Fund. As the Council may recall from the June 20 budget worksession, staff estimated a health insurance increase of $100,000 to the General Fund in FY17, so this number is within the estimated budget.
   BCBS' bid also included a $10,000 per year wellness reimbursement to the City for wellness programs. The City currently spends about $20,000 per year on the employee wellness program.

2. <u>UHC Two Exclusive Provider Organization (EPO) Medical Plans:</u> UHC did not bid a comparable PPO medical plan. The UHC bid is for a 5% increase to the base plan with EPO and -1.4% to the buy up plan with EPO. The EPO is similar to the City's current PPO plans, but without the out-of-network benefits. As the Council may recall from the May 17, 2016 Pre-Council discussion, an EPO plan limits employees to using only the doctors and hospitals within the EPO network. The EPO provides no out-of-network benefits. There was some concern that an employee may be out of state, for example, and not have access to in-network providers if they incur an injury or illness. Both existing PPO plans that the City currently offers provide out-of-network benefits at a higher cost to the employee. In addition, the overall bid amount for the two UHC plans was an increase of $42,535. Because of the out-of-network concerns, and the increase in premiums for a lesser benefit, the recommendation was to remain with the PPO plan as opposed to switching to an EPO plan.

1. <u>BCBS Health Savings Account (HSA) Medical Plan:</u> The final significant discussion involved consideration of the BCBS bid for a Health Savings Account (HSA) plan which would provide a savings of $24,693 in premiums. As was discussed during the May 17, 2016 Pre-Council meeting, premiums are usually lower on this type of plan because the "first dollar" out of pocket for all expenses is paid by the participant and not the insurance company. Staff, the Committee and Holmes Murphy discussed the bids for this type of plan, which came in just 2.1% lower than the current base medical plan. The biggest issue with this bid is that the deductible on the plan is $5,000. This means that any employee signing up for this insurance would be responsible for all costs out of pocket until the $5,000 deductible was met. If the City were to implement this plan, and because the deductible is so high, the City should strongly consider providing "seed money" into the employee's accounts to help offset some of those first dollar expenses, otherwise employees will have no incentive to choose the HSA over the PPO. For example, if the City provided $500 to each employee on the plan (average 170 employees), the total seed money would be $85,000, which would negate the savings of $24,693 in the bid. If the City reduced the seed money to $250 per employee for 170 employees, the cost would be $42,500.

   Staff, Holmes Murphy and the Committee all agreed to recommend not implementing the HSA this year, as the limited, if any, savings do not warrant such a dramatic change this year. The Committee and staff will continue to evaluate with Holmes Murphy the HSA option each year and anticipate this may be a lever that needs to be pulled when renewals come in at double-digit increases in future years, such as in the case of last year's 28.1% increase.

Upon reviewing all of the plan options, staff, the Committee and Holmes Murphy agreed the most prudent recommendation is to remain with the City's current medical carrier, BCBS, with the current two medical plans for an increase of 5.1% to the base plan and 3.6% to the buy up plan at a cost of $103,630. To implement this recommendation, we propose the following funding options:

1. Option #1 - City Absorbs the Full Increase: If the City elected to absorb the increase, based upon a current medical spend of $2,031,976 annually, this would result in an increase of $103,630, of which approximately $81,744 would be in the General Fund. As the Council may recall from the June 20 budget worksession, staff estimated a health insurance increase of $100,000 to the General Fund in FY17, so this amount is within the estimated budget. However, the General Fund is looking to reduce costs in FY17, so this option would be adding $81,744 to the General Fund budget.

2. Option #2 - City and Employees Share the Increase 50/50: If the City chose to split the increase with employees, this would result in an increase to the City of $51,815, of which approximately $40,872 would be in the General Fund. This option will also be adding to the FY17 budget, but is $40,872 less impactful to the General Fund than option #1.

   The impact to employees to absorb the other $51,815 would be an average 18% increase in their medical premiums. The significant concern during Committee discussions was regarding increasing the employees' premiums again this year. Because the medical premium increase last year was 28.1% (approximately $471,406), the City was required to make significant medical plan design changes to offset some of the increased cost. One medical plan was split into two different medical plans with higher deductibles and employee premiums were increased to remain within budget. Even with plan design changes and increasing deductibles and out-of-pocket limits, there was still a 19.86% increase once all of the plan changes were made. The City absorbed about 11% of this increase and employees absorbed the remainder. Some employees saw their premiums increase significantly, not only because the premiums increased, but also because the City lowered its contribution to some of the tiers. This resulted in employees paying a higher percentage of the premium than in the past. For example, the employee and spouse premiums for Tier 1 went up 40%, from $131.01 to $183.06 per month. For employee and spouse premiums on Tier 3, the monthly premium went up 95%, from $263.63 to $513.98 per month. The average premium increase for employees last year was 64%.

3. Option #3 - Dissolve Health Reimbursement Arrangement (HRA) and Allocate such Funds to Offset Medical Increase: The health reimbursement arrangement is an employer-funded health benefit plan that reimburses employees for certain medical expenses. The maximum reimbursement for an employee is $1,250 annually and the family maximum reimbursement is $2,500 annually. For example, should the employee need to meet the individual deductible of $4,000, such as for hospitalization, the employee would pay the $4,000 and be reimbursed by the City for $1,250. The City is responsible for the full cost of its portion of the shared deductible or co-insurance, should employees incur eligible deductible or co-insurance expenses. In budgeting for the HRA each year, staff multiplies the 170 employees on the medical plan by $1,250 (the maximum reimbursement per employee) and estimates that 35% of that total will be used

during the year. For FY17, staff was estimating approximately $85,000. The HRA runs on a calendar year. The City can opt to allocate HRA funds to offset the increase in the medical premiums for FY17. The HRA benefit would be terminated effective January 1, 2017 and employees would no longer have this benefit to help offset their deductibles. Staff would recommend leaving $10,000 in the HRA to complete the months of October, November and December 2016, then use the remaining $75,000 to offset the $103,630 increase in premiums. The remaining $28,630 could be absorbed by the City, with $22,410 of that total being in the General Fund. This option is $59,334 less impact to the General Fund than option #1 and $18,462 less than option #2.

The following chart summarizes the options and amounts:

	Total Cost	General Fund Cost
Option #1	$103,630	$81,744
Option #2	$51,815	$40,872
Option #3	$28,630	$22,410

Staff is seeking City Council direction on the preferred funding option for the medical plan. Please note that these numbers reflect medical changes only (changes to the other insurance lines of coverage are included later in this briefing.) The other recommendations listed below actually result in savings to the City. When those savings are combined with the medical numbers above, it reduces the Total Cost and the General Fund Cost. The final numbers, including the savings, will be provided in the summary of this briefing.

Dental Insurance

For dental insurance, bids were received from BCBS, Delta Dental, MetLife, TML, Unum, and UHC (Attachment D). All bids with comparable dental plans came in with an increase in premiums except BCBS and MetLife, who both quoted decreases. MetLife was priced better than the BCBS plan, however, with BCBS we were able to bundle the dental with medical which helped to leverage a lower rate for medical. The City had BCBS dental in FY15 and had no substantial issues with their service. The BCBS quote of a 5% decrease is a savings of $6,009 per year on premiums.

With the adoption of the Affordable Care Act and associated fees a few years ago, the City made the decision to reduce its contribution to employee only dental from 100% to 91%. With the decrease in dental premiums this year, the Committee asked Human Resources staff to research the cost of the City once again contributing 100% to employee only dental premiums. The result was $5,340 annually for the City to make that change. Of the surrounding seven comparator cities, five of those cities pay for 100% of the premium for employee only dental:

Euless 75% Employee only dental
North Richland Hills 86% Employee only dental

Bedford 100% Employee only dental
Grapevine 100% Employee only dental
Hurst 100% Employee only dental
Keller 100% Employee only dental
Southlake 100% Employee only dental

Staff and the Committee recommend increasing the City's contribution to employee only dental premiums from 91% to 100%. If the City Council elected to make this change, the result would still realize a savings of $669 in FY17.

Vision Insurance
Bids were received for vision insurance from Davis Vision, Humana, MetLife, Superior Vision, TML and United Healthcare (Attachment E). All bids came in with a double-digit increase except Davis Vision, Superior Vision, and UHC. The City's current carrier is Superior Vision, who bid the current plan with a 4% increase and a 4-year rate guarantee. Both Davis Vision and UHC also bid competitively; however, the plan designs were not comparable to the current vision plan design and the provider networks were not as extensive as Superior Vision's provider network.

The City does not contribute to vision insurance - employees pay 100% of the premiums. The 4% increase will result in less than $1.00 per month more than employees are currently paying for vision insurance. Therefore, staff and the Committee recommend staying with Superior Vision and locking in the 4-year rate guarantee.

Life and Accidental Death and Dismemberment (AD&D) Insurance
The City pays for $15,000 in life insurance and AD&D insurance for employees. For this line of coverage, bids were received from Dearborn National Life, MetLife, Minnesota Life, Mutual of Omaha, One America, TML and Unum (Attachment F). Bids ranged from a decrease of 34% (Minnesota Life) to an increase of 101% (TML) (Attachment F). The City's current plan is with Dearborn National Life and their bid for basic life came in with a decrease of 32%, an annual savings of $1,497. The other competitive bid was a decrease of 34% from Minnesota Life, with an annual savings of $1,592. Rather than switching carriers and requiring new paperwork from all employees for an annual difference of $96 in FY17, staff and the Committee recommend staying with Dearborn National Life.

Voluntary life rates with Dearborn National remained the same (Attachment G). For simplicity, staff and the Committee recommend keeping both basic and voluntary life plans with Dearborn National Life.

Flexible Spending Account (FSA) Administration
As part of the City's benefit package, the City offers a flexible spending account (FSA) option which allows employees to set aside pre-tax dollars to pay for qualified health care and dependent care expenses. This reduces the amount of federal taxes paid by the employee and the City. The City currently uses Total Administrative Services

Corporation, or TASC, to administer this benefit. The current administration fee is $3,353 annually.

Bids for FSA administration were received from Aetna, BCBS, Discovery, Navia, TASC, TML and Wageworks (Attachment H). The Committee recommended making a change from TASC this year because they have been administratively difficult to work with and their systems and processes are somewhat antiquated and cumbersome. The Committee narrowed the selection to Discovery and Wageworks based upon their level of FSA expertise and service. The primary difference between the two vendors was that, for $621 more per year, Discovery provides a dedicated point of contact for the City and Wageworks does not. For the current FSA plan with TASC, we do not have a dedicated point of contact. Not having a dedicated point of contact for the current plan has resulted in problems with getting issues resolved in a timely manner. The bid for Discovery FSA administration is $166 more annually than the current contract with TASC.

Staff and the Committee also recommend changing the plan year for the FSA to match the plan year with the HRA. The HRA runs on a calendar year and the FSA currently runs on a fiscal year which causes confusion for employees.

For ease of administration and to make it easier for employees to understand, the group agreed that streamlining these two lines of coverage to the same calendar year schedule would be beneficial. This will involve a short-year renewal with TASC (for October, November and December) and a full calendar year contract with Discovery. If recommendation is approved, staff will communicate the change to employees during open enrollment in August. During this transition period, those employees who want to enroll in October, November and December 2016 will complete a TASC form. They will complete a Discovery form if they want to participate in 2017. If they want to do both, they will need to complete both forms. This will only be a one-time occurrence because we are changing carriers and changing the FSA plan year at the same time.

NOTE: If the City chooses to dissolve the HRA to help offset the increase in medical premiums, we would not recommend changing the FSA to calendar year, as the confusion is caused by the two plans having different years.

Health Reimbursement Arrangement (HRA) Administration

Bids for HRA administration were received from Aetna, BCBS, Discovery, Navia, TASC, TML, Wageworks and UHC (Attachment I). The City uses TASC to administer this benefit with a current administration fee of $10,320 annually. Because of the issues with TASC discussed above, staff and the Committee recommend changing vendors. Since both Discovery and Wageworks bid the same amount, staff and the Committee recommended Discovery. As noted in the FSA section above, Discovery has a dedicated point of contact that will help facilitate issues being resolved in a more timely manner. The bid for Discovery HRA administration is $8,772, resulting in a savings of $1,548 annually.

NOTE: If the City dissolves the HRA, the HRA administration fees would need to be budgeted for October, November and December of this year only. The City currently pays TASC $5.00 per month per employee on the plan (currently 170 employees). To finish 2016, we would need to budget $850 per month for three months, for a total of $2,550.

Pricing Transparency and Concierge Services:
As noted earlier, this year the City requested bids for pricing transparency services. The growth of high-deductible health plans and increasing out-of-pocket costs has put the onus on consumers to control their own healthcare costs. Pricing transparency tools can help consumers, or employees, better manage their healthcare costs by pricing procedures, prescriptions, and providers in advance and allowing them to make decisions that are best for them individually or as a family. They are also better able to plan ahead for the costs they will incur. By teaching City employees to become smarter consumers of healthcare, we can help control the City's costs as well. As an example, in 2011, the U.S. Government Accountability Office asked dozens of health care providers about their price for a knee replacement. The estimates ranged from $33,000 to $101,000 (GAO-11-791: Published: Sep 23, 2011. Publicly Released: Oct 24, 2011). An employee can save themselves money by pricing a knee surgery in advance, and the City's medical plan will save money if the employee chooses one of the less expensive options. The Committee also noted that, in the event we move to an HSA plan in the next few years, it will be good for employees to already be familiar with this service since the first dollar out of pocket in an HSA plan is paid for by the employee and not the medical plan. In summary, this type of service can reduce overall medical plan costs as employees become smarter consumers of healthcare.

Compass was the only vendor to bid on this service (Attachment J). The other two large vendors in this market, Castlight and Health Advocate, did not bid because they target larger clients. Aetna, BCBS, TML and UHC provide websites in conjunction with their medical plan that provide information on doctors and hospitals, such as patient satisfaction measures, complications index and demographic information. Even though this information is helpful, this is not the same service as having a more "concierge type" service. Compass' bid is for $5 per person per month – approximately $10,320 per year. Staff and the Committee recommend to move forward with Compass. The increase of $10,320 for this service can be offset by the $10,000 in wellness reimbursements from the BCBS medical plan. In addition, Compass provides a monthly report showing utilization and estimated savings to the medical plan that will be very helpful in measuring the return on investment.

Summary
Following review and negotiations with responding carriers, the recommendations are summarized below.

Cost increases and savings for all lines of coverage, excluding medical insurance:

Line of Coverage	Carrier	Current Cost	New Cost	Difference
Wellness Credit	BCBS	$0	$10,000	**$(10,000)**
Dental	BCBS	$120,653	$114,644	**$(6,009)**
- To change from 91% to 100% employee only		$0	$5,340	**$5,340**
Basic Life	Dearborn National	$4,681	$3,184	**$(1,497)**
FSA Admin	Discovery	$3,353	$3,519	**$166**
HRA Admin	Discovery	$10,320	$8,772	**$(1,548)**
Pricing Transparency	Compass	$0	$10,320	**$10,320**
			TOTAL SAVINGS TO CITY	**$(3,228)**

The total savings to the City above ($3,228) for all lines of coverage except medical can be subtracted from the three medical funding options below to get a final cost to the City.

Final Costs to the City:

Options	Option Cost	Savings from Above	Total City Impact/ Cost	Total General Fund Impact/ Cost
Option #1: City absorb increase.	$103,630	$(3,228)	$100,402	**$79,198**
Option #2: City and employees split the increase.	$51,815	$(3,228)	$48,587	**$38,326**
Option #3: Allocate HRA funds to offset increase.	$28,630	$(8,673) *Subtract current admin fees leaving some to pay fees for Oct-Dec 2016.	$19,957	**$18,046**

*The HRA administration fee decreases because we are only paying for three months.
City management recommends Option #3 – Allocating the HRA funds to offset the increase in the medical premiums for FY17. The HRA benefit would be terminated effective January 1, 2017. The current budgeted amount is $85,000. Staff

recommends leaving $10,000 in the HRA to complete reimbursements for the months of October, November and December 2016.

There are two lines of coverage that affect employees only, and therefore, does not affect the City's budget:

Vision – There is a 4% increase for employees in FY17; less than $1.00 per employee per month

Voluntary life – The rates did not change for employees in FY17.

Upon receiving direction from the City Council, staff will prepare appropriate contracts with the various vendors for approval at the July 19 City Council meeting. Implementation of the new insurance plans would begin with open enrollment meetings in late August 2016 and a coverage effective date of October 1, 2016.

Attachments
1. FY17 Health Insurance Presentation
2. Attachment A - Benefits/Wellness Committee
3. Attachment B - Bid List
4. Attachment C - Medical Bids
5. Attachment D - Dental Bids
6. Attachment E - Vision Bids
7. Attachment F - Basic Life and AD&D Bids
8. Attachment G - Voluntary Life Bids
9. Attachment H - Flexible Spending Account Bids
10. Attachment I - Health Reimbursement Arrangement Bids
11. Attachment J - Pricing Transparency Bids

Health Insurance Bid Results and Recommendations

Pre Council Meeting
July 12, 2016

Benefits/Wellness Committee

Mike Almy, Parks
Stephanie Engel, Human Resources
Lisa Escobedo, Recreation and City Events
Matt Foss, Police
Theresa Fox, Utility Billing
Marilyn Gilbert, Colleyville Center
Adrienne Lothery, Strategic Services
Letecia McClendon, Public Works
Kelly Minor, Community Development
Eddie Moran, Fire
Jack Pawlowski, Library
Jesse Perez, Human Resources
Dixie Smith, Public Works
Robert Stewart, Fire
Chuck Tinsman, Police

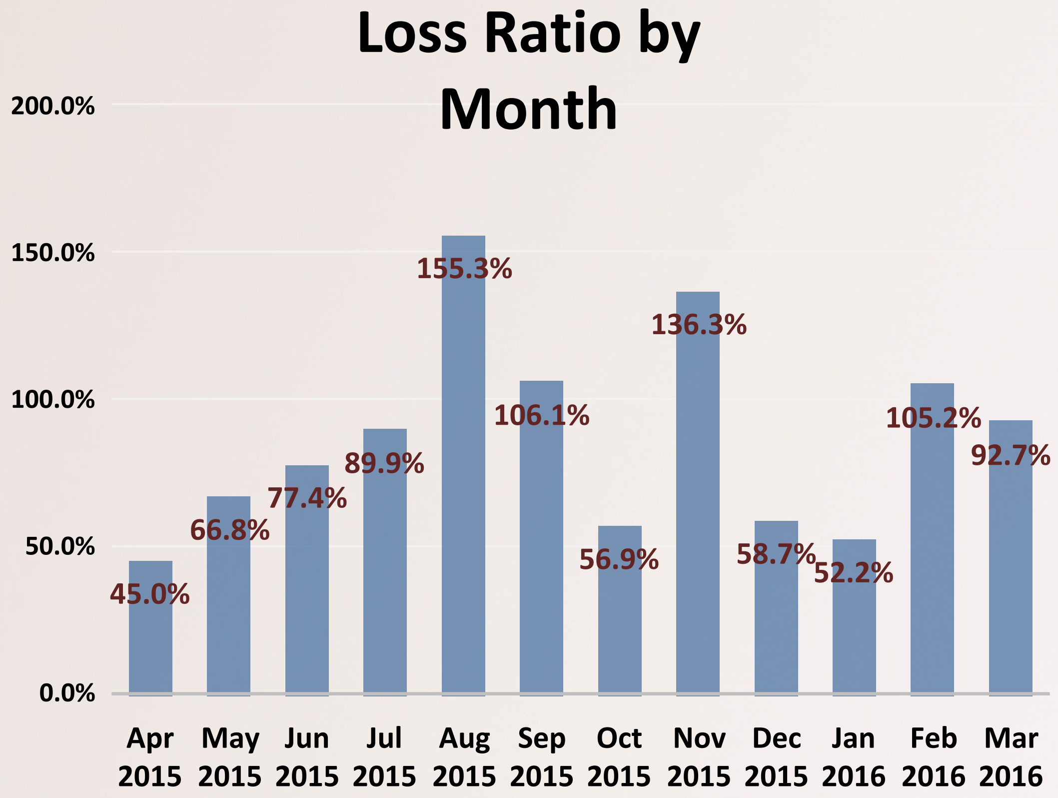
Current Lines of Coverage

Type of Insurance	Insurance Carrier
• Medical	BlueCross BlueShield (BCBS)
• Dental	UNUM
• Vision	Superior Vision
• Basic and Voluntary Life and Accidental Death and Dismemberment (AD&D)	Dearborn National Life
• Flexible Spending Account (FSA) Administration • Health Reimbursement Arrangement (HRA) Administration	Total Administrative Services Corporation (TASC)

Factor: Loss Ratio

Loss Ratio = Claims Paid / Premiums Collected

Average claims	= 86.1%
Admin fee	= 15.0%
Total	= 101.1%



Factor: Trend

Year	BCBS Medical Trends	BCBS Pharmaceutical Trends	Colleyville Medical Premiums
FY2011	12.6%*	9.0%*	-1.00%
FY2012	9.4%*	6.0%*	-3.00%
FY2013	8.30%	6.00%	-7.85%
FY2014	7.00%	7.30%	4.50%
FY2015	7.60%	7.90%	-3.00%
FY2016	7.30%	14.60%	19.86%
Average	8.70%	8.47%	1.59%

* AETNA plan years; using BCBS trend since we do not have AETNA's numbers

Current Medical Plans

Plan Design	Base Plan PPO	Buy Up Plan PPO
Individual/Family Deductible	$4,000 / $8,000	$2,000 / $4,000
Out of Pocket Maximum *(employee / family)*	$5,000 / $10,000	$3,000 / $6,000
Coinsurance *(in-network / out of network)*	80% / 50%	90% / 70%
Primary Care/Specialist Copay	$30 / $50	$25 / $30
Emergency Room Copay	$250	$200
Prescription/RX *(Generic / Preferred / Non-Preferred)*	$20 / $40 / $70	$20 / $40 / $70

Medical Insurance Bids

- BCBS (BlueCross BlueShield)
- AETNA
- TML (Texas Municipal League)
- United Healthcare (UHC)
- CIGNA declined

Proposed Fully Insured Medical Rates

	Counts	BCBS (Base PPO Plan)	Aetna: Base Plan (Open Access Managed Choice POS)	BCBS: Base Plan (PPO Plan)	BCBS: *Alternate HSA $5,000 Ded - Option 2	TML: Base Plan (Option 1, Plan P85-400-15-A $30 OV)	UHC: Base Plan (AG-Z4 (Premier/Emb/PVY/2016) Rx Plan: 2V PPO	UHC: Base Plan (AG-2M (Premier/Emb/PVY/2016) Rx Plan: 2V) EPO
		Current Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates
Employee Only	52	$492.83	$564.29	$517.96	$482.58	$532.22	$578.03	$517.27
Employee + Spouse	7	$1,103.04	$1,262.99	$1,159.30	$1,080.10	$1,314.31	$1,293.73	$1,157.74
Employee + Child(ren)	10	$886.66	$1,015.23	$931.88	$868.22	$988.91	$1,039.94	$930.63
Employee + Family	38	$1,492.52	$1,708.95	$1,568.64	$1,461.48	$1,690.04	$1,750.55	$1,566.54
Estimated Monthly Premiums		$98,931	$113,276	$103,976	$96,873	$110,986	$116,034	$103,837
Estimated Annual Premiums		$1,187,170	$1,359,317	$1,247,714	$1,162,476	$1,331,835	$1,392,408	$1,246,044
+/- Current Premium		$0	$172,147	$60,544	-$24,693	$144,665	$205,238	$58,875
+/- Percentage		0.0%	14.5%	5.1%	-2.1%	12.2%	17.3%	5.0%

	Counts	BCBS (Buy Up PPO Plan)	Aetna: Buy Up Plan (Open Access Managed Choise POS)	BCBS: Buy Up Plan PPO	BCBS: Buy Up Plan PPO	TML: Buy Up Plan (Plan P96-200-30-A $25 OV)	UHC: Buy Up Plan (AG-Z2 (Premier/Emb/PVY/2016) Rx Plan: 2V) PPO	UHC: Buy Up Plan EPO
		Current Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates
Employee Only	20	$542.17	$620.78	$569.82	$578.08	$635.17	$593.78	$531.68
Employee + Spouse	7	$1,213.46	$1,389.40	$1,275.35	$1,293.84	$1,570.78	$1,328.98	$1,189.99
Employee + Child(ren)	17	$975.42	$1,116.85	$1,025.17	$1,040.03	$1,181.50	$1,068.28	$956.56
Employee + Family	21	$1,641.94	$1,880.01	$1,725.68	$1,750.70	$2,020.31	$1,798.24	$1,610.18
Estimated Monthly Premiums		$70,401	$80,608	$73,991	$75,064	$86,211	$77,102	$69,039
Estimated Annual Premiums		$844,806	$967,297	$887,892	$900,764	$1,034,530	$925,227	$828,466
+/- Current Premium		$0	$122,491	$43,086	$55,958	$189,724	$80,421	-$16,340
+/- Percentage		0.0%	10.3%	3.6%	4.7%	16.0%	6.8%	-1.4%

*HSA enrollment assumptions based on current enrollment.

Totals

	Current	Aetna	BCBS	BCBS	TML	UHC	UHC
Estimated Annual Premiums	$2,031,976	$2,326,614	$2,135,606	$2,063,241	$2,366,365	$2,317,635	$2,074,510
+/- Current Premium	$0	$294,638	$103,630	$31,265	$334,390	$285,659	$42,535
+/- Percentage	0.0%	14.5%	5.1%	1.5%	16.5%	14.1%	2.1%

Medical Insurance Funding Options

Options for Funding the Medical Increase	Total Cost	General Fund Cost
Option #1 – Increase absorbed by City	$103,630	$81,744
Option #2 – Increase split between City and Employees	$51,815	$40,872
Option #3 – Dissolve HRA and allocate HRA funds to offset increase	$28,630	$22,410

Medical Insurance Recommendation

- Remain with BCBS – no changes to plans
- 5.1% increase to the Base Plan; 3.6% increase to the Buy Up Plan
- Total Estimated Increase = $103,360
- Recommend Option #3 to Fund Increase
  - $28,630 Total
  - $22,410 General Fund impact

Dental Insurance Bids

- BCBS
- Delta Dental
- MetLife
- TML
- UNUM
- United Healthcare

Dental Insurance Bids

Proposed Fully Insured Dental Rates

	EE Counts	Unum (DPPO) Current Rates	BCBS Proposed Dental Rates (BlueCare Freedom Dental-PPO)	Delta Dental Proposed Dental Rates (DPO)	MetLife Proposed Dental Rates (DPPO)	TML Proposed Dental Rates - IEBP's Dental 3*	TML Proposed Dental Rates - IEBP's Dental 4*	Unum Proposed Dental Rates (Passive PPO)	UHC Proposed Dental Rates
Employee Only	**75**	$31.16	$29.61	$34.44	$26.85	$41.40	$31.28	$31.29	$34.71
Employee + Spouse	**19**	$63.83	$60.65	$70.55	$54.24	$84.98	$73.50	$64.11	$71.10
Employee + Child(ren)	**19**	$61.63	$58.56	$68.34	$52.37	$89.34	$67.21	$61.90	$68.65
Employee + Family	**52**	$102.57	$97.46	$113.37	$87.16	$127.09	$93.76	$103.01	$114.26
Estimated Monthly Premiums		**$10,054**	**$9,554**	**$11,117**	**$8,572**	**$13,026**	**$9,895**	**$10,097**	**$11,200**
Estimated Annual Premiums		**$120,653**	**$114,644**	**$133,406**	**$102,860**	**$156,309**	**$118,740**	**$121,170**	**$134,400**
estimated +/- current premiums		**$0**	**-$6,009**	**$12,753**	**-$17,793**	**$35,657**	**-$1,912**	**$517**	**$13,748**
Estimated +/- current %		**0.0%**	**-5.0%**	**10.6%**	**-14.7%**	**29.6%**	**-1.6%**	**0.4%**	**11.4%**

Dental Insurance Recommendation

Euless	75% Employee only dental
NRH	86% Employee only dental
Colleyville	91% Employee only dental
Bedford	100% Employee only dental
Grapevine	100% Employee only dental
Hurst	100% Employee only dental
Keller	100% Employee only dental
Southlake	100% Employee only dental

- Annual amount to move to 100% = $5,340
- Annual savings (with 5% decrease) = $669

Vision Insurance Bids & Recommendation

CITY OF COLLEYVILLE TEXAS

Proposed Vision Rates

	EE Counts	Superior	Davis Vision, Inc.	Humana	MetLife	Superior Vision	TML	UHC	UHC	UHC	UHC
		Inforce Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Option 1	Option 2	Option 3	Option 4
Employee Only	48	$4.74	$5.00	$5.46	$5.84	$4.93	$12.50	$6.31	$5.88	$4.83	$5.18
Employee + Spouse	16	$8.60	$8.99	$10.91	$10.60	$8.94	$25.00	$11.46	$10.69	$8.76	$9.40
Employee + Child(ren)	8	$9.06	$9.49	$10.36	$11.16	$9.42	$25.00	$12.07	$11.25	$9.22	$9.90
Employee + Family	35	$13.80	$14.99	$16.29	$17.00	$14.35	$25.00	$18.38	$17.13	$14.05	$15.08
Estimated Monthly Premiums		$921	$984	$1,090	$1,134	$957	$2,075	$1,226	$1,143	$938	$1,006
Estimated Annual Premiums		$11,047.20	$11,812.92	$13,076.04	$13,610.40	$11,487.48	$24,900.00	$14,713.20	$13,713.96	$11,250.12	$12,072.48
estimated +/- current premiums		$0	$766	$2,029	$2,563	$440	$13,853	$3,666	$2,667	$203	$1,025
Estimated +/- current %		0%	7%	18%	23%	4%	125%	33%	24%	2%	9%

Superior Vision = Increase of $440 per year (less than $1.00 per month per employee). 4-year rate guarantee.

Life and AD&D Insurance Bids

- Dearborn National
- MetLife
- Minnesota Life
- Mutual of Omaha
- One America
- TML
- UNUM

Life and AD&D Insurance Bids and Recommendation

Proposed Fully Insured Life Rates

-

	Dearborn National	Dearborn National	MetLife	Minnesota Life	Mutual of Omaha	One America	TML	Unum
	Current Rates	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage
Life Monthly Rate	$0.12	$0.08	$0.12	$0.07	$0.09	$0.12	$0.26	$0.13
AD&D Monthly Rate	$0.03	$0.02	$0.03	$0.03	$0.03	$0.02	$0.04	$0.02
Estimated Life Volume	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500
Estimated AD&D Volume	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500
Monthly Premiums	$390	$265	$379	$257	$310	$371	$783	$398
Annual Premiums	$4,681	$3,184	$4,553	$3,089	$3,726	$4,458	$9,393	$4,776
+/- Current Premium	$0	-$1,497	-$127	-$1,592	-$955	-$223	$4,713	$96
+/- Percentage	0%	-32%	-3%	-34%	-20%	-5%	101%	2%

Flexible Spending Account Bids

- AETNA
- BCBS
- Discovery
- Navia
- TASC
- TML
- Wageworks

Flexible Spending Account Recommendation

Proposed FSA Fees

Current Enrollment	69

	TASC - Current Fees	Aetna/PayFlex	BCBS	Discovery	Navia	TASC	TML	Wageworks
FSA Administration Fee (PPPM)	$4.05	$5.10	$2.22	$4.25	$3.75	$4.05	$3.70	$3.50
Debit Card Fee (PPPM)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3.70	$0.00
Implementation/Set Up Fee		$750.00	$125.00	$0.00	$0.00	$0.00	$50.00	$0.00
Annual Renewal Fee		$750.00	$0.00	$0.00	$0.00	$300.00	$0.00	$0.00
Monthly Premiums	**$279**	**$352**	**$153**	**$293**	**$259**	**$279**	**$255**	**$242**
Annual Premiums	**$3,353**	**$5,723**	**$1,963**	**$3,519**	**$3,105**	**$3,653**	**$3,114**	**$2,898**
+/- Current Premium	**$0**	**$2,369**	**-$1,390**	**$166**	**-$248**	**$300**	**-$240**	**-$455**
+/- Percentage	**0%**	**71%**	**-41%**	**5%**	**-7%**	**9%**	**-7%**	**-14%**

Health Reimbursement Arrangement Bids

- AETNA
- BCBS
- Discovery
- Navia
- TASC
- TML
- Wageworks
- UHC

Health Reimbursement Arrangement

Proposed HRA Fees

Enrollment Assumption	172

	TASC Inforce	Aetna	BCBS	Discovery	Navia	TASC	TML	Wageworks	UHC
HRA Administration Fee (PEPM)	$5.00	Included in Medical HRA Plans	Included in Medical HRA Plans	$4.25	$3.50	$5.00	$3.70	$4.25	Included in Medical HRA Plans - 2% administration fee
Debit Card Fee (PEPM)		N/A		$0.00	$0.00	$0.00		$0.00	
Implementation/Set Up Fee		Included in Medical HRA Plans		$0.00	$0.00	$0.00	$50.00	$0.00	
Annual Renewal Fee		12% future rate cap		0	0	150	0	0	
Additional Fees (please outline/explain)		Please refer to proposal		N/A	$0.00	Minimum monthly fee: $300.00		$0.00	
Employee Communication Material (Please List)					Included				
Monthly Premiums	**$860**	**$0**	**$0**	**$731**	**$602**	**$860**	**$636**	**$731**	**$0**
Annual Premiums	**$10,320**	**$0**	**$0**	**$8,772**	**$7,224**	**$10,320**	**$7,637**	**$8,772**	**$0**

Pricing Transparency

- Increase in high deductible health plans
  - $4,000 Individual / $8,000 Family
  - $2,000 Individual / $4,000 Family
- Increasing out-of-pocket costs
  - $5,000 Individual / $10,000 Family
  - $3,000 Individual / $6,000 Family

- Example: *Knee surgery ranges from $33,000 - $101,000

(*GAO-11-791: Published: Sep 23, 2011. Publicly Released: Oct 24, 2011)

- Valuable service for both PPO and HSA plans

Pricing Transparency Recommendations

Summary of Recommendations

Line of Coverage	Carrier	Current Cost	New Cost	Difference
Wellness Credit	BCBS	$0	$10,000	$(10,000)
Dental	BCBS	$120,653	$114,644	$(6,009)
- To change from 91% to 100% employee only		$0	$5,340	$5,340
Basic Life	Dearborn National	$4,681	$3,184	$(1,497)
FSA Admin	Discovery	$3,353	$3,519	$166
HRA Admin	Discovery	$10,320	$8,772	$(1,548)
Pricing Transparency	Compass	$0	$10,320	$10,320
			TOTAL SAVINGS TO CITY	**$(3,228)**

Financial Summary

Options	Option Cost	Savings	Total City Impact/ Cost	Total General Fund Impact/ Cost
Option #1: City absorb increase.	$103,630	$(3,228)	$100,402	$79,198
Option #2: City and employees split the increase.	$51,815	$(3,228)	$48,587	$38,326
***Option #3: Allocate HRA funds to offset increase. Subtract current admin fees leaving enough for Oct-Dec 2016.**	$28,630	$(8,673)	$19,957	$18,046

Discussion and Questions

ATTACHMENT A
2016 Benefits/Wellness Committee

Mike Almy, Parks and Recreation Crew Leader

Stephanie Engel, Human Resources Analyst

Lisa Escobedo, Recreation and City Events Manager

Matt Foss, Police Officer

Theresa Fox, Utility Billing Supervisor

Marilyn Gilbert, Colleyville Center Office Assistant

Adrienne Lothery, Strategic Services Manager

Letecia McClendon, GIS Technician Public Works

Kelly Minor, Permit Clerk

Eddie Moran, Fire Captain

Jack Pawlowski, Circulation/Information Services Librarian

Jesse Perez, Human Resources Manager

Dixie Smith, Public Works Administrative Support Specialist

Robert Stewart, Fire Captain

Chuck Tinsman, Police Sergeant

ATTACHMENT B

Vendor Response

	Carrier	Lines Quoted								AM Best	Comments
		Medical	Dental	Vision	HRA	FSA	Life	Vol Life	Price Transparancy		
1	Aetna	x			x	x			x	A	
2	BCBS	x	x		x	x				A+	
3	Compass								x		
4	Davis Vision			x						A-	
5	Dearborn National						x	x		A+	
6	Delta Dental		x							A-	
7	Discovery				x	x				N/A	
8	Humana		x	x				x			Did not quote base life
9	MetLife		x	x			x	x		A+	
10	Minnesota Life						x	x		A+	
11	Mutual of Omaha						x	x		A+	
12	Navia				x	x				N/A	
13	One American						x	x		A+	
14	Superior Vision			x						A-	
15	TASC				x	x				N/A	
16	TML	x	x	x	x	x	x	x	x	N/A	Must purchase medical to get any other benefits
17	UHC	x	x	x						A	
18	Unum		x				x	x		A	
19	Wage Works				x	x				N/A	

	Carrier	Declined to Quote
1	AIG	Declined
2	Ameritas	Declined
3	Cigna	Declined
4	Eyemed	Declined
5	Hartford	Declined
6	Lincoln	Declined
7	Principal	Declined
8	Prudential	Declined
9	Standard	Declined
10	Health Advocate	Declined
11	Castlight	Declined

ATTACHMENT C

Proposed Fully Insured Medical Rates

	Counts	BCBS (Base PPO Plan)	Aetna Base Plan (Open Access Managed Choice POS)	BCBS Base Plan (PPO Plan)	BCBS *Alternate HSA $5,000 Ded - Option 2	TML Base Plan (Option 1, Plan P85-400-15-A $30 OV)	UHC Base Plan (AG-Z4 (Premier/Emb/PVY/2016) Rx Plan: 2V PPO	UHC Base Plan (AG-2M (Premier/Emb/PVY/2016) Rx Plan: 2V) EPO
		Current Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates
Employee Only	52	$492.83	$564.29	$517.96	$482.58	$532.22	$578.03	$517.27
Employee + Spouse	7	$1,103.04	$1,262.99	$1,159.30	$1,080.10	$1,314.31	$1,293.73	$1,157.74
Employee + Child(ren)	10	$886.66	$1,015.23	$931.88	$868.22	$988.91	$1,039.94	$930.63
Employee + Family	38	$1,492.52	$1,708.95	$1,568.64	$1,461.48	$1,690.04	$1,750.55	$1,566.54
Estimated Monthly Premiums		$98,931	$113,276	$103,976	$96,873	$110,986	$116,034	$103,837
Estimated Annual Premiums		$1,187,170	$1,359,317	$1,247,714	$1,162,476	$1,331,835	$1,392,408	$1,246,044
+/- Current Premium		$0	$172,147	$60,544	-$24,693	$144,665	$205,238	$58,875
+/- Percentage		0.0%	14.5%	5.1%	-2.1%	12.2%	17.3%	5.0%

	Counts	BCBS (Buy Up PPO Plan)	Aetna Buy Up Plan (Open Access Managed Choise POS)	BCBS Buy Up Plan PPO	BCBS Buy Up Plan PPO	TML Buy Up Plan (Plan P96-200-30-A $25 OV)	UHC Buy Up Plan (AG-Z2 (Premier/Emb/PVY/2016) Rx Plan: 2V) PPO	UHC Buy Up Plan EPO
		Current Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates	Proposed Rates
Employee Only	20	$542.17	$620.78	$569.82	$578.08	$635.17	$593.78	$531.68
Employee + Spouse	7	$1,213.46	$1,389.40	$1,275.35	$1,293.84	$1,570.78	$1,328.98	$1,189.99
Employee + Child(ren)	17	$975.42	$1,116.85	$1,025.17	$1,040.03	$1,181.50	$1,068.28	$956.56
Employee + Family	21	$1,641.94	$1,880.01	$1,725.68	$1,750.70	$2,020.31	$1,798.24	$1,610.18
Estimated Monthly Premiums		$70,401	$80,608	$73,991	$75,064	$86,211	$77,102	$69,039
Estimated Annual Premiums		$844,806	$967,297	$887,892	$900,764	$1,034,530	$925,227	$828,466
+/- Current Premium		$0	$122,491	$43,086	$55,958	$189,724	$80,421	-$16,340
+/- Percentage		0.0%	10.3%	3.6%	4.7%	16.0%	6.8%	-1.4%

***HSA enrollment assumptions based on current enrollment.**

Totals

Estimated Annual Premiums	$2,031,976	$2,326,614	$2,135,606	$2,063,241	$2,366,365	$2,317,635	$2,074,510
+/- Current Premium	$0	$294,638	$103,630	$31,265	$334,390	$285,659	$42,535
+/- Percentage	0.0%	14.5%	5.1%	1.5%	16.5%	14.1%	2.1%

ATTACHMENT D

Proposed Fully Insured Dental Rates

		Unum (DPPO)	BCBS	Delta Dental	MetLife	TML	TML	Unum	UHC
	EE Counts	Current Rates	Proposed Dental Rates (BlueCare Freedom Dental-PPO)	Proposed Dental Rates (DPO)	Proposed Dental Rates (DPPO)	Proposed Dental Rates - IEBP's Dental 3*	Proposed Dental Rates - IEBP's Dental 4*	Proposed Dental Rates (Passive PPO)	Proposed Dental Rates
Employee Only	**75**	$31.16	$29.61	$34.44	$26.85	$41.40	$31.28	$31.29	$34.71
Employee + Spouse	**19**	$63.83	$60.65	$70.55	$54.24	$84.98	$73.50	$64.11	$71.10
Employee + Child(ren)	**19**	$61.63	$58.56	$68.34	$52.37	$89.34	$67.21	$61.90	$68.65
Employee + Family	**52**	$102.57	$97.46	$113.37	$87.16	$127.09	$93.76	$103.01	$114.26
Estimated Monthly Premiums		**$10,054**	**$9,554**	**$11,117**	**$8,572**	**$13,026**	**$9,895**	**$10,097**	**$11,200**
Estimated Annual Premiums		**$120,653**	**$114,644**	**$133,406**	**$102,860**	**$156,309**	**$118,740**	**$121,170**	**$134,400**
estimated +/- current premiums		**$0**	**-$6,009**	**$12,753**	**-$17,793**	**$35,657**	**-$1,912**	**$517**	**$13,748**
Estimated +/- current %		**0.0%**	**-5.0%**	**10.6%**	**-14.7%**	**29.6%**	**-1.6%**	**0.4%**	**11.4%**

ATTACHMENT E

Proposed Vision Rates

	EE Counts	Superior	Davis Vision, Inc.	Humana	MetLife	Superior Vision	TML	UHC	UHC	UHC	UHC
		Inforce Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Proposed FI Vision Rates	Option 1	Option 2	Option 3	Option 4
Employee Only	48	$4.74	$5.00	$5.46	$5.84	$4.93	$12.50	$6.31	$5.88	$4.83	$5.18
Employee + Spouse	16	$8.60	$8.99	$10.91	$10.60	$8.94	$25.00	$11.46	$10.69	$8.76	$9.40
Employee + Child(ren)	8	$9.06	$9.49	$10.36	$11.16	$9.42	$25.00	$12.07	$11.25	$9.22	$9.90
Employee + Family	35	$13.80	$14.99	$16.29	$17.00	$14.35	$25.00	$18.38	$17.13	$14.05	$15.08
Estimated Monthly Premiums		$921	$984	$1,090	$1,134	$957	$2,075	$1,226	$1,143	$938	$1,006
Estimated Annual Premiums		$11,047.20	$11,812.92	$13,076.04	$13,610.40	$11,487.48	$24,900.00	$14,713.20	$13,713.96	$11,250.12	$12,072.48
estimated +/- current premiums		$0	$766	$2,029	$2,563	$440	$13,853	$3,666	$2,667	$203	$1,025
Estimated +/- current %		0%	7%	18%	23%	4%	125%	33%	24%	2%	9%

ATTACHMENT F

Proposed Fully Insured
Life Rates

	Dearborn National	Dearborn National	MetLife	Minnesota Life	Mutual of Omaha	One America	TML	Unum
	Current Rates	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage	Proposed Life / AD&D Rates per $1,000 of coverage
Life Monthly Rate	$0.12	$0.08	$0.12	$0.07	$0.09	$0.12	$0.26	$0.13
AD&D Monthly Rate	$0.03	$0.02	$0.03	$0.03	$0.03	$0.02	$0.04	$0.02
Estimated Life Volume	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500
Estimated AD&D Volume	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500	$2,653,500
Monthly Premiums	$390	$265	$379	$257	$310	$371	$783	$398
Annual Premiums	$4,681	$3,184	$4,553	$3,089	$3,726	$4,458	$9,393	$4,776
+/- Current Premium	$0	-$1,497	-$127	-$1,592	-$955	-$223	$4,713	$96
+/- Percentage	0%	-32%	-3%	-34%	-20%	-5%	101%	2%

ATTACHMENT G

Proposed Voluntary and Dependent Blended Life/AD&D Rates

	Dearborn National	Dearborn National	Minnesota Life	Mutual of Omaha	One America	TML	Unum
Age Band	Current Rates	Employee Blended Rates Per $1,000 of Benefit	Employee Blended Rates Per $1,000 of Benefit	Employee Blended Rates Per $1,000 of Benefit	Employee Blended Rates Per $1,000 of Benefit	Employee Blended Rates Per $1,000 of Benefit	Employee Blended Rates Per $1,000 of Benefit
Less than age 25	$0.080	$0.080	$0.060	$0.080	$0.080	$0.061	$0.080
25 - 29	$0.080	$0.080	$0.060	$0.080	$0.080	$0.069	$0.080
30 - 34	$0.110	$0.110	$0.090	$0.110	$0.110	$0.100	$0.110
35 - 39	$0.150	$0.150	$0.120	$0.150	$0.150	$0.130	$0.150
40 - 44	$0.190	$0.190	$0.150	$0.190	$0.190	$0.198	$0.190
45 - 49	$0.290	$0.290	$0.230	$0.290	$0.290	$0.332	$0.290
50 - 54	$0.520	$0.520	$0.420	$0.520	$0.520	$0.596	$0.520
55 - 59	$1.000	$1.000	$0.800	$1.000	$1.000	$0.913	$1.000
60 - 64	$1.310	$1.310	$1.050	$1.310	$1.310	$1.513	$1.310
65 - 69	$2.450	$2.450	$1.960	$2.450	$2.450	$2.431	$2.450
70-74	$3.970	$3.970	$3.180	$3.970	$3.970	$2.431	$3.970
75-79	$3.970	$3.970	$3.970	$5.470	$3.970	$2.431	$3.970
80-84	$9.272	$3.970	$3.970	$11.080	$3.970	$2.431	$3.970
85-89	$15.938	$3.970	$3.970	$11.080	$3.970	$2.431	$3.970
90-94	$19.335	$3.970	$3.970	$11.080	$3.970	$2.431	$3.970
95-99	$86.020	$3.970	$3.970	$11.080	$3.970	$2.431	$3.970
100+	$152.698	$3.970	$3.970	$11.080	$3.970	$2.431	$3.970

Age Band	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit	Spouse Rates Per $1,000 of Benefit
Less than age 25	$0.080	$0.080	$0.060	$0.080	$0.080	See RFP for Rates	$0.080
25 - 29	$0.080	$0.080	$0.060	$0.080	$0.080		$0.080
30 - 34	$0.110	$0.110	$0.090	$0.110	$0.110		$0.110
35 - 39	$0.150	$0.150	$0.120	$0.150	$0.150		$0.150
40 - 44	$0.190	$0.190	$0.150	$0.190	$0.190		$0.190

45 - 49	$0.290	$0.290	$0.230	$0.290	$0.290		$0.290
50 - 54	$0.520	$0.520	$0.420	$0.520	$0.520		$0.520
55 - 59	$1.000	$1.000	$0.800	$1.000	$1.000		$1.000
60 - 64	$1.310	$1.310	$1.050	$1.310	$1.310		$1.310
65 - 69	$2.450	$2.450	$1.960	$2.450	$2.450		$2.450
70-74	$3.970	$3.970	$3.180	$3.970	$3.970		$3.970
75-79	$3.970	$3.970	$3.970	$5.470	$3.970		$3.970
80-84	$9.272	$9.272	$3.970	$11.080	$3.970		$3.970
85-89	$15.938	$15.938	$3.970	$11.080	$3.970		$3.970
90-94	$19.335	$19.335	$3.970	$11.080	$3.970		$3.970
95-99	$86.020	$86.020	$3.970	$11.080	$3.970		$3.970
100+	$152.698	$152.698	$3.970	$11.080	$3.970		$3.970

Child Life		Per $1,000	Per $1,000	Per $1,000	Per $1,000	Per $1,000	Per $1,000
Per Child	-	-	0.15				0.15
Per Child Unit	$0.014	$0.140	$1.770	$0.014	$0.140		

Voluntary AD&D		Per $1,000	Per $1,000	Per $1,000	Per $1,000	Per $1,000	Per $1,000
Employee	$0.027	$0.027	$0.027	$0.027	$0.027	$0.035	$0.027
Spouse	$0.027	$0.027	$0.027	$0.027	$0.027	$0.058	$0.027
Child	$0.027	$0.027	$0.020	$0.027	$0.027		$0.027

ATTACHMENT H

Proposed FSA Fees

Current Enrollment	69

	TASC - Current Fees	Aetna/PayFlex	BCBS	Discovery	Navia	TASC	TML	Wageworks
FSA Administration Fee (PPPM)	$4.05	$5.10	$2.22	$4.25	$3.75	$4.05	$3.70	$3.50
Debit Card Fee (PPPM)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3.70	$0.00
Implementation/Set Up Fee		$750.00	$125.00	$0.00	$0.00	$0.00	$50.00	$0.00
Annual Renewal Fee		$750.00	$0.00	$0.00	$0.00	$300.00	$0.00	$0.00
Monthly Premiums	**$279**	**$352**	**$153**	**$293**	**$259**	**$279**	**$255**	**$242**
Annual Premiums	**$3,353**	**$5,723**	**$1,963**	**$3,519**	**$3,105**	**$3,653**	**$3,114**	**$2,898**
+/- Current Premium	**$0**	**$2,369**	**-$1,390**	**$166**	**-$248**	**$300**	**-$240**	**-$455**
+/- Percentage	**0%**	**71%**	**-41%**	**5%**	**-7%**	**9%**	**-7%**	**-14%**

ATTACHMENT I

Proposed HRA Fees

Enrollment Assumption	172

	TASC Inforce	Aetna	BCBS	Discovery	Navia	TASC	TML	Wageworks	UHC
HRA Administration Fee (PEPM)	$5.00	Included in Medical HRA Plans	Included in Medical HRA Plans	$4.25	$3.50	$5.00	$3.70	$4.25	Included in Medical HRA Plans - 2% administration fee
Debit Card Fee (PEPM)		N/A		$0.00	$0.00	$0.00		$0.00	
Implementation/Set Up Fee		Included in Medical HRA Plans		$0.00	$0.00	$0.00	$50.00	$0.00	
Annual Renewal Fee		12% future rate cap		0	0	150	0	0	
Additional Fees (please outline/explain)		Please refer to proposal		N/A	$0.00	Minimum monthly fee: $300.00		$0.00	
Employee Communication Matieral (Please List)					Included				
Monthly Premiums	**$860**	**$0**	**$0**	**$731**	**$602**	**$860**	**$636**	**$731**	**$0**
Annual Premiums	**$10,320**	**$0**	**$0**	**$8,772**	**$7,224**	**$10,320**	**$7,637**	**$8,772**	**$0**

ATTACHMENT J

Pricing Transparency

	Aetna	BCBS	Compass	TML	UHC
EE Counts 172	PEPM	PEPM	PEPM	PEPM	PEPM
Standard Rate	$0.00	$0.00	$5.00	$0.00	$0.00
Additional Optional Services - List Below					
Option 1					
Option 2					
Option 3					
Option 4					
Health Prompt					
Estimated Monthly Premiums	**$0.00**	**$0.00**	**$860.00**	**$0.00**	**$0.00**
Estimated Annual Premiums	**$0**	**$0**	**$10,320**	**$0**	**$0**

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number PC-4 **Agenda Date** 07/12/2016
Type Pre Council
Department City Secretary

Title
Discussion of the July 12, 2016, City Council regular agenda items

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 1 **Agenda Date** 07/12/2016
Type Executive Session
Department City Secretary

Title

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.087 – Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

Attachments

RESOLUTION R-16-4009

A RESOLUTION APPROVING COUNCIL ACTION REGARDING EXECUTIVE SESSION ITEMS AT THE REGULAR CITY COUNCIL MEETING OF JULY 12, 2016

WHEREAS, following discussion in Executive Session, and in full accordance with the requirements of the Open Meetings Act, the City Council determines that the following action is in the best interests of the health, safety, and welfare of the public.

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

Sec. 1. THAT

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	______	Place 6, Mike Taylor	______
Place 4, Jody Short	______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 3 **Agenda Date** 07/12/2016
Type Announcements, Proclamations, and Presentations
Department City Council

Title
Recognition of employees' years of service

Recognition of employee achievements

Attachments
1. Recognition of employees' years of service
2. Recognition of employee achievements

Employee Recognition - Years of Service
Third Quarter - FY2016

1 YEAR

Rachel Huitt
Human Resources

Jack Pawlowski
Library

Caleb Eiland
Parks and Recreation

Sherry Day
Library

5 YEARS

Sharon Walker
Library

Employee Accomplishments

Rachel Huitt graduated from Leadership Colleyville in May. Leadership Colleyville is a 10-month program through the Colleyville Chamber of Commerce designed to inspire individual leadership growth by providing a course curriculum that will lead to a firm understanding of the Colleyville community and surrounding areas. This program supports the continued development and expansion of leadership programs and provides a forum for exchange of community information, resources, and viewpoints. The class curriculum includes topics such as Healthcare, Education, Transportation, Government, and Leadership.

RESOLUTION R-16-4010

A RESOLUTION APPROVING CITY COUNCIL ACTION UNDER CONSENT ITEMS AT THE REGULAR CITY COUNCIL MEETING OF JULY 12, 2016

WHEREAS, City Council has taken action on certain items on the agenda under Consent Items.

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

Sec. 1. THAT the agenda decisions approved by City Council action under Consent Items as follows are hereby adopted:

a. Approval of the City Council worksession minutes of June 14, 2016

b. Approval of the City Council worksession minutes of June 16, 2016

c. Approval of the City Council worksession minutes of June 20, 2016

d. Approval of the minutes of the regular City Council meeting of June 21, 2016

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	______	Place 6, Mike Taylor	______
Place 4, Jody Short	______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

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City of Colleyville
City Council Worksession
Minutes - Draft

Tuesday, June 14, 2016

Mayor Richard Newton called the Colleyville City Council worksession to order on June 14, 2016, at 6:00 p.m.

ROLL CALL: Mayor Richard Newton, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, and Mike Taylor

Absent: Mayor Pro Tem Chris Putnam, and Councilmember Nancy Coplen

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, and City Secretary Amy Shelley were also present

2. PRESENTATION AND DISCUSSION

2a Discussion of the City of Colleyville Charter

Assistant City Manager/Director of Public Safety Mike Holder provided a review of the Charter's history.

Mayor Newton stated he would like to provide direction to begin the Charter review process with amendments to be made in a special election in November. He stated if a committee is put together, they will need clear direction, and added he does not foresee this being a complicated review. He then asked City Council if they have any comments or suggestions for changes.

Councilmember Short asked Mayor Newton if the actual ballot language would be required for the resolution calling the election in August. Mayor Newton replied yes.

Councilmember Short asked staff if all of the proposed changes are finalized, have the items been backed into the calendar so that City Council can call the election in the same meeting. Mayor Newton replied yes, and City Manager Jennifer Fadden concurred.

Mayor Newton suggested looking at Section 3.01 Number, Selection, Term: to limit the consecutive terms, in any one position, to two years (person could run for another place, but not the same place); Section 4.07 Public Disclosure: would like to extend that to the city manager and direct reports; Section 14.02 Personal Financial Interest: 14.02 applies to everyone; Section 3.09C Quorum and Voting: provide language to allow electronic voting; and, then the transition paragraphs are no longer necessary, maybe could be cleaned up.

Councilmember Nakamura concurred with Mayor Newton on the term limits.

Mayor Newton stated the thought is they can run twice consecutively, and then we need to decide when we institute the change, like at the next election. Councilmember Nakamura suggested at the next election.

Councilmember Nakamura stated the person should not be able to run for another place, they should have to step down for a period of time, otherwise that defeats the purpose of a term limit. Mayor Newton suggested one year. Councilmember Nakamura agreed. She also agreed with city manager and direct reports having to file financial disclosures as well.

Councilmember Lindamood stated his main items would be ethics; electronic voting; term limits with two consecutive terms, with a one year wait time; and financial disclosure for employees and board members, such as the Planning and Zoning Commission.

Councilmember Short stated he does not have a list of things that need to be changed. He asked about how far down the organization or citizen committees would the disclosure be required.

Councilmember Nakamura stated some thought would need to be considered for certain committees in which disclosure is necessary.

Mayor Newton asked staff if the Zoning Board of Adjustment and the Planning and Zoning Commission have disclosure requirements. City Manager Jennifer Fadden replied yes, those two. She further read O-02-1322 which established the financial disclosure requirements. She then explained that ordinance was amended in 2013 relative to the boundary map (City of Colleyville only).

Councilmember Lindamood stated it seems to need more teeth in it. He stated he has to report more when he does contracting work.

Councilmember Short asked Councilmember Lindamood how complicated does that get, it could be hundreds listed. Councilmember Lindamood stated you have to list everything on a spreadsheet, or financial disclosures, so that everyone knows who is doing work for who, personally, and this would be something we would need to figure out.

Mayor Newton stated most of these are based on the material impact of the position you have, such as an officer of the company. Councilmember Lindamood stated the citizens need to know what is going on, such as what vested interest do you have in Colleyville; such as the Planning and Zoning Commissioners making decisions that could impact their interests.

Councilmember Short asked Mayor Newton if the disclosure could apply to those executives, such as corporate officers. Mayor Newton replied the decision making authority relative to contracts. Councilmember Lindamood stated his have not been that complicated, and it is for financial decision makers.

Councilmember Taylor asked staff if financial disclosures are currently required for the Planning and Zoning Commission, Zoning Board of Adjustment, and City Council. City Manager Jennifer Fadden replied supplemental disclosure is currently required to be updated within five days of a change.

Councilmember Taylor suggested for Section 3.09A Meetings should provide special meetings may be held on the call of the Mayor or three (3) members of the City Council otherwise TOMA is violated with the calling of four (4). He stated he believed the other changes can be updated by ordinance and done when needed as needed, to keep the Charter clean. He added he did not believe stating electronic voting does not seem something outlined in the Charter. Mayor Newton stated the two sentences about the "ayes" and "nays" being recorded, or that electronic voting is allowed, could be amended.

Councilmember Short asked Mayor Newton if he envisions the Charter requiring electronic voting or allowing it. Mayor Newton replied to provide for that provision.

Councilmember Taylor stated he believed using electronic voting could be used without violating the Charter. Mayor Newton agreed.

Mayor Newton asked staff how Section 3.09A was brought to her attention. City Manager Jennifer Fadden replied Councilmember Taylor brought this to her attention, being concerned about the violation of TOMA with four members calling a special meeting. Mayor Newton added if this does not get changed, there are ways in which to call a meeting by not violating the law, because City Council can talk, independently, to the city manager, or the Mayor, and offer the suggestion of having a meeting.

Councilmember Lindamood asked staff if Councilmember Coplen and Mayor Pro Tem Putnam offered any changes to the Charter. City Manager Jennifer Fadden replied they have not shared any changes with her.

Mayor Newton stated relative to the ethics discussion, Sections 4.07 and 14.02 both get into ethical type things which apply to all, especially Section 14.02. Councilmember Taylor stated the Charter needs to be the overarching, and that ordinances can be passed to cover items not in the Charter.

Mayor Newton stated relative to public disclosure it should be the city manager and direct reports to file disclosure. Councilmember Short stated there may be ways to get there, other than the Charter, such as through the city manager contract. Mayor Newton stated the reason he believes direct reports because those are the key, senior, executives of the City.

Councilmember Short asked Mayor Newton what City Council would do if they have an issue with a director report. Mayor Newton stated City Council would fire the city manager. He added citizen appointed volunteers have to file the reports therefore, the senior executives should too.

Councilmember Taylor stated not having an issue with direct reports filing the disclosure; however, he believed it could be done through an ordinance, not a Charter amendment, as it should not be messed with as much as possible.

Mayor Newton asked City Council what beyond ownership of property, should be put in place such as contractual relationships with governmental agencies, and how and where do we put it?

Councilmember Taylor asked Councilmember Lindamood if the State's database applies to all contracts, including cities, would this not be a duplicative process. Councilmember Lindamood replied all contracts, including cities, are disclosed.

Councilmember Short stated there are tens of thousands of these filed with the state. City Manager Jennifer Fadden explained Form 1295 and its requirements, as outlined by the state. Any contract requiring governmental body approval, or up to $50,000 is required to comply with Form 1295. She stated any contract that meets these thresholds will have this information in the briefing before City Council approves the contract. She stated the governmental body does not check to see if there are conflicts; however, the internal process will have been complied with prior to it being placed on City Council's agenda.

Councilmember Lindamood stated he believes anyone that has a governmental interest, or financial favor, or sits on a board, should have to disclose this information.

Mayor Newton restated the potential topics: term limits; provision for electronic voting; public and financial disclosures; and how many members to call a special meeting.

Mayor Newton asked staff about the relevance of the question to Article IV – does the November uniform election date constitute a special or regular municipal election day. City Manager Jennifer Fadden replied the question was raised as it relates to Section 4.03 Special Elections. Mayor Newton added Section 4.03 would allow for the November date to be held as a special election.

Mayor Newton asked staff if City Council can call a special election anytime. City Manager Jennifer Fadden replied no, there are provisions relative to vacancies in which a city may call an election on a date, other than the May or November uniform election days, but City Council cannot just call an election whenever they want. Mayor Newton stated he did not believe Section 4.03 would need to be changed.

Councilmember Taylor stated he believed the general election would be held in May with the option to have a special election in November, or as state law allows. Mayor Newton concurred.

Mayor Newton stated nothing would need to be changed in Section 3.09C relative to the clarification of the election of a Mayor Pro Tem "ayes" and "nays." City Manager Jennifer Fadden stated she believed it could be addressed in Sections 3.06 or 3.09. Councilmember Taylor stated he believed this is referenced in the Rules of Procedures. Councilmember Short stated the Charter states a Mayor Pro Tem must be elected, but it does not tell you how to do it.

Mayor Newton stated he agrees with the philosophy of keeping the Charter as simple as possible so that a lot of changes are not made.

City Manager Jennifer Fadden asked Mayor Newton if he is advocating to perhaps look at Section 3.06 as it relates to Mayor Pro Tem, or back to the voting issue in Section 3.09C. Mayor Newton replied nothing needs to be done in 3.09C, unless the voting is not clarified in the other spot.

Councilmember Nakamura asked Mayor Newton about Section 3.09A. Mayor Newton replied it is still an item to discuss, and it is a simple number change.

Councilmember Lindamood asked Mayor Newton about the consensus of 3.09A. Mayor Newton stated there had not been a consensus given, but what did he think. Councilmember Lindamood stated he agreed with Councilmember Taylor; however, if there is a way to do it, he is good with leaving it the way it is. Mayor Newton replied there is not an easy way.

Councilmember Lindamood stated it would be great to put a committee together.

Mayor Newton stated he would like to see a citizen committee be formed, and that it should be clean enough to get the work done quickly, within a given timeframe. Councilmember Nakamura agreed.

Councilmember Taylor stated he would like for the committee to see what other cities have done, particularly the pros and cons, so that we are not reinventing the wheel. Mayor Newton added Southlake has term limits.

Councilmember Nakamura asked Mayor Newton if Keller has term limits. Mayor Newton replied he did not believe so. Councilmember Nakamura stated Grapevine does not have term limits.

Mayor Newton stated the normal process for appointing a committee will not work for this committee. He suggested each Councilmember should provide two names, and out of that seven will be appointed.

Councilmember Taylor suggested every member make an appointment. Mayor Newton stated he would like more people be suggested for an appointment.

Mayor Newton stated he would like a resolution on the agenda to move forward with this direction and appoint the committee. He stated he wants the committee to report to City Council their recommendations.

Mayor Newton asked staff about which meeting the resolution could be placed on. City Manager Jennifer Fadden replied this resolution could be posted on the June 21st agenda. She stated the names could be left blank, with the motion being made at the dais, similar to other board and commission appointments.

Mayor Newton stated he would like to know the names ahead of time. City Manager Jennifer Fadden explained it could be discussed during Pre Council. Mayor Newton stated doing it like that does not give anyone time to think about the appointment between Pre Council and the regular meeting. He stated we want appointments that can add value to the committee, such as those being familiar with Charters.

Councilmember Nakamura suggested that they could send their names to the city manager. Mayor Newton agreed.

Councilmember Lindamood suggested this being discussed during the worksession on Thursday. City Manager Jennifer Fadden stated this item has not been posted for discussion. She added it could be posted to discuss at the budget worksession on Monday, June 20th. Mayor Newton agreed.

Mayor Newton suggested everyone have their names to the city manager no later than Friday morning. City Manager Jennifer Fadden asked for clarification if the City Council wishes to have an appointment resolution on the June 21st agenda, and in the briefing you want to know the names of those appointments. Mayor Newton agreed.

City Manager Jennifer Fadden asked City Council if they would like to have a discussion item added to the Monday, June 20th worksession agenda to discuss the Charter review committee names and the scope of their charge. Mayor Newton agreed, and stated it will give City Council an opportunity to make revisions to the resolution, if necessary, before Tuesday evening.

City Manager Jennifer Fadden asked City Council if they are opposed to starting Monday's worksession earlier than 6:00 p.m. Mayor Newton replied 5:30 p.m. would work for him, and other Councilmembers agreed.

City Manager Jennifer Fadden asked City Council if they are good with staff drafting a resolution which details the committee's charge. Mayor Newton replied yes, but he would like to look at it prior to distribution.

3. ADJOURNMENT

There being no further business before the City Council, Mayor Newton adjourned the worksession at 7:27 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary

City of Colleyville
City Council Worksession
Minutes - Draft

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Thursday, June 16, 2016 Executive Conference Room

Mayor Richard Newton called the Colleyville City Council Worksession to order on June 16, 2016, at 6:00 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, and Mike Taylor

Absent: Councilmember Nancy Coplen

City Manager Jennifer Fadden, Assistant City Manager/Director of Public Safety Mike Holder, Chief Financial Officer Brian Hogan, Human Resources Director Rachel Huitt, Public Works Director Jeremy Hutt, City Engineer Cheryl Taylor, Strategic Services Manager Adrienne Lothery, and City Secretary Amy Shelley

2. PRESENTATION AND DISCUSSION

2a Presentation and discussion of the annual budget

Strategic Services Manager Adrienne Lothery presented the annual budget and answered questions of the City Council.

Mayor Newton asked staff if the fund balances shown are shown as the minimum. Manager Lothery replied yes, with calculating the 90 days.

Councilmember Putnam asked staff if that is not where we are right now. Manager Lothery replied correct, those are shown as minimums.

Mayor Newton asked staff where the approval of purchases and contracts over $50,000 come from. Manager Lothery replied that is state law.

Mayor Pro Tem Putnam asked staff what is the current balance of the General Fund. Chief Financial Officer Brian Hogan replied currently the balance is $9.5 million.

Mayor Newton asked staff about the revenues over expenditures. Chief Financial Officer Brian Hogan replied it was $1.3 million, together they transferred $2.3 million with $1 million being the draw down.

Mayor Newton asked staff if that is slightly more from the Utility Fund. Chief Financial Officer Brian Hogan replied roughly.

Mayor Newton asked staff if the roll back is already a state law. Manager Lothery replied yes, and we would not be able to adopt a budget that goes over seven percent.

Councilmember Short asked staff if the voters may petition for an election. Manager Lothery replied yes, but we would never adopt a rate higher than the roll back rate because of Charter limitations.

Mayor Newton asked staff if there are going to be any issues with TAD this year, given their software issues. Manager Lothery replied more of their software conversion issues were related to stopping the new data input, which then stopped updating values; therefore, when they converted into the software with new values in their system, they ended up having artificially low values last summer, so this year, the data is updated and accurate. She added TAD is hosting taxing unit meetings so that cities and school districts can meet with them to better understand their process because there are a lot of protests this year based on the values.

Mayor Newton asked staff how they decide which fund a vehicle is a part of, like the utility or drainage fund. Manager Lothery replied there is a fleet maintenance manager that maintains a list of what vehicle services which fund.

Mayor Newton asked staff about the gas leases and if any gas wells are currently producing. City Manager Jennifer Fadden replied the site on Pleasant Run Road was the only drill site projected to touch the City's lease area, and since that is going to be capped, it is likely there will be no royalty revenue.

Mayor Newton asked staff about the original revenue from the gas lease. City Manager Jennifer Fadden replied between the Parks Tomorrow Fund and the Colleyville Tomorrow Fund, it was $7.5 million dollars.

Mayor Newton asked staff how the revenue was split between the Parks Tomorrow Fund and the Colleyville Tomorrow Fund. City Manager Jennifer Fadden replied the split was based on the land in each area for future investments.

Mayor Pro Tem Putnam asked staff about the special revenue funds associated with Parks. Manager Lothery replied a little over $4 million.

Councilmember Lindamood asked staff about the use of the $0.2 million in the SH26 management support. City Manager Jennifer Fadden replied this is how we are funding the community outreach program, in addition to the additional staff support for the SH26 construction project.

Councilmember Lindamood asked staff if this is for James Hubbard's position. City Manager Jennifer Fadden replied it is a temporary construction manager.

Mayor Newton asked staff if the City is still divided into four sections for impact fees. City Manager Jennifer Fadden replied there are two service areas, the east (Service Area 1), and west (Service Area 2) sides of SH26.

Mayor Newton asked staff about the escrows and perimeter street fees. City Manager Jennifer Fadden replied the escrows and perimeter street fees are for future enhancements to the adjacent facility.

Mayor Newton asked staff if those are used for a more general area. Public Works Director Jeremy Hutt replied no, they are used for a more restrictive area. He stated there are neighborhood districts in which the sidewalk escrows are used.

Mayor Newton asked staff if there is a list of streets and the associated perimeter street fees and funds. City Manager Jennifer Fadden replied yes, there are dozens.

Mayor Newton asked staff if the vehicle and equipment replacement fund is used for any/all vehicles. Manager Lothery replied it is used for programs and services within the General Fund, and there are other vehicles used in other funds, such as the utility and drainage funds.

Mayor Newton asked staff about the sales tax incentive fund and what it is utilized for. Manager Lothery replied it is used for economic development incentives, and it is money that was transferred a number of years ago.

Mayor Pro Tem Putnam asked staff why those funds were not rolled into the EDC. Manager Lothery replied those have to be accounted for separately due to the sales tax. City Manager Jennifer Fadden added the CEDC is a separate statutorily authorized municipal corporation under state law, as a 4B Corporation, and the revenue generated is limited to the half-cent sales tax authorized by the voters in 1998. She stated the $357,333 created a new fund in the 2005 timeframe to account for a number of Chapter 380 agreements with the Town Center development.

Mayor Pro Tem Putnam asked staff if those funds will need to be reprogrammed. City Manager Jennifer Fadden replied those agreements provided for sales tax rebates, which the City has paid out a portion, but because those businesses no longer exist, we believe the commitment no longer exists, and we have asked for a legal opinion about this.

Mayor Newton asked if the same thing exists with the Strategic Initiatives Fund, in that we could program to be used as seen fit. City Manager Jennifer Fadden replied correct, with a comfortable level of no future liability.

Councilmember Lindamood asked staff when the attorney will know. City Manager Jennifer Fadden replied he has the information and as soon as she knows it, she will pass it along.

Mayor Pro Tem Putnam asked staff about the establishment of the Strategic Initiatives Fund. City Manager Jennifer Fadden replied it was established in 2013, with $500,000 transferred from the General Fund, and used as a tool for Economic Development incentives, or anything else for strategic investments.

Councilmember Nakamura asked staff where the $30,000 for incentives comes from. City Manager Jennifer Fadden replied it comes from this fund. Chief Financial Officer Brian Hogan also explained the best practices of this fund.

Mayor Pro Tem Putnam asked staff if we spend those down first, then eliminate the fund. Manager Lothery replied yes, by using the most restrictive funds first.

Mayor Newton asked staff if $668,000 is taken from the General Fund. Manager Lothery replied yes.

Mayor Newton asked staff how that will be accomplished. Manager Lothery replied it is unknown yet if a budget amendment will be necessary. Chief Financial Officer Brian Hogan added we typically will not have that entry until September, and by August we will have revenue estimates.

Mayor Newton asked staff if the Drainage Fund is only to be used on drainage. Manager Lothery replied yes, that is the restriction.

Councilmember Nakamura asked staff what is used per year on drainage, and does it vary year by year. City Manager Jennifer Fadden replied it is a fairly steady revenue source being assessed per month, per residential and commercial account. She added there is a drainage crew to maintain drainage facilities, debt services, and capital projects. She added in the FY17 budget, we have budgeted for a new street sweeper from this fund.

Councilmember Nakamura asked staff if the street sweeper is used for drainage. City Manager Jennifer Fadden replied yes, it is used to maintain the curb and gutter system along the streets for the stormwater system.

Mayor Newton asked staff about the next CEDC meeting. Manager Lothery replied August 10.

Mayor Newton asked staff what they believe the biggest challenges are with this budget. Manager Lothery replied there are concerns about health care costs, personnel expenditures, and not having the Utility Fund transfer to work with expenditures.

Mayor Newton recessed the worksession at 7:08 p.m.

Mayor Newton reconvened the worksession at 7:13 p.m.

2b Overview of compensation and benefits

Human Resources Director Rachel Huitt presented an overview of compensation and benefits and answered questions of the City Council.

Mayor Newton asked staff how many employees are from the various funds. Director Huitt replied there are 6.41 from the Drainage Fund; 161.365 from the General Fund; and 24.225 from the Utility Fund. City Manager Jennifer Fadden added there are also 3.625 with CEDC; 8 with CCCPD; and one Juvenile Case Manager.

Councilmember Lindamood asked staff if there are some lumped together. Director Huitt replied they are broken out by program.

Councilmember Lindamood asked staff if there is a way to see what each person makes. City Manager Jennifer Fadden replied yes.

Mayor Newton asked staff what percentage is considered benefits and not salary. Director Huitt replied the average is between 30-40 percent.

Mayor Newton asked staff if this changes per levels. Director Huitt replied based upon actual numbers by position.

Mayor Newton asked staff if there are any national benchmarks. Director Huitt stated we benchmark this area because that is who we are competing with, and not sure if there is a national average for cities. Manager Lothery added we compare our data with those who provide similar areas of service. Director Huitt added TML may have something we could use to compare.

Mayor Newton asked staff about how many contract people do we use. Director Huitt replied that is not something Human Resources tracks. Manager Lothery added Colleyville has a labor or temporary pool of employees we use, and those tend to be our audio/visual people, and those used at Colleyville Center for events. She stated we have roughly 20 of those employees.

Mayor Newton asked staff if the labor pool employees usually staff ongoing activities, whereas, a contract has a beginning and an end. Director Huitt replied correct. City Manager Jennifer Fadden added the municipal court judge is a contract employee. Assistant City Manager/Director of Public Safety Mike Holder added there are also mowing contracts for parks maintenance.

Mayor Newton asked staff if they are contracting with companies for the mowing. Assistant City Manager/Director of Public Safety Mike Holder replied yes.

Mayor Newton asked staff about the cost for the judge. City Manager Jennifer Fadden replied the judge is paid from the municipal court budget, which is funded by the General Fund.

Councilmember Lindamood asked staff if there was a law passed about salaries. Director Huitt replied anything that pays more than $47,000 a year, and it is non-exempt, the position has to be re-evaluated to exempt.

Councilmember Lindamood asked staff if they budget overtime for those positions. Director Huitt replied yes, and we watch those closely.

Mayor Newton asked staff where the engineers fit in the bands. Director Huitt replied engineers are considered managers and directors and they fall in the E82 and E83 ranges.

Mayor Newton asked staff about the philosophy with managing within the bands, moving from one to the other, and salary increases. Director Huitt replied merit increases are based on their performance evaluations, but no one moves within the band without receiving a pay increase.

Mayor Pro Tem Putnam asked staff if there were some below the mid-band that we had to get into that band. Director Huitt replied yes.

Councilmember Nakamura asked staff if this is done every year. Director Huitt replied yes.

Mayor Newton asked staff how the employees reacted to moving to the band system. Director Huitt stated it was more difficult with some trying to understand it, and to others it was not as disruptive a system.

Mayor Newton asked staff if they had qualitative versus quantitative concerns. Director Huitt replied it was difficult for those who came from a COLA environment versus being paid for performance.

Mayor Pro Tem Putnam asked staff if they understand the system in a way they manage their careers, are they really not there yet. Director Huitt replied they understand it and know the next level for them. City Manager Jennifer Fadden replied it was particularly evident in public safety because in order to make more money they have to promote. She added part of the challenge is having those opportunities to promote.

Councilmember Lindamood asked staff about the fire and police chief positions. Director Huitt replied the fire chief is rolled into the director’s band, but the police chief is listed as Assistant City Manager/Director of Public Safety.

Mayor Newton asked staff if they use bonuses as a means to compensate salary. Director Huitt replied no, bonuses are not done in the public sector.

Mayor Newton asked staff about who the benchmarks are done with. Director Huitt replied we pull detail annually from World at Work, with a market study done every three to four years with a recommendation to do one in FY17.

Councilmember Nakamura asked staff where the consulting positions are listed. Director Huitt replied we do not have consultants on staff, as we hire consultants to do that work. She explained that we go out to bid for those as needed. She added in the interim years, we benchmark on the national and regional level.

Mayor Newton asked staff about how it is determined whether they move or fall below. Director Huitt replied the City Council provides direction as to whether we move everyone to bottom or make everyone the same.

Mayor Newton asked staff if there are recommendations on raises based on where they are in the band. Director Huitt replied yes, the focus is to keep the workforce at the midpoint.

Councilmember Lindamood asked staff if there is something else used other than an RFP for bids. Director Huitt replied there are cooperative purchasing agreements/networks, but not sure if there are any for compensation. Manager Lothery explained the various agreements the City currently uses.

Councilmember Lindamood asked staff if the contract has to be approved if it is over $50,000. Manager Lothery replied yes.

Councilmember Short asked staff if the City Council would still have to approve those contracts. City Manager Jennifer Fadden replied yes.

Mayor Newton asked if the employee, who came from TxDOT, is not contract labor. City Manager Jennifer Fadden replied correct, he is a full time employee and he has been on board for five months.

Councilmember Short stated 79 percent of employees below market seems very high. Director Huitt explained it is a lot of catching up to the range from FY14, not everyone got moved into the range. She added with a merit increase, those employees are starting to move.

Councilmember Lindamood asked staff if 79 percent are the lower tiered workers, or is it spread across the spectrum from top to bottom. Director Huitt replied with the hourly employees, 84 percent are below market, 16 percent are above; with salaried 70 percent are below market, 30 percent are at or above. City Manager Jennifer Fadden added this includes sworn. Director Huitt added with sworn employees, you are not looking at the midpoint, you are looking at the maximum of the range.

Mayor Newton asked staff why being a career position matters. Director Huitt replied that because it is a career position, you look to see what those positions will max out at because you do not want them leaving for another city for the same position. Assistant City Manager/Director of Public Safety Mike Holder added it is a very competitive occupation, and there are less opportunities for advancement. He stated the step system moved those positions through the ranks, but that no longer exists. He stated often times new hires will ask about moving up in the ranks before accepting the position.

Mayor Newton asked staff if positions can be bumped to the maximum to be able to keep those employees. City Manager Jennifer Fadden replied we do not.

Councilmember Nakamura asked staff if this keeps them longer. Assistant City Manager/Director of Public Safety Mike Holder replied it has worked for Hurst.

Mayor Newton asked staff if the decision was made not to do a merit for some years. City Manager Jennifer Fadden replied yes, because we could not afford to do it.

Councilmember Lindamood asked if the employees know going into the budget that there will be no merit increases. City Manager Jennifer Fadden replied no, not necessarily. She stated there were times we did not follow the compensation adjustments or a market study. She stated in 2013 a market adjustment was made because we had experienced severe compression because we had not maintained the plan.

Mayor Newton asked staff about the FTE counts through those years. Director Huitt replied in 2008, we had 190 FTEs; 2009, we had 191 FTEs; in 2010, we had 184 FTEs; in 2011 and 2012, we had 185 FTEs; and in 2013, we had 187.

Councilmember Short asked staff if there is still an opportunity to promote, even if no merit is given. Director Huitt replied only if the position is vacant. Assistant City Manager/Director of Public Safety Mike Holder stated on the FTEs, several additions have been for public safety positons. Manager Lothery added most police positions added over the last few years are funded out of the CCCPD.

Councilmember Short asked staff if the new fire station drove the need to increase those positions. City Manager Jennifer Fadden replied 12 new positions over a four year period. Assistant City Manager/Director of Public Safety Mike Holder added four sworn police officers were added and funded through CCCPD. City Manager

Jennifer Fadden added there was a reduction in the regionalization with jail and communications, we reduced by eight FTEs.

Councilmember Lindamood asked staff if merit increases are earned not given. City Manager Jennifer Fadden replied correct.

Councilmember Lindamood asked staff how those are determined. City Manager Jennifer Fadden replied there are three evaluation possible outcomes exceptional, successful, or needs improvement. She added all evaluations go to HR for review and citywide consistency.

Mayor Newton asked staff if there is a finite amount of money those increases come from. City Manager Jennifer Fadden replied correct, in the budget process we estimate the amount needed for compensation, and once the evaluations are done, we then determine the percentages of merits.

Mayor Newton asked staff if there are meetings held with the directors to decide the equity on the ratings. City Manager Jennifer Fadden replied yes, it is done on the department level.

Councilmember Lindamood asked staff if they have a certain amount of time to complete the evaluations. Director Huitt replied yes.

Councilmember Lindamood asked staff if the consultant recommended the increase. Director Huitt replied yes, and we then budget for merit increases.

Councilmember Lindamood asked staff if lowering the merit to 2.5 percent, and then gave an amount across the board would keep people happy. Mayor Pro Tem Putnam stated this violates the philosophy. Councilmember Lindamood stated it still provides a merit to those who have performed.

Mayor Pro Tem Putnam asked staff if the other cities share this information. Director Huitt replied yes, it is all public information.

Councilmember Short asked staff how The Colony landed in our group. Director Huitt replied North Richland Hills and Euless did not respond from our area, but The Colony is similar to our size.

Mayor Newton asked staff about the 3.36. Director Huitt replied this is the average received across the board, with 184 employees who received a merit.

Mayor Newton asked staff about the percentage difference between exceptional and successful. City Manager Jennifer Fadden replied 4 percent and 3 percent.

Mayor Newton asked staff how they came up with those percentages. Director Huitt replied the pool was created through the budget process, and it was backed into the percentage.

Councilmember Lindamood asked staff if everyone had the same opportunity. Manager Lothery replied if we had had more exceptional evaluations, the percentage would have been less. Chief Financial Officer Brian Hogan replied we do not look at that at the department level. Director Huitt added all employees are in one spreadsheet.

Mayor Pro Tem Putnam asked staff if the lack of being able to advance contributes to the overturn problem. City Manager Jennifer Fadden replied if they have the ability to move on, and the skill set, it does contribute to them leaving. She added we provide exit interviews and every quarter we send an employment report to document who and why they left to the City Council.

Mayor Newton asked staff if they are executing the compensation study now. Director Huitt replied no, we are doing a market adjustment. City Manager Jennifer Fadden replied we are recommending funding for the study in the FY17 budget to potentially implement it in FY18.

Mayor Newton asked staff if the employees receive a total compensation report. Director Huitt replied yes, once a year.

Councilmember Taylor asked staff if they could provide City Council with a redacted version so that they can see one of those. Director Huitt replied yes.

Mayor Newton asked staff if there is a cap on TMRS. Director Huitt replied there is no cap on the amount.

Councilmember Taylor asked staff why there is a 2-1 match on TMRS. Director Huitt replied this match is the same all around us. She added new hires want to know what that match is because they can go to another city with a 2-1 match.

Mayor Pro Tem Putnam asked staff about the annualized basic increase percentage. Director Huitt replied initial renewal of 19.86 percent.

Information Services Manager Chris Pena provided an update to the City Council relative to the sound updates made in the Council Chambers under the annual budget portion of this agenda.

Mayor Newton asked staff if his microphone has been ramped up. Manager Pena replied yes.

Mayor Newton asked staff if the updates will help to balance the audio on the video. Manager Pena replied yes.

Councilmember Lindamood asked staff if they will notify City Council if they are not being heard. Manager Pena replied yes.

Councilmember Taylor asked staff if the microphones are in the center of the seats. Manager Pena replied the microphones have been placed right back where they were before, but he would like to see how the changes are before any other changes are made.

Mayor Newton asked staff if the boarder microphones or the directional microphones could both be used. Manager Pena replied the biggest problems are the ends and at the citizen podiums.

Mayor Newton asked staff if there is someone in the room managing the audio. Manager Pena replied yes, usually two people.

Assistant City Manager/Director of Public Safety Mike Holder added an outside consultant has been brought in to provide input relative to the sound.

City Manager Jennifer Fadden explained the process for Monday evening's worksession. She stated if City Council has specific questions, for them to please provide feedback so that staff can proactively address those questions. She added all department directors will be at the worksession to respond to questions.

3. ADJOURNMENT

There being no further business before the City Council, Mayor Newton adjourned the worksession at 9:31 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary

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Monday, June 20, 2016 — City Council Chambers

Mayor Richard Newton called the worksession of the Colleyville City Council to order on June 20, 2016, at 5:31 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Fire Chief Brian Riley, Assistant Police Chief Robert Hinton, Communications and Marketing Director Mona Gandy, Chief Financial Officer Brian Hogan, Human Resources Director Rachel Huitt, Public Works Director Jeremy Hutt, City Engineer Cheryl Taylor, Recreation and Library Director Mary Rodne, Colleyville Center Manager Leslie Hill, Accounting Manager Karen Hines, Parks Manager Heather Dowell, SH26 Coordinator James Hubbard, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, City Attorney Matthew Boyle, and City Secretary Amy Shelley.

2a Discussion of the Charter Review

Mayor Newton asked the City Council about their thoughts on the resolution and appointments.

Councilmember Short asked Mayor Newton if the committee will have input on the proposed term limits. Mayor Newton replied the resolution has been written for two terms; however, we have not decided how to commence with the term limits, but that is something the committee can provide input.

Councilmember Taylor asked Mayor Newton why the term limit question was not open ended to allow the committee to come back to City Council with recommendations. Mayor Newton replied this defines the terms, and he stated not being aware of anyone that does more than two.

Councilmember Nakamura stated the question of whether or not to lay off one year or two has not been determined.

Councilmember Short asked City Council if a divide for term limits between a Council place, or for the Mayor is being considered. Mayor Pro Tem Putnam replied he did not have an answer for that, and that is why there is going to be a committee. Councilmember Nakamura concurred.

Councilmember Coplen asked Mayor Newton if the rules of procedures outlines the making of appointments. Mayor Newton replied it is not clear.

Councilmember Coplen asked Mayor Newton if the proposed amendments will be separated for a vote, not included as one vote. Mayor Newton replied yes, each subject has to be voted on separately.

Councilmember Coplen asked Mayor Newton if the committee can decide if these items will be included in the amendments. Mayor Newton replied yes, the committee will be making recommendations.

Councilmember Taylor asked Mayor Newton about why electronic voting is required to be in the Charter when electronic voting is an adjunct function of verbal voting. Mayor Newton replied this wording does not mean for electronic voting to be required, it means it allows for electronic voting. Mayor Pro Tem Putnam added the intent is to clean up the gray area of roll call voting. Mayor Newton agreed that the minutes would still record the vote.

Councilmember Nakamura asked staff how many employees would be affected by the disclosure amendment. City Manager Jennifer Fadden replied about half a dozen.

Councilmember Taylor asked if the location issue on proposed (k)(i) was redefined. Mayor Newton replied yes, it was changed in 2013, but prior to 2013, the area was larger.

Councilmember Taylor asked Mayor Newton why the location should be limited, why not the entire metroplex or north Texas. Mayor Newton replied not having a problem with making it a larger area.

Councilmember Coplen asked City Council if the proposed resolution provides suggestions for the committee. Mayor Pro Tem Putnam replied it gives them more than just suggestions.

Councilmember Coplen asked Mayor Newton if this is providing direction or mandates, and are they going to be given an opportunity to make changes. Mayor Newton replied it provides direction to the committee, but we may not be able to accept their recommendations.

Mayor Pro Tem Putnam agreed with the disclosure of anything within Tarrant County, since that is the region we have the ability to influence. He added this will provide full transparency. Mayor Newton agreed with Tarrant, Dallas, and Denton counties being included in the area for disclosure.

Councilmember Coplen asked Mayor Newton why these sections of the Charter were chosen. Mayor Newton stated he personally requested a review of these sections because he spoke about them during the campaign; however, during the Charter worksession, other City Councilmembers were able to provide input. He added that he added, after the worksession, proposed sections d-h, so that all key Charter positions would require "with the approval of City Council", in addition to the city manager's approval.

Councilmember Taylor stated being concerned about the liability of the phrase. Mayor Newton stated this does not give the City Council the ability to fire anyone, the city manager is completely responsible. He added it will be up to the voters.

Councilmember Short asked Mayor Newton about how this will work. Mayor Newton replied the city manager may make the City Council aware of the hire, but the selection process is up to the city manager. He added this allows City Council to at least bless the hire.

Councilmember Taylor asked Mayor Newton what if City Council does not bless the hire. Mayor Newton replied the city manager would have to find another candidate.

Councilmember Coplen asked Mayor Newton if the approval of the hire will be made through a resolution. Mayor Newton replied there will be an approval of some type. He added he does not see any downside to having this in the Charter.

Councilmember Coplen asked Mayor Newton if the committee will be given information of the surrounding cities and how they function. Mayor Newton replied sure, and they will be supported by the city manager's office.

Councilmember Coplen asked Mayor Newton if the committee will be able to look at other parts of the Charter. Mayor Newton replied yes.

Councilmember Short asked Mayor Newton if the selection panel would include a member of the City Council. Mayor Newton replied that is not what this says, but the city manager can chose to do that if they want.

Councilmember Short stated, for clarification, that City Council will not have a choice in the hire, but will just be included in the process. Mayor Newton replied correct.

Councilmember Taylor asked Mayor Newton if he decided to remove the section about calling special meetings by four members of City Council. Mayor Newton replied yes, and added there have not been any issues with this section, especially since a quorum of the City Council has always been required to call a special meeting. Councilmember Taylor stated he would like a memo from the city attorney stating this is not breaking the open meetings act. Mayor Newton stated he will ask the city attorney.

Councilmember Lindamood asked staff if an email is sent to all City Councilmembers when there is a request for a special meeting. City Manager Jennifer Fadden replied the first thing she would do is make the Mayor aware of the request for a special meeting, and the Mayor has the authority of calling the meeting.

Councilmember Taylor asked Mayor Newton the reason for having the election in November. Mayor Newton replied there will likely be a good turnout of voters in November. He added, for the general election in May, there are Council seats running, and this could be viewed as a positive or negative.

Mayor Pro Tem Putnam agreed, you will get the most number of voters. Councilmember Taylor believed this could provide for more voters in May.

2b Presentation and discussion of the annual budget

Strategic Services Manager Adrienne Lothery began the presentation with the property values section of the annual budget.

Mayor Newton asked staff if the City has relied on the school board to be the tax collector/assessor, and then the appraisal district information flows through them. Manager Lothery replied correct.

Mayor Newton asked staff if there has ever been any difficulties with getting the information from the tax assessor. Manager Lothery replied there are always risks with one person, but as long as GCISD provides for this service, we will continue to use them. City Manager Jennifer Fadden added it is in their best interest to have someone provide this service.

Councilmember Taylor asked staff if the TAD appraised value is based on marketing the property based on comp sales; is the net taxable affected by homestead limitations. Manager Lothery replied none of these values are market values, they are appraised values.

Councilmember Taylor asked staff if the values are up five percent off the net taxable value. Manager Lothery replied five percent up from prior year's certified values.

Mayor Pro Tem Putnam asked staff if there were some adjustments made for SH26 impacts. Manager Lothery replied yes, we have remained flat for the years SH26 is under construction.

Councilmember Coplen asked staff when the hotel is projected to be open. Manager Lothery replied in August, but there are very serious restrictions for hotel tax; however, the City will likely benefit from increased activity in restaurants, shopping, etc.

Strategic Services Manager Adrienne Lothery presented the City Council: 001-1010 portion of the annual budget.

Mayor Newton asked staff if the agency agreements such as the Colleyville Chamber, Metroport Meals on Wheels are all included in the City Council's portion of the budget. Manager Lothery replied yes.

Mayor Newton asked staff if the City receives requests from these agencies. Manager Lothery replied yes, the City Secretary's office receives these requests, and added, those amounts have typically not increased over the years.

Mayor Newton asked staff about the COG TRE membership. City Manager Jennifer Fadden explained that when the Trinity Railway Express began operations on the Union Pacific line between downtown Fort Worth and downtown Dallas, several of what COG calls the mid-cities participating in the funding of the operation through Interlocal Agreements, dating back to 2001-2002. She stated over the years, Colleyville has participated in this level of service of $12,935, and this amount was determined by a license plate survey to provide ridership information. She further explained that Colleyville has not paid for this level of service since about 2013, because we have not received updated analysis information as there are other cities who have more ridership, but do not pay for this service.

Mayor Pro Tem Putnam stated there is not a current Interlocal Agreement. City Manager Jennifer Fadden concurred.

Mayor Pro Tem Putnam asked staff if we would only have to have a policy discussion if we want to participate in this program. City Manager Jennifer Fadden replied yes.

Councilmember Coplen asked staff if COG has not done their due diligence. City Manager Jennifer Fadden replied they did conduct another study, but when we asked COG about the other cities who are not paying, COG stated this is how the agreement was originally setup.

Mayor Pro Tem Putnam asked staff about the current T members. City Manager Jennifer Fadden replied there are nine additional cities participating, other than Dallas and Fort Worth, but she would have to get the list for him. She added the data indicates Colleyville citizens do use the service, but not in remarkable numbers, something like 25 people. She stated there were other cities who had larger ridership numbers; however, they are not contributing to the operations.

Mayor Newton asked staff what is this service. City Manager Jennifer Fadden replied the Trinity Railway Express, the train that runs from downtown Dallas and Fort Worth on the Union Pacific line.

Mayor Pro Tem Putnam asked staff why it needs to be budgeted for in the meantime. City Manager Jennifer Fadden replied we do not.

Strategic Services Manager Adrienne Lothery presented the City Manager's Office: 001-1110 portion of the annual budget.

Councilmember Lindamood asked staff if part of the Deputy City Manager's salary is funded from the Utility Fund. Manager Lothery replied yes, because of the oversight responsibilities relative to that portion of the budget.

Councilmember Lindamood asked staff if a flat water rate will affect that. Manager Lothery replied no.

Mayor Newton asked staff what percentage of the Deputy City Manager's salary is from the Utility Fund. City Manager Jennifer Fadden replied 25 percent.

Deputy City Manager Chris Fuller presented the Community Development-Building Inspections: 001-1210 portion of the annual budget.

Mayor Newton asked staff what other costs are associated with the revenues. Deputy City Manager Chris Fuller replied personnel, fleet, computer programs, and other expenditures to offset those revenues.

Mayor Newton asked staff if there is a strategy for fees to offset costs. Deputy City Manager Chris Fuller replied some fees are specific to generate revenue.

Deputy City Manager Chris Fuller presented the Economic Development: 001-1310 portion of the annual budget.

Mayor Pro Tem Putnam asked staff if the ICSC conference is where some businesses have been generated. City Manager Jennifer Fadden replied yes, and that is where Whole Foods began.

Mayor Newton asked staff if we try to determine what is driving those leakages. Deputy City Manager Chris Fuller replied yes, to recapture those tax dollars.

Mayor Pro Tem Putnam asked staff if the CEDC fund can be used for industry related expenses, such as travel. City Manager Jennifer Fadden replied the statute says promotional expenditures, which could be open for interpretation. Manager Lothery concurred, and added if we want to say this is included in the 10 percent of the capped promotional category, then we would need to seek a legal opinion.

Mayor Newton asked staff if we are currently spending the 10 percent on promotional purposes. City Manager Jennifer Fadden replied yes, we are maximizing that 10 percent now. Mayor Pro Tem Putnam stated on events, not economic development.

Councilmember Short asked staff if that follows the theory of most restrictive. City Manager Jennifer Fadden replied yes, the strategy has always been to use the most restrictive funds first.

Councilmember Taylor asked staff if the audit looks at those statutory conflicts, to ensure we are in good standing, and that we are not wrongly co-mingling any funds. City Manager Jennifer Fadden replied she does not believe so, as their role is to ensure we are following governmental accounting standards. Chief Financial Officer Brian Hogan added the firm is testing on every disbursement made relative to the purchasing policy. He added he would venture to guess that they do, but he will get confirmation from them.

Councilmember Taylor asked staff if appropriateness is looked at. Chief Financial Officer Brian Hogan replied yes, and last year some extensive testing was done.

City Secretary Amy Shelley presented the City Secretary Office: 001-1410 portion of the annual budget.

Mayor Newton asked staff about if all open records requests are processed through this office. City Secretary Amy Shelley replied most, the exception is the Police Department whose lead records coordinator processes those requests, and she also tracks them.

Chief Financial Officer Brian Hogan presented the Finance: 001-1510 portion of the annual budget.

Mayor Newton asked staff if all of their functions are provided in house. Chief Financial Officer Brian Hogan replied yes.

Councilmember Lindamood asked about the duties of the new accountant position. Chief Financial Officer Brian Hogan replied there are five different credit card processors, and with 40 percent of the transactions being with credit cards, they do not all clear on the same day. He stated it is a little more complex for just an administrative person to reconcile, and this person will also serve as a back-up to other positions.

Mayor Newton asked staff if the addition is listed in this budget. Chief Financial Officer Brian Hogan replied no.

Mayor Newton asked staff about the cost for this position. Chief Financial Officer Brian Hogan replied he hopes to get someone right out of college at a cost between $45,000 – 50,000.

Strategic Services Manager presented the Legal: 001-1610 portion of the annual budget.

Mayor Newton asked if the city attorney interacts with the Atmos Steering Committee and Oncor group. Manager Lothery replied she attends the quarterly meetings, and if there is an issue or something related to a franchise company that is not Atmos or Oncor, we do rely heavily on the city attorney's staff as experts with those issues.

Councilmember Lindamood asked staff if $182.00 is an hourly rate, or is it a yearly contracted amount for meeting attendance. Manager Lothery replied we are billed hourly.

Mayor Pro Tem Putnam asked staff if there are other peer cities in which counsel is in house. City Manager Jennifer Fadden replied North Richland Hills is going to that, but they are the smallest city, that she is aware of, that has counsel on staff.

Mayor Newton asked staff how much North Richland Hills spends on counsel. City Manager Jennifer Fadden replied between $800,000 – 1,000,000.

Mayor Newton asked staff if we typically spend $200,000. City Manager Jennifer Fadden replied it has gone up. Manager Lothery added this budget has typically been increased, and depending on trends, there may a need to continue to increase this budget.

Library Director Mary Rodne presented the Library: 001-1710 portion of the annual budget.

Councilmember Coplen asked staff if they have to pay a contract for interloans. Director Rodne replied yes, and we participate in the state's inter-library program, a courier service, and the state subsidizes as well.

Councilmember Coplen asked staff if we only interloan books within the state, not national. Director Rodne replied we could, and we regularly have requests from universities.

Councilmember Coplen asked staff if they use the Library of Congress. Director Rodne replied they could, but we like to contact libraries close to us, and those more likely to lend to us.

Public Works Director Jeremy Hutt presented the Public Works-Engineering: 001-1810 portion of the annual budget.

Mayor Newton asked staff about the maintenance agreement with Grapevine for signal lights. Director Hutt replied with the turnback program TxDOT is requesting the signals at Longwood and John McCain be maintained by Colleyville. He stated we have discussed entering into an interlocal agreement with Grapevine to utilize their staff. He added the signal maintenance is provided in this budget, but only needed if the agreement does not move forward.

Councilmember Lindamood asked staff about the network GPS monitoring. Director Hutt replied Endeavor Fleet is the GPS monitoring service we use on all passenger vehicles, but it is charged per the department, and there are several throughout the City.

Councilmember Lindamood asked staff if the staff's arborist will be included before tree trimming or an irrigation contract begins. Director Hutt replied correct, and often times with repairs, such as sidewalks, we will get with a specific contractor to provide those services.

Councilmember Lindamood asked staff if those services are included in this budget and not the Parks budget. Director Hutt replied correct.

Councilmember Lindamood asked staff about construction materials testing, and what is being tested. Director Hutt explained how materials are tested through third party contractors.

Mayor Newton asked staff about the interlocal agreement for the two signal lights. Director Hutt replied it will depend on how quick TxDOT moves with the next phase.

Councilmember Coplen asked about the signal light at Glade Road and 121. Director Hutt replied that signal is maintained by Grapevine. He added we have the signal lights at Glade Road and Heritage Avenue and the one at Brown Trail and Cheek-Sparger Road.

Councilmember Lindamood asked staff about fuel expenses and if we buy in bulk. Director Hutt replied we use gas stations, and we have a reserve diesel tank, and at one time we had our own fueling station, but due to increased regulations it became too costly to keep.

Councilmember Lindamood asked staff about tractor fuels. Director Hutt replied we do not use a lot of off-road fuels, most fuel expenses are tied to vehicles.

Councilmember Lindamood asked staff if those alternatives have been considered. Director Hutt replied yes.

Mayor Newton asked staff if we use contract maintenance for the signals we own. Director Hutt replied yes, a third party contractor takes care of all routine maintenance.

Deputy City Manager Chris Fuller presented the Community Development-Planning and Zoning: 001-1910 portion of the annual budget.

There were no questions relative to this portion of the budget.

Fire Chief Brian Riley presented the Fire-Administration: 001-2210 portion of the annual budget.

Councilmember Lindamood asked staff if they take old flags. Chief Riley replied yes, there is a box at each station to hold old flags, and the Boy Scouts pick them up.

Fire Chief Brian Riley presented the Fire-EMS Operations: 001-2220 portion of the annual budget.

Mayor Newton asked staff if City employees are trained to use the AED machines. Chief Riley replied we can and we have, but it has not been something done lately.

Councilmember Coplen asked staff if there are other funding sources for EMS operations. City Manager Jennifer Fadden replied this detail does not include the personnel costs as does the other spreadsheet.

Fire Chief Brian Riley presented the Fire-Operations: 001-2230 portion of the annual budget.

Councilmember Nakamura asked staff if there are any charges for mutual aid. Chief Riley replied no.

Fire Chief Brian Riley presented the Fire-Prevention/Investigations: 001-2240 portion of the annual budget.

Councilmember Lindamood asked staff why the fire marshal uniforms are less expensive. Chief Riley replied we do not buy as many uniforms for him as we do for other personnel.

Mayor Newton asked staff if there are two EMT's on each shift. Chief Riley replied each shift (three stations) has 13 personnel consisting of a battalion chief, captain, engineer, and firefighters.

Mayor Newton recessed the worksession at 8:27 p.m.

Mayor Newton reconvened the worksession at 8:38 p.m.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-Administration: 001-2310 portion of the annual budget.

There were no questions about this portion of the budget.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-Animal Control: 001-2320 portion of the annual budget.

Councilmember Lindamood asked staff if the animal shelter is a "no kill shelter." Chief Holder replied yes.

Councilmember Coplen asked staff if the cost is per time they have to come in. Chief Holder replied the cost is a percentage based on the number of animals Colleyville brings in or calls for service divided by the three cities.

Councilmember Coplen asked staff if this includes wild animals. Chief Holder replied it includes all activities/animals.

Mayor Newton asked staff if there are no other costs, other than what is detailed. Chief Holder replied correct.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-Code Enforcement: 001-2330 portion of the annual budget.

There were no questions about this portion of the budget.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-Communications: 001-2340 portion of the annual budget.

Mayor Newton asked staff about the jail portion of the Justice Center. Chief Holder replied that section is leased to Tarrant County as a back-up for 9-1-1 services.

Mayor Newton asked staff what Tarrant County does in there. Chief Holder replied they use it as a training center, or if a city goes down, they can use it as a back-up facility.

Councilmember Taylor asked staff what the jail stalls are being used for. Chief Holder replied Tarrant County 9-1-1 is using a portion of the jail for servers, and it is still set up as a functioning holding facility.

Councilmember Taylor asked staff what is in the actual dispatch area. Chief Holder replied Tarrant County 9-1-1.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-Community Services: 001-2350 portion of the annual budget.

There were no questions about this portion of the budget.

Assistant City Manager/Director of Public Safety Mike Holder presented the Police-CID: 001-2360 portion of the annual budget.

Councilmember Lindamood asked staff about what is done with old weapons. Chief Holder replied the hand guns are traded in, but we do keep a few extra on hand, in the event weapons are released for investigation purposes.

Councilmember Lindamood asked staff if they are allowed to bring their own weapons. Chief Holder replied all duty weapons are City authorized. He added they are allowed to do a buyback program on their rifle, and they are allowed to have a personal back-up weapon, but it must be approved with command staff.

Mayor Newton asked staff how often weapons are replaced. Chief Holder replied the replacement program began three years ago, and now weapons are on an approximate 10 year rotation.

Parks Manager Heather Dowell presented the Parks-Maintenance: 001-3210 portion of the annual budget.

Mayor Newton asked staff about the DART right-of-way. Manager Dowell replied we contract the $15,000 for the maintenance of the right-of-way.

Parks Manager Heather Dowell presented the Parks-Athletic Field Maintenance: 001-3220 portion of the annual budget.

Mayor Newton asked staff how revenues are generated. Manager Dowell replied fees are paid through the sports associations when they use the fields for play.

Mayor Newton asked staff how much revenue was generated. Manager Dowell replied $62,000 was generated in 2015.

Mayor Newton asked staff if they pay for water for the fields. Manager Dowell replied it is not budgeted directly from this budget.

Mayor Newton asked staff if the park mowing is all done in-house. Manager Dowell replied yes.

Mayor Newton asked staff if the athletic associations help fund particular projects. Manager Dowell replied yes, staff will identify projects, needs, or improvements and the associations will provide some funding for those projects.

Mayor Newton asked staff if there is anything upcoming for projects. Manager Dowell replied no. City Manager Jennifer Fadden concurred, not in the operating budget, and added the Parks Master Plan is about to be updated through the CEDC, and staff will partner with the sports association stakeholders as for what they would like to see for future improvements and will prioritize those items.

Mayor Newton asked staff if there is anything upcoming we are currently involved in. Manager Dowell replied the Pleasant Run practice field improvements are upcoming and we have partnered with the Colleyville Soccer Association for those improvements.

Councilmember Short asked staff about the basketball and tennis courts. Manager Dowell replied those are maintained through field maintenance, and most are in good shape right now, and in a rotation of every three to five years.

Public Works Director Jeremy Hutt presented the Public Works-Street Maintenance: 001-3310 portion of the annual budget.

Mayor Newton asked staff about the definition of maintenance compared to capital improvements. Director Hutt replied anything over $100,000 is considered a capital improvement with the useful life for a set period of time. For example, he stated a mill and overlay project for all of Cheek-Sparger Road could be considered a CIP project based on the amount of cost, but it could also be done as a small maintenance project.

Mayor Newton asked staff if there are any financial rules on that. Chief Financial Officer Brian Hogan replied yes, and it depends on the threshold cities put in place based on a capital asset. He explained if you are spending bond money, you have to have a capital asset list to show what is being done with that money; however, most auditors do not have an issue with that. He added he would argue anything over $10,000 would require the list, but there has not been an accounting rule placed on that.

Mayor Newton asked staff if there is some point at which more streets cannot be done because of staffing levels. Director Hutt replied it will depend on the scope of the project, since the levels of project coordination are different for each project. Chief Financial Officer Brian Hogan added anything beyond a concrete panel replacement should be recorded as a capital asset.

Recreation and City Events Manager Lisa Escobedo presented the Recreation: 001-3410 portion of the annual budget.

Mayor Pro Tem Putnam asked staff if we are recovering the expenses over revenues. City Manager Jennifer Fadden replied this revenue includes the youth sports association field use fees as explained by Manager Dowell in the Parks revenue, $62,000.

Recreation and City Events Manager Lisa Escobedo presented the Recreation-Senior Center: 001-3420 portion of the annual budget.

Councilmember Coplen asked staff what percentage of Colleyville residents use the Senior Center. Manager Escobedo replied about 60 percent residents, and 40 percent non-residents.

Mayor Newton asked staff about the percentage of the youth in recreation are Colleyville residents. Manager Escobedo replied 43 percent are Colleyville residents, and 57 percent non-residents.

Councilmember Lindamood asked staff if the priority to rent the fields is first come first serve, or are Colleyville residents given priority. Manager Escobedo replied it is usually first come first serve, and we do charge a higher rate to non-residents.

Councilmember Lindamood asked staff how far in advance they can reserve the fields. Manager Escobedo replied 30 days in advance. She added the Colleyville Baseball and Softball associations have priority Monday through Saturday during their contractual period.

Mayor Newton asked staff if those are for game or practice fields. Manager Escobedo replied both, game and practice.

Councilmember Short asked staff about the practice fields at O.C. Taylor. Manager Escobedo replied those are first come first serve, or through the baseball association.

Communications and Marketing Coordinator Dustin Dangli presented the Communications: 001-3610 portion of the annual budget.

Mayor Pro Tem Putnam asked staff if we are mostly marking through digital means, or is there any hard copy marketing. Coordinator Dangli replied most are done online, but there are some handouts and brochures. He added they are looking at doing website advertising. Manager Lothery added there are special printed advertisement posters and bookmarks for special events such as the Bunny Brunch. City Manager Jennifer Fadden also added there are print ads running in trade magazines for Economic Development purposes.

Councilmember Coplen asked staff if the E-News, distributed through the water bill, is part of this budget. Coordinator Dangli replied yes. City Manager Jennifer Fadden added the Communications staff puts that together, but the cost of the printing and the mailing is included in the utility billing.

Councilmember Lindamood asked staff if .625 FTE is coming from the CEDC budget. Coordinator Dangli replied yes.

Mayor Newton asked staff how long you archive social networks. Coordinator Dangli replied we activated it in early January and it will be there forever.

Colleyville Center Manager Leslie Hill presented the Colleyville Center: 001-3710 portion of the annual budget.

There were no questions about this portion of the budget.

Human Resources Director Rachel Huitt presented the Human Resources: 001-3910 portion of the annual budget.

There were no questions about this portion of the budget.

Chief Financial Officer Brian Hogan presented the Municipal Court: 001-4110 portion of the annual budget.

Mayor Pro Tem Putnam asked staff about the community outreach program. Chief Financial Officer Brian Hogan replied this is a new program the judge has put out, and it is her way to reach out to defendants so they may better understand their options, rather than having them pay their fines.

Public Works Director Jeremy Hutt presented the Fleet Services: 001-5110 portion of the annual budget.

Mayor Newton asked staff about the funding of the maintenance of vehicles. Director Hutt replied individual departments are responsible for funding of the maintenance of their vehicles, and fleet services (parts) will bill those departments for the service (parts) replaced. He added the fire vehicles are not serviced in the City.

Public Works Director Jeremy Hutt presented the Facility Services: 001-5710 portion of the annual budget.

There were no questions about this portion of the budget.

Information Systems Management Manager Chris Pena presented the Information Systems: 001-5910 and IS GIS: 001-5920 portion of the annual budget.

Councilmember Coplen asked staff if security for all data done in house. Manager Pena replied yes. He added we have some offsite items, such as equipment, and we utilize cloud based products. City Manager Jennifer Fadden added a biannual security audit is also performed.

Councilmember Lindamood asked staff if we back up nightly. Manager Pena replied yes.

Councilmember Coplen asked staff about disaster recovery back up. Manager Pena replied we have a local back up of everything twice, and an offsite facility.

Mayor Newton asked staff about where the backup facilities are located. Manager Pena replied there are two data centers, one at the Justice Center and the other at City Hall.

Mayor Pro Tem Putnam asked staff if there is a geo-redundant site. Manager Pena replied not currently; however, when fiber is laid between the two cities, we plan to partner with another data center. He stated we do use a third party to offsite approximately six terabytes of data.

Mayor Newton asked staff about the location of the offsite. Manager Pena replied we utilize Barracuda, and they have two sites, one in Arizona and one in Colorado.

Mayor Newton asked staff how often we have to go to offsite. Manager Pena replied we have been hit just recently, and had to utilize the offsite backup.

Mayor Newton asked staff if we back up data offsite. Manager Pena replied we back up real time offsite, within about 15 minutes. He added if we are hit pretty hard, we recover quickly.

Strategic Services Manager Adrienne Lothery presented the Capital Equipment Reserve: 001-6310 portion of the annual budget.

There were no questions about this portion of the budget.

Strategic Services Manager Adrienne Lothery presented the Non-Departmental: 001-9999 portion of the annual budget.

Mayor Newton asked staff if the non-departmental expenditures are in the General Fund. Manager Lothery replied yes.

Councilmember Taylor asked staff about the ongoing cost for the voting equipment. City Secretary Amy Shelley explained the voting equipment will likely be utilized through the agenda management software with a monthly increase in the software costs with minimal changes to the dais for computer connections.

Mayor Pro Tem Putnam asked staff if there is another fund in which to purchase the voting equipment. Manager Lothery replied the Strategic Initiatives Fund could be used for the voting equipment as a onetime purchase, with ongoing maintenance from another fund.

Councilmember Short asked staff if the fire staffing plan has been fulfilled. City Manager Jennifer Fadden replied yes.

Councilmember Short asked staff if the additional funding requests have been made a priority through the city manager. City Manager Jennifer Fadden replied not yet.

Councilmember Coplen asked staff if the additional funding requests are the only items on the wish list. Manager Lothery replied there has been some narrowing of the list.

Mayor Newton asked staff why the $200,000 transfer was done. Manager Lothery replied that was money that came in at the very end, and can be programmed to transfer for a one time needed purpose, such as using towards changing out the doors at the fire station.

Mayor Pro Tem Putnam asked staff if the $3 million is related to the $1 million annual transfer. Manager Lothery replied the $1 million is a draw down from fund balance.

Mayor Newton asked staff about the balance in the fund balance. City Manager Jennifer Fadden replied $8.8 million.

Mayor Newton asked staff how much is committed. Manager Lothery replied at least $5 million.

City Manager Jennifer Fadden stated she understands there is not a need to amend the General Fund; however, there may be a need to amend the ordinance that set up the GNA and franchise fee transfer, and that can be done between now and the end of the fiscal year.

Mayor Newton asked staff about the Fiscal Year 2016 (FY16) budget. Manager Lothery replied there is no budget amendment needed for FY16, which means, no formal amendment because we are going to be under spent.

Mayor Newton asked about the capital projects fund, and we can spend money without a formal action. Manager Lothery replied money can be spent by approving contracts over $50,000, but there is not an adopted budget.

Mayor Newton asked staff what expenditure is staff going to code to the capital projects fund. Manager Lothery replied we will reverse part of the $3 million transfer already entered to pull back some of the dollars back into the General Fund.

City Manager Jennifer Fadden asked staff if, for auditing purposes, the City Council should make a budget amendment so that the transfer back to the General Fund is noted from Capital Projects. Chief Financial Officer Brian Hogan replied we can, but it is not necessary, as it will only be noticed if the fund is over spent. He added he can check with the auditor to make sure.

Councilmember Lindamood asked staff if any services are being cheated by doing this. Chief Financial Officer Brian Hogan replied no.

Councilmember Coplen asked staff if capital projects funds can use to fund the Library and the Senior Center. City Manager Jennifer Fadden replied for a capital purpose if that were City Council’s priority.

Mayor Newton asked staff if the intent of the money has changed with the transfer from the Capital Projects Fund to the General Fund. Chief Financial Officer Brian Hogan replied technically it is closed out in the fund balance at the end of the year, no restrictions within the fiscal year. He stated it becomes questionable if you take it out of the closed fund balance. He added the General Fund may be used for anything.

Councilmember Lindamood asked staff if revenues are up five percent over last year. Manager Lothery replied yes, the ad valorem revenue.

Mayor Newton asked for City Council to provide the city manager direction.

Mayor Pro Tem Putnam stated he would like to absorb what has been gone through tonight before he could provide any guidance.

Councilmember Short sated if there is a substantial reduction in expenditures, we should be looking at a service or something we are doing to reduce, but has no suggestion as to what to cut.

Mayor Newton stated priority one should be to not count on using other funds money, look hard at the General Fund.

Councilmember Short stated we should be looking at services we no longer want to provide. City Manager Jennifer Fadden stated do not trim at the margins. Councilmember Short concurred.

Mayor Newton stated look at the priorities to determine what the lowest priority area is. He added this was a great summary.

3. ADJOURNMENT

There being no further business before the City Council, Mayor Newton adjourned the City Council worksession at 11:25 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary

City of Colleyville
City Council
Minutes - Draft

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Tuesday, June 21, 2016 — City Council Chambers

Mayor Richard Newton called the Pre Council meeting of the Colleyville City Council to order on June 21, 2016, at 5:34 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Fire Chief Brian Riley, Assistant Police Chief Robert Hinton, Chief Financial Officer Brian Hogan, Human Resources Director Rachel Huitt, Public Works Director Jeremy Hutt, City Engineer Cheryl Taylor, Recreation and Library Director Mary Rodne, Colleyville Center Manager Leslie Hill, Accounting Manager Karen Hines, Parks Manager Heather Dowell, SH26 Coordinator James Hubbard, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, Assistant City Attorney Ben Stool, and City Secretary Amy Shelley

PC-1 Discussion of Texas Municipal Retirement System (TMRS)

Human Resources Director Rachel Huitt introduced Anthony Mills, Senior Regional Manager with TMRS, who presented this item and answered questions.

Councilmember Taylor asked Mr. Mills about what happens when an employee has money in TMRS, and then they go to another non-TMRS city, then they come back to Colleyville. Mr. Mills replied most cities, as well as Colleyville, has restrictive prior service credit provision. He explained that an employee who is recruited from a non-TMRS city, can count the time, or from any public entity, but there are no monetary benefits, it counts towards their vesting and retirement eligibility.

Mayor Pro Tem Putnam asked Mr. Mills what percentage of the member cities are fully funded. Mr. Mills replied he would guess about 20 percent, and those with more than 90 percent funded typically have no COLA provisions, and some smaller cities have a five percent deposit rate with a 1-1 match ratio.

Mayor Newton asked Mr. Mills what happens when employees leave before they are eligible to retire, do they take their vested money with them. Mr. Mills replied yes. He further explained the difference in vested from a TMRS perspective.

Mayor Newton asked Mr. Mills if we turn on the COLA, does Colleyville have to cover the difference. Mr. Mills replied it is already accounted into the cost of the plan, but it does increase the liabilities to cover the COLA.

Mayor Pro Tem Putnam asked Mr. Mills if the COLA is not a requirement. Mr. Mills replied correct.

Mayor Newton asked Mr. Mills why if the COLA is turned back on, you have to act as if it has been on all along. Mr. Mills replied the COLA calculations take into account the member's original annuity.

Mayor Newton asked Mr. Mills if it has to be done that way. Mr. Mills replied yes, under the current statute.

Mayor Newton asked Mr. Mills if the requirement is a TMRS requirement or if it is state law. Mr. Mills replied it is a TMRS requirement. City Manager Jennifer Fadden replied cities have raised this through the legislative process. Mayor Newton encouraged him to have TMRS look at those recommendations to the legislature.

Mayor Newton asked Mr. Mills if COLA could be in effect on an ad hoc every year. Mr. Mills replied he would not recommend it yearly, but perhaps periodically.

Councilmember Taylor stated a legislative resolution would be appropriate for City Council.

Councilmember Short asked Mr. Mills how benefits are effective with an employee moving in and out of a TMRS member city. Mr. Mills replied each city has a set of financials for COLA.

Mayor Newton asked Mr. Mills why the funded ratio is at 101.7 percent. Mr. Mills replied they are winding Colleyville down to 100 percent, which is optimal.

Mayor Newton asked Mr. Mills what percentage was Colleyville previously. Mr. Mills replied last year the funded rate was 103.9 percent.

Mayor Newton asked Mr. Mills if Colleyville can make changes to anything they choose. Mr. Mills replied yes, but if the deposit rate were to be decreased, the employees would have to approve the decrease. He added seven percent is the highest deposit rate. He added the 2-1 match could be changed, although all of the peer cities have the same match. He stated the COLA is different among the peer cities.

Mayor Newton asked Mr. Mills if retirement eligibility could be changed back to 10 years. Mr. Mills replied no, the five years vested with Colleyville, or 20 years with TMRS cannot be changed.

Councilmember Taylor asked Mr. Mills if the wind down target date of 2023 and the sustainability of the 6.75 percent are in conflict with each other. Mr. Mills replied by looking at the frontier models, stating they can sustain the 6.75 percent.

Councilmember Taylor asked Mr. Mills what contributes to your return. Mr. Mills replied there is a 60/40 mix of stocks to bond stable value, and there are core investments inside the stable value, and equity side, with some in real estate, trust, and equity funds.

Mayor Pro Tem Putnam asked Mr. Mills about what percentage of your portfolio is derivatives. Mr. Mills replied he did not have that breakdown, but he knows it is less than five percent.

Councilmember Taylor asked Mr. Mills if the percentage is net of administrative costs. Mr. Mills replied yes, less than one-tenth of one percent.

PC-2 Discussion of the City Council Rules of Procedure

This item was moved to the July 12, 2016, Pre Council meeting.

PC-5 Discussion of the June 21, 2016, City Council regular agenda items

There was no discussion of this item.

Mayor Newton recessed the Pre Council meeting at 6:25 p.m. Pre Council items 3 and 4 are noted below, after the regular meeting adjourned.

Mayor Newton explained the Executive Session had been called in accordance with the Texas Government Code, Chapter 551, Subchapter D, Section 551.071, Legal, Section 551.072, Real Estate, and Section 551.087, Economic Development. He further explained there would be no decisions made or action taken during this time. The meeting was convened and recessed at 6:25 p.m.

1. EXECUTIVE SESSION - In accordance with Texas Government Code, Chapter 551, Subchapter D

Section 551.071 - Legal - Consultation with attorney on legal issues raised by public hearing or action items on the agenda

Section 551.071 - Legal - Consultation with and legal briefing by the attorney regarding the Open Meetings Act and social media

Section 551.071 - Legal - Consultation with attorney on contemplated litigation (Camden Lock LLC)

Section 551.071 - Legal - Consultation with attorney regarding litigation - Lincoln et al v. City of Colleyville

Section 551.071 - Legal - Consultation with attorney regarding litigation - Jane Doe v. City of Colleyville

Section 551.072 - Real Estate - Deliberate the purchase, exchange, lease, or value of real property for City facilities

Section 551.087 – Economic Development - Discuss or deliberate regarding commercial or financial information that the City has received from business prospects that the City seeks to have locate, stay, or expand in the City and with which the City is conducting economic development negotiations; deliberate the offer of a financial or other incentive to a business prospect

The regular meeting of the Colleyville City Council was called to order by Mayor Newton at 7:34 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

City Manager Jennifer Fadden, Deputy City Manager Chris Fuller, Assistant City Manager/Director of Public Safety Mike Holder, Fire Chief Brian Riley, Assistant Police Chief Robert Hinton, Chief Financial Officer Brian Hogan, Public Works Director Jeremy Hutt, City Engineer Cheryl Taylor, Parks Manager Heather Dowell, SH26 Coordinator James Hubbard, Strategic Services Manager Adrienne Lothery, Information Systems Manager Chris Pena, Assistant City Attorney Ben Stool, and City Secretary Amy Shelley

INVOCATION: Pastor Phillip Kemp, Compass Christian Church

PLEDGE OF ALLEGIANCE: City Attorney Matthew Boyle

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-16-4003

This resolution was not needed.

3. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

Announcements of civic and charitable events
Presentation of calendar events and updates
Announcements of awards and recognition

In recognition of Colleyville's featured business - Braums, Kimberly Windham, General Manager, 4500 Colleyville Boulevard - Mayor Richard Newton and Economic Development Coordinator Carlie Dorshaw-Moe

Mayor Richard Newton and Economic Development Coordinator Carlie Dorshaw-Moe recognized Braums as the featured business and thanked General Manager Kimberly Windham.

Councilmember Coplen announced the Red, White, and Sousa event to be held on Friday, June 24, 2016 at Colleyville Center beginning at 6:30 p.m.

Mayor Newton clarified the appointment made to the Colleyville Economic Development Corporation, during the last City Council meeting, was for a two year term. He explained that although Councilmember Taylor had been appointed in 2015, he had also been appointed in 2014; therefore, Councilmember Taylor had served his two year term.

4. CONSENT: READING AND PUBLIC HEARING- Resolution R-16-4004

4a Approval of the City Council worksession minutes on June 6, 2016

4b Approval of the minutes of the regular City Council meeting of June 7, 2016

Mayor Newton read Resolution R-16-4004 in its entirety.

Mayor Newton opened the public hearing at 7:42 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:42 p.m.

Councilmember Taylor made a motion to approve Resolution R-16-4004. Mayor Pro Tem Putnam seconded the motion.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

5. ORDINANCE(S): FIRST READING AND PUBLIC HEARING

5a Ordinance O-16-1980

Approval of the Fiscal Year 2017 (FY 2017) Colleyville Crime Control and Prevention District budget

Mayor Newton read the caption of Ordinance O-16-1980.

Assistant City Manager/Director of Public Safety Mike Holder presented this item and briefed the City Council.

Mayor Newton opened the public hearing at 7:43 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:43 p.m.

Councilmember Taylor expressed his appreciation to the CCCPD Board, and the presentation given by the Assistant City Manager/Director of Public Safety Mike Holder.

Mayor Newton explained the responsibilities of the CCCPD Board, and further stated the FY 2017 budget was approved earlier this evening by the board.

Mayor Newton stated there are currently eight police officers paid for by the CCCPD fund, and one additional police officer will be moved to the CCCPD budget in FY 2017.

Councilmember Taylor stated there are also stickers on the police vehicles stating "this vehicle is paid for by the CCCPD."

This is a first reading, therefore City Council did not take any action.

5b Ordinance O-16-1981

An ordinance amending Section 3A of the Water and Sewer Policy and Procedure manual as contained in the Code of Ordinances of the City of Colleyville, Texas by eliminating tiered water rates and establishing a rate of $4.36 per thousand gallons of water for all gallons not included in the base rate, and providing for an effective date

Mayor Newton read the caption of Ordinance O-16-1981.

Chief Financial Officer Brian Hogan presented this item and briefed the City Council.

Mayor Newton asked staff if there have been discussions about how to handle the revenue short fall in the General Fund of about $670,000. Chief Financial Officer Brian Hogan replied yes.

Mayor Newton asked staff if we are able to do this in the General Fund without impacting any services in the current fiscal year budget. Chief Financial Officer Brian Hogan replied correct.

Councilmember Taylor asked staff if there are any impacts to Colleyville's bond rating or debt issues by doing this in the middle of the budget year. Chief Financial Officer Brian Hogan replied there will be an impact to the credit rating, but it will not affect the AAA rating. He further explained by saying the proposed change will likely impact ratings through increased surveillance and watching to determine the effect on our financials, as it draws attention to what we are doing, because it is out of the norm of general business.

Councilmember Coplen asked staff if they used forecasting for this summer. Chief Financial Officer Brian Hogan replied this summer is based on last year's usage.

Councilmember Coplen asked staff if 40 percent of the customers remain in Tier 1. Chief Financial Officer Brian Hogan replied yes, during the summer months, but in the winter months there are more because they do not irrigate in those months.

Councilmember Coplen asked staff which bills the new rate will be in effect. Chief Financial Officer Brian Hogan replied effective August 1st.

Mayor Pro Tem Putnam asked staff if roughly 70 percent will see a lower cost. Chief Financial Officer Brian Hogan replied yes.

Councilmember Short asked staff if that will be throughout the year, or just during the summer months. Chief Financial Officer Brian Hogan replied the summer months, with some going into October.

Councilmember Short asked staff if the higher rate will be in effect during twelve months out of the year. Chief Financial Officer Brian Hogan replied the new rate will be in effect until the final rate study is completed, which we are hoping to have the new rate structure in December.

Councilmember Coplen asked staff about the funding for water projects. Public Works Director Jeremy Hutt replied there have been several projects identified in the CIP, and the available and forecasted funding is considered when setting those priorities.

Councilmember Coplen asked staff where they see public works at this time with the change after the study. Director Hutt replied all is considered when planning the five year program. He stated what is being proposed now would be considered neutral now until the rate study is completed.

Councilmember Coplen asked staff if they feel comfortable with what is being proposed. Director Hutt replied yes, with making the revenue and the resources work with CIP process.

Councilmember Taylor asked staff about the pro rata cost to the debt service to TRA based on some volumetric, and when are we charged for that. Chief Financial Officer Brian Hogan replied there are five cities who purchase their treated water from TRA, and the pro rata debt is based on the volumetric charges of how much water is purchased which is dependent of consumption. He added the same methodology occurs with wastewater. He stated those charges occur in December.

Councilmember Taylor asked staff if this removes the conservation element of the current program, not what is being proposed. Chief Financial Officer Brian Hogan replied correct.

Councilmember Taylor asked staff if that will increase the consumption cost. Chief Financial Officer Brian Hogan replied yes, if our volumes increase.

Mayor Newton asked staff what is Colleyville's percentage of TRA's cost. Chief Financial Officer Brian Hogan replied Colleyville is at 23 percent of the five cities.

Councilmember Coplen asked staff about the demographics of the tiers, which ones are over 65. City Manager Jennifer Fadden replied staff does not maintain that level of detail on the utility customers. Chief Financial Officer Brian Hogan replied staff would have to look at the meter type.

Councilmember Lindamood asked staff to compare the over 65 residents who have the larger lots. Chief Financial Officer Brian Hogan replied not being sure how to get that information.

Mayor Newton opened the public hearing at 8:13 p.m.

George Dodson, 7309 Balmoral Drive, spoke in support of the $4.36 water rate.

Mike Brown, 508 Bandit Trail, spoke in opposition to this ordinance with concerns of proceeding with a rate change without a rate study, and deferring infrastructure improvements.

David Medlin, 605 Montreux Avenue, spoke in support of the $4.36 water rate.

Kathy Hadley, 204 Timberline Drive North, spoke in support of the $4.36 water rate.

The following persons did not wish to speak, but did wish to register their support: John and Rachel Donnell, 5712 Sycamore Drive; Charles Kelley, 705 Hillside; Lola Lawrence, 4105 Greenway Court; Sam Van Bever, 4105 Crest Court; Tom Aikens, 4500 Dartmoore Lane; and Claudia Bevill, 119 Cheek-Sparger Road.

There were no others present wishing to speak and Mayor Newton closed the public hearing at 8:25 p.m.

Councilmember Lindamood questioned staff about how many gallons were released last year by draining the water tanks. Public Works Director Jeremy Hutt replied water demand does fluctuate, especially during a very hot summer. He stated water age is monitored regularly so that we maintain good quality water in the tanks. He added there are times when there is a lot of water in reserve which has to be flushed.

Councilmember Taylor asked staff if he was the original Public Works director when the tiered water structure went into effect. Director Hutt replied no.

Councilmember Taylor asked staff if we paid a lot of money for the previous water study. Director Hutt replied this is a great study in which staff uses to develop the CIP, which in turn drives the infrastructure projects.

Councilmember Taylor asked staff if this study determined the cost of the replacement of the infrastructure at two percent a year. Director Hutt replied correct, the actual water and wastewater master plan is a much more detailed look at all of the infrastructure with several recommended projects.

Councilmember Lindamood asked staff if we have funding in place for the 2015-2016 CIP projects. Director Hutt replied yes.

Councilmember Lindamood asked staff if all of those projects were finished. Director Hutt replied they do not necessarily fall in the fiscal year.

Councilmember Lindamood asked staff if those projects were not completed because of a lack of personnel. Director Hutt replied correct, in reference to some of the 2015 street CIP projects.

Mayor Newton reopened the public hearing at 8:49 p.m.

Steve Waltens, 716 Duns Tew Path, spoke in support of the $4.36 water rate.

There were no others present wishing to speak and Mayor Newton closed the public hearing at 8:54 p.m.

This is a first reading, therefore City Council did not take any action.

6. RESOLUTION(S): READING AND PUBLIC HEARING

6a Resolution R-16-4005

Approval of soliciting Requests for Proposals for City Attorney services

Mayor Newton read Resolution R-16-4005 in its entirety.

City Manager Jennifer Fadden presented this item and briefed the City Council.

Councilmember Coplen asked Mayor Newton about the timeline for when this item was placed on the agenda. Mayor Newton explained he requested with the city manager for this item to be placed on the agenda.

Councilmember Short asked Mayor Newton if a proposal is not being sought after, through the RFP process, from the current city attorney's office. Mayor Newton replied correct.

Councilmember Short asked Mayor Newton if that decision has already been made. Mayor Newton replied the resolution will be voted on by the entire City Council.

Councilmember Taylor asked Mayor Newton about his reasons for wanting to release the current city attorney. Mayor Newton explained there were a few items he disagreed on that the city attorney has done: 1) a client privileged document was released to the public during the discussions of the Glade Road project, but could not find a resolution authorizing the document to be released, and he disagreed with the information in the memo; 2) all documented recusals, some were correct and some were not; 3) the change when City Council changed from R20 zoning in one meeting, to a PUD zoning in the next, which technically broke City processes.

Mayor Newton opened the public hearing at 9:09 p.m.

The following persons did not wish to speak, but did wish to register their support: Charles and Dee Kelley, 705 Hillside.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 9:09 p.m.

Mayor Pro Tem Putnam made a motion to approve Resolution R-16-4005. Councilmember Lindamood seconded the motion.

The motion carried with the following vote:

Aye: 4 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, and Bobby Lindamood

Nay: 3 – Councilmembers Jody Short, Nancy Coplen, and Mike Taylor

6b Resolution R-16-4006
Approval to award an economic development incentive grant to Craft & Crab Colleyville, LLC

Mayor Newton read Resolution R-16-4006 in its entirety.

Deputy City Manager Chris Fuller presented this item and briefed the City Council.

Mayor Newton opened the public hearing at 9:13 p.m.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 9:13 p.m.

Mayor Pro Tem Putnam thanked the applicant, Julia Barth, for her diligence with working toward a restaurant concept the larger community would embrace.

Councilmember Coplen concurred with Mayor Pro Tem Putnam, and stated this restaurant will be a great family friendly environment.

Councilmember Lindamood stated this restaurant will be a great concept, and the applicant is a long time Colleyville resident.

Councilmember Nakamura stated the applicant is also named Chris Putnam; however, it is not Mayor Pro Tem Putnam.

Mayor Pro Tem Putnam made a motion to approve Resolution R-16-4006. Councilmember Coplen seconded the motion.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

6c Resolution R-16-4007
Approval of establishing a Charter Review Committee, appointing members, providing committee responsibilities, and selecting a reporting period

Mayor Newton read Resolution R-16-4007 in its entirety.

Mayor Newton opened the public hearing at 9:22 p.m.

George Dodson, 7309 Balmoral Drive, spoke in support of this request, especially the term limits, and further recommended that when an individual has served, they should stay out for a year or two to provide an opportunity for others to serve.

Mark Henderson, 302 Oaklawn Drive, spoke in support of this request, and further recommended that the Committee should have all 14 members as recommended by each City Councilmember, to not limit it to seven.

The following persons did not wish to speak, but did wish to register their support: Charles and Dee Kelley, 705 Hillside.

There was no one present wishing to speak and Mayor Newton closed the public hearing at 9:27 p.m.

Councilmember Lindamood made a motion to approve Resolution R-16-4007 with the following persons appointed to the Charter Review Committee: Steve Waltens, Nelson Thibodeaux, David Medlin, Claudia Bevill, Tim Weymuth, Rich Hendler, Shirley Schollmeyer, and Vince Hawkins; and Frank Carroll as Chair, and Michael Muhm as Vice Chair. Mayor Pro Tem Putnam seconded the motion.

Mayor Newton stated he would like for the Charter Review Committee to make recommendations so that City Council can call an election for November. He added the process will move quickly in order to meet the deadlines for calling the election.

Councilmember Taylor asked Mayor Newton if City Council will further vote on the Charter Committee recommendations. Mayor Newton replied yes, once the committee has made the recommendations, they will report to the City Council.

Councilmember Taylor asked Mayor Newton if the committee will have to use the recommendations outlined in the resolution, or are you specifically telling them what to do. Mayor Newton replied the resolution provides a way in which the committee can discuss the wording, and can advise City Council on their recommendations.

Councilmember Taylor offered a friendly amendment to the motion to include the counties of Dallas and Denton to Section 5(k)(i). Councilmembers Lindamood and Mayor Pro Tem Putnam accepted the amendment to the motion.

Councilmember Coplen asked Mayor Newton if these items will be separated on the ballot. Mayor Newton replied yes, the subjects are required to be separated by law.

The motion carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Chris Putnam, and Councilmembers Tammy Nakamura, Bobby Lindamood, Jody Short, Nancy Coplen and Mike Taylor

7. COUNCIL DISCUSSION ITEMS

Update on the status and activities of the Regional Transportation Council (RTC) - Councilmember Mike Taylor

Councilmember Taylor presented this item and briefed the City Council.

Mayor Newton asked Councilmember Taylor about how the item was placed on their agenda. Mayor Pro Tem Putnam asked Councilmember Taylor if there was a presentation made on this item at the RTC meeting. Councilmember Taylor replied yes, and the approved resolution was presented. He added he had previously sent the City Council the approved resolution.

Mayor Newton stated he is going to send a letter to each of the Mayors, who represent the RTC, explaining Colleyville's position and to further convince them to join Colleyville in our opposition. He stated we would then have a bigger influence. He added being surprised Colleyville was not given an opportunity to represent themselves at that meeting.

Mayor Pro Tem Putnam asked Councilmember Taylor about the source and terms of the loan. Councilmember Taylor replied the source of the loan is the regional toll road, RTR fund, that is about $1.5 billion, and that is earning .25 percent. He added the RTR funds qualify for rail, related to transit projects.

Mayor Pro Tem Putnam asked Councilmember Taylor about the balance today that RTC is solving for. Councilmember Taylor stated all he spoke to is the $80 million; the status of that is they have a full funding grant agreement at $499 million.

Mayor Newton told Councilmember Taylor that he would like to understand if there are any loopholes relative to state funding.

Mayor Pro Tem Putnam stated he does not understand why we have a representative on the RTC who does not support our formal action, and he asked for staff to help us to better understand this. Mayor Newton stated the 10 representative cities have chosen and voted by letter to appoint Councilmember Taylor, which is an RTC process, and there is no process that he is aware of in which we can change that representative, at this point.

Councilmember Lindamood asked Councilmember Taylor if he would be willing to give up his seat for Mayor Pro Tem Putnam to represent. Councilmember Taylor replied it is not his decision to make.

Mayor Newton stated the City Council is counting on Councilmember Taylor to represent the City, and he understands the predicament, and he stated he will be going to future meetings.

Mayor Newton stated he would like for Councilmember Taylor to communicate, to Mr. Morris, that it was inappropriate for them/him to place the item on their agenda without letting Colleyville know.

Mayor Newton asked for staff to explain why Colleyville has been giving money to TRE. City Manager Jennifer Fadden replied since the inception of the TRE, which runs from downtown Dallas to downtown Fort Worth, there are nine cities who have provided annual funding for operating costs based on ridership counts for their communities. She stated the ridership counts have been gathered through license plate surveys.

Mayor Newton explained that while going through the budget process, he noticed that since we do not have an Interlocal Agreement, Colleyville will no longer be providing that funding.

Mayor Newton explained that this item was not a public hearing item, it was a discussion item; therefore, the speaker card for Kathy Hadley, 204 Timberline Drive North, was not available to be discussed. Ms. Hadley acknowledged.

8. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA

Mike Brown, 508 Bandit Trail, spoke about the resolution permanent barring of the train station, but what if something in the future changes? He stated he is curious about what permanent means. He added he appreciates their feedback about the utility rates. Mayor Newton replied the answer to “permanent” means as long as that resolution stands.

Kathy Hadley, 204 Timberline Drive North, stated she appreciates the markers on Jackson Road; however, the grass is now so tall no one can see the markers. She stated having concerns about the increase in gas rates approved earlier this month, especially since her last gas bill was really high. She then reminded Councilmember Taylor about his campaign promises to preserve Colleyville, and that the trains were always here, but not the freight trains blowing through Colleyville. She added she believes Colleyville residents should be properly represented.

Steve Waltens, 716 Duns Tew Path, expressed his appreciation to the recently elected City Councilmembers and Mayor Pro Tem Putnam for their honesty and of them being good stewards of Colleyville citizen’s money. He expressed his appreciation for being nominated to serve on the Charter Committee. He stated being concerned about the ethics of Councilmember Taylor who voted in opposition of the resolution, yet he represents Colleyville in that spot. He asked for Councilmember Taylor to recuse himself from that position, and someone in favor of that position replace him.

David Medlin, 605 Montreux Avenue, stated the TexRail really bothers him, and the City Councilmembers should represent the Colleyville citizens. He stated he wonders if the other Mayors really support the project like Colleyville really does not. He stated Colleyville does not want a rail, as it is about wasting the tax payers dollars forever.

9. REPORTS

Planning and Zoning Commission Meeting Minutes - May 9, 2016

Monthly Financial Report - May 2016

There was no discussion of this item.

10. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR JUNE 21, 2016 - READING AND PUBLIC HEARING - RESOLUTION R-16-4008

This resolution was not needed.

11. ADJOURNMENT

There being no further business before the City Council, Mayor Pro Tem Putnam made a motion to adjourn. Councilmember Taylor seconded. Adjournment approved by acclamation.

Mayor Newton adjourned the regular City Council meeting at 10:15 p.m.

Mayor Newton reconvened the Executive Session at 10:25 p.m. There were no decisions made or action taken during this time. The Executive Session was adjourned at 10:51 p.m.

Mayor Newton reconvened the Pre Council meeting at 10:51 p.m.

PC-3 Discussion and presentation on current Capital Improvement Projects

Public Works Director Jeremy Hutt presented this item and briefed the City Council.

Mayor Newton asked staff if a 10 foot trail is proposed on the east side of Pleasant Run Road. Director Hutt replied correct.

Mayor Pro Tem Putnam asked staff if the trail cost is $300,000. City Manager Jennifer Fadden replied it is budgeted at $300,000 in the CEDC.

Mayor Newton asked staff if the trail will connect to anything at the roundabout. Director Hutt replied not at this time.

Mayor Newton asked staff about the trail plan. Director Hutt replied the trail runs all the way up Pleasant Run Road to Southlake.

Councilmember Lindamood asked staff if there would be a cost reduction with a smaller sidewalk. Director Hutt replied yes, and they will take a similar approach, like reducing the width when there are trail restrictions.

Mayor Newton stated Pleasant Run Road is a high priority. Councilmember Coplen agreed.

Mayor Pro Tem Putnam asked staff if they wish to pause to consider the larger design of the project, rather than full redevelopment, as opposed to a rehabilitation project. Director Hutt replied no, basically opening up for suggestion, with a concern to having several maintenance projects.

Mayor Pro Tem Putnam asked staff about expanding the limits of the John McCain road rehabilitation project. Director Hutt replied possibly extending the project to a different cross street, or extending it all the way to SH26.

Mayor Pro Tem Putnam asked staff if there is funding to do it. Director Hutt replied it is something to consider for the FY17 budget. City Manager Jennifer Fadden added or reprioritize. Mayor Newton stated John McCain is not in good shape. Councilmember Short stated he would want this one too.

Mayor Pro Tem Putnam asked if the retaining wall on Bedford Road is the City's wall. Director Hutt replied yes.

Councilmember Coplen asked staff if the wall is wood. Director Hutt replied yes.

Councilmember Taylor asked staff how we own that wall. Director Hutt replied it is in the right-of-way, and staff has done some research and everything indicates the City owns the wall.

Mayor Pro Tem Putnam asked staff if they are confident that the City owns that wall. Director Hutt replied staff is fairly confident, as it was included in the 2005 bond.

Councilmember Taylor asked staff if this wall was going to be addressed with the Heritage Farm development. Director Hutt replied the roundabout is going to be addressed, but not the wall. He added staff was going to coordinate the efforts to accomplish both at the same time.

Councilmember Taylor asked staff if the wall will be smooth concrete. Director Hutt replied no, staff is looking at a couple of options to present to City Council for final approval.

Councilmember Coplen asked staff about the 2005 bond. Director Hutt replied it was included in the 2005 bond; however, it did not pass.

Mayor Pro Tem Putnam asked staff about the cost to rehabilitate Cheek-Sparger Road. Director Hutt replied about $400,000 without curb and gutter.

Mayor Newton asked staff why this project is such a priority. Director Hutt replied it is a priority because of the pavement condition. He added if we want to do a maintenance project to address the pavement, we could buy several years with that type of treatment. Mayor Newton and Mayor Pro Tem Putnam agreed, and Mayor Pro Tem Putnam added it makes sense to look at this project with more of a formal design.

Mayor Newton asked staff if it could be done with TIF funds. City Manager Jennifer Fadden replied yes, full depth reclamation.

Mayor Pro Tem Putnam stated he would like for Cheek-Sparger Road to be considered as a rehab project. Mayor Newton replied he would like to look at it too.

Mayor Pro Tem Putnam asked staff if we could open this back out for bid once the contractors are not so backed up. Parks Manager Heather Dowell replied sure, but since then staff has figured out a way to make this work by simplifying the scope and to split the bid by soil and irrigation. She added we now have the project to just a little over budget by $3,445, but we can cover this within the athletic budget. She stated the project is slated to open a little later in the soccer season, by September 6.

Councilmember Short asked staff if the top portion of the field will be open. Manager Dowell replied yes, once the large machinery is moved.

Mayor Newton asked staff if the top portion of the field is lit. Manager Dowell replied no.

Councilmember Coplen replied she is excited about this project.

PC-4 Presentation on residential irrigation system evaluations

Public Works Director Jeremy Hutt presented this item and answered questions.

Councilmember Taylor asked staff who will pay for this program. Director Hutt replied the Tarrant Regional Water District, and there is no charge to Colleyville or the residents.

Mayor Pro tem Putnam asked staff about who gets the revenues from the third party contractor through the W.I.S.E Guys program. Director Hutt replied it will be a private arrangement for the homeowner to schedule with those contractors; however, they are not required to do so. He added the homeowners are given a free evaluation through this program.

Councilmember Short asked staff if the contractors have certain qualifications. Director Hutt replied yes, they are licensed irrigators and they must go through the W.I.S.E Guys program.

Councilmember Short asked staff if we do this program, are we endorsing them. Director Hutt replied no, we are not proposing to fund the rebate program, just get it up and running.

Mayor Pro Tem Putnam asked staff if this program will help to drive the heat off of staff, such as direction to help find leaks or understand why the resident's bills are high. Director Hutt replied it will give staff a resource to direct the resident.

Councilmember Nakamura stated she understood this program would provide rain sensors at no charge to the resident. Director Hutt replied he had not heard that, but it could be a recommendation the program has for the homeowner, or done with another city. He stated there was a rebate offered several years ago for rain sensors. City Manager Jennifer Fadden added staff will check into that.

Mayor Newton adjourned the Pre Council meeting at 11:30 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Minutes taken and prepared by:

Amy Shelley, TRMC
City Secretary

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 5a **Agenda Date** 07/12/2016 **Number** Ordinance O-16-1980
Type Ordinance
Department Police

Title
Approval of the Fiscal Year 2017 (FY 2017) Colleyville Crime Control and Prevention District budget

Strategy Map Connection
C5- Achieve the highest standards of safety & security
F3- Forecast needs and plan for the future, balancing priorities with resources
F4- Adhere to the City's financial and budgetary policies

Explanation
Second Reading and Public Hearing

There were no speakers regarding this item at the June 21, 2016 City Council meeting.

First Reading and Public Hearing

In accordance with the Local Government Code, the Colleyville Crime Control and Prevention District (CCCPD) annual budget must be approved by the CCCPD Board at least 80 days before the start of the fiscal year. Not later than the 10th day after the date the budget is adopted, the Board shall submit the budget to the governing body of the political subdivision that created the district. In order to comply with this requirement, the City Council will consider and hold a public hearing on the proposed FY 2017 CCCPD budget on June 21, 2016. Second reading of the ordinance and adoption by the City Council is scheduled for July 12, 2016, to comply with the requirement that the governing body approve or reject the budget submitted by the board at least 30 days before the fiscal year begins.

Staff has proposed the attached FY 2017 budget for consideration and approval by the CCCPD Board at their June 21, 2016 meeting, and is now seeking City Council approval of the proposed expenditures.

The FY 2017 CCCPD budget was discussed at the June 6, 2016 CCCPD Board Worksession. At that time, staff presented a complete FY 2017 budget proposal and five-year forecast that meets the needs of the Colleyville Police Department and the community. The only change reflected in the attached FY 2017 proposed CCCPD budget is the addition of one police officer moved over from the General Fund.

Financial Impact

The attached proposed budget provides estimated fund balances and revenues, as well as a detailed list of proposed expenditures.

Recommendation

Approve

Attachments

1. Proposed FY 2017 CCCPD Budget
2. Ordinance O-16-1980

COLLEYVILLE CRIME CONTROL & PREVENTION DISTRICT
FY 2017 PROPOSED BUDGET

FISCAL YEAR	*ADOPTED FY 2016*	*PROJECTED FY 2016*	*PROPOSED FY 2017*
BEGINNING FUND BALANCE	$1,492,472	$1,481,643	$1,381,476
REVENUES:			
1/2 CENT SALES TAX REVENUE	$1,529,802	$1,613,620	$1,613,620
INTEREST INCOME	$1,500	$1,500	$1,500
USE OF AVAILABLE CASH	$384,082	$300,264	$343,350
TOTAL REVENUES	$1,915,384	$1,915,384	$1,958,470
EXPENDITURES:			
ADMINISTRATIVE BOARD/AUDIT EXPENSES	$1,850	$1,850	$1,850
POLICE SOFTWARE ANNUAL MAINTENANCE CONTRACT	$49,500	$49,500	$49,500
REGIONAL RECRUITING AND HIRING PROCESS	$2,500	$2,500	$2,500
REGIONAL CRIME SCENE RESPONSE UNIT	$0	$0	$10,000
CRIME REPORTS ANALYTICAL CRIME MAPPING SOFTWARE	$5,492	$5,492	$5,492
NETMOTION WIRELESS MAINTENANCE AGREEMENT	$3,219	$3,219	$3,219
L-3 IN-CAR VIDEO SYSTEM SERVER MAINTENANCE	$3,949	$3,949	$3,949
TICKET WRITER REPLACEMENT	$4,700	$4,700	$4,700
PERSONNEL -			
7 POLICE OFFICERS	$603,556	$603,556	$621,663
ADDITIONAL OFFICER IN FY 2016	$72,058	$72,058	$74,220
MOVE OFFICER FROM GENERAL FUND FY 2017	$0	$0	$74,220
TEEN COURT	$33,750	$33,750	$33,750
CAPITAL -			
FACILITY NEEDS ASSESSMENT	$0	$0	$30,000
UPS BATTERY BACKUP REPLACEMENT	$0	$0	$85,000
ROOF REPAIRS & MODIFIED BITUMEN REPLACEMENT - JUSTICE CENTER	$100,171	$100,171	$0
VEHICLES -			
REPLACEMENT - PATROL VEHICLE AND EQUIPMENT	$195,000	$195,000	$113,000
REPLACEMENT - MOTORCYCLE (TWO)	$72,000	$72,000	$0
REPLACEMENT - ADMINISTRATIVE VEHICLES	$27,000	$27,000	$121,500
EQUIPMENT -			
ANNUAL WEAPONS REPLACEMENT	$8,500	$8,500	$8,500
STINGER FLASHLIGHTS	$3,800	$3,800	$0
TWO HANDHELD LASER UNITS	$7,000	$7,000	$0
TWO RADAR SIGNS- REPLACEMENT	$11,000	$11,000	$0
DEBT SERVICE -			
2006 SERIES REFUNDING DEBT	$500,242	$500,242	$503,862
TRANSFERS -			
CAPITAL EQUIPMENT REPLACEMENT FUND - IN-CAR MOBILE DIGITAL COMPUTER SYSTEM	$10,000	$10,000	$10,000
TOTAL EXPENDITURES	$1,715,287	$1,715,287	$1,756,925
EXCESS REVENUES OVER EXPENDITURES ^^	$200,097	$200,097	$201,545
ENDING FUND BALANCE	$1,308,487	$1,381,476	$1,239,671

^^ MUST HAVE A 1.4 TIMES COVERAGE RATIO ($200,097) FOR DEBT SERVICE PAYMENT IN FY 2016
^^ MUST HAVE A 1.4 TIMES COVERAGE RATIO ($201,545) FOR DEBT SERVICE PAYMENT IN FY 2017

ORDINANCE O-16-1980

AN ORDINANCE ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2017 FOR THE COLLEYVILLE CRIME CONTROL AND PREVENTION DISTRICT, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 THROUGH SEPTEMBER 30, 2017, A COPY OF SAME BEING ON FILE IN THE OFFICE OF THE CITY SECRETARY, TO BECOME EFFECTIVE UPON PASSAGE BY THE CITY COUNCIL

WHEREAS, the laws of the State of Texas require the Board of Directors of the Colleyville Crime Control and Prevention District to adopt a budget of projected revenues and proposed expenditures, cash on hand at the start of the year, the amount of money received during the prior year, the tax rate, and the projected ending fund balance; and

WHEREAS, on June 21, 2016, the Board of Directors of the Colleyville Crime Control and Prevention District approved the following budget; and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council determines that the passage of this Ordinance is in the best interests of the health, safety, and welfare of the public.

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

Sec. 1. THAT all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Sec. 2. THAT the budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017 for the Colleyville Crime Control and Prevention District, a copy of which is on file in the office of the City Secretary, is hereby made a part of this Ordinance by reference and is hereby approved and adopted by the City Council of the City of Colleyville, Texas, as the official budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017 and that the City Manager is authorized to execute all contracts and agreements approved as a part of the budget.

Sec. 3. THAT the budget of the fiscal year beginning October 1, 2016, and ending September 30, 2017, for the Colleyville Crime Control and Prevention District with a sales and use tax rate of .5%, is hereby fixed as follows:

Projected Revenue Received in Fiscal Year 2016	$ 1,915,384
Projected Cash on Hand as of October 1, 2016	$ 1,381,476
Revenues	$ 1,958,470
Expenditures	$ 1,756,925
Ending Fund Balance at September 30, 2017	$ 1,239,671

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 21st day of June 2016.

The second reading and public hearing being conducted on the 12th day of July 2016.

APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	______	Place 6, Mike Taylor	______
Place 4, Jody Short	______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C.G. Boyle
City Attorney

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 5b **Agenda Date** 07/12/2016 **Number** Ordinance O-16-1981
Type Ordinance
Department Public Works

Title
An ordinance amending Section 3A of the Water and Sewer Policy and Procedure manual as contained in the Code of Ordinances of the City of Colleyville, Texas by eliminating tiered water rates and establishing a rate of $4.36 per thousand gallons of water for all gallons not included in the base rate, and providing for an effective date

Strategy Map Connection
C5- Achieve the highest standards of safety & security
F2- Invest to provide and maintain high quality public assets
F3- Forecast needs and plan for the future, balancing priorities with resources

Explanation
Second Reading and Public Hearing

There were four persons who spoke in support of this request, and one person who spoke in opposition of this request at the June 21, 2016, City Council meeting. There were also seven people who did not wish to speak, but did wish to register their support of this request at the same meeting.

First Reading and Public Hearing

At the June 7, 2016 Pre Council meeting, staff made a presentation to City Council to discuss changing the current water rate structure. Per the Mayor's request, a flat rate of $4.36 per thousand gallons, for all gallons not included in the base rate was presented. This ordinance would repeal the current tiered rate structure included in Ordinance O-15-1960 (water rates only) and remain in place until a comprehensive water and wastewater review can be completed.

Financial Impact
Adoption of this ordinance will decrease revenue in the Utility Fund over the remainder of the fiscal year. At the direction of the City Council, staff will bring forward ordinances in the future to amend Appendix A – Water and Sewer Policy and Procedure Manual, Section 8 – Financial Management, subsection D (Franchise Fee) and subsection E (Operating Transfer) of the Colleyville Code of Ordinances. These amendments will reduce Utility Fund expenditures to offset the revenue reductions. Staff also seeks City Council direction on methodologies to offset the FY 2016 revenue reduction to the General Fund.

Recommendation
Approve

Attachments
1. June 21, 2016 Speaker Cards
2. Ordinance O-15-1960
3. Ordinance O-16-1981

SPEAKER CARD

Date: 6/21/16

Agenda Item Number: 5b ← Item must be completed!

For example: **5a *(this can be found on the far left side of the agenda copy)***

✓ I will speak **In Support** of this item. ____ I will speak **In Opposition** to this item.

____ I do not wish to speak, but please record my: ____ **support** ____ **opposition**

Name: Steve Walters

Address: 716 Dunstew Path City: C

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: ____________________

This information is a Public Record

SPEAKER CARD

Date: 6/21/16

Agenda Item Number: 5B ← Item must be completed!

For example: **5a *(this can be found on the far left side of the agenda copy)***

X I will speak **In Support** of this item. ______ I will speak **In Opposition** to this item.

______ I do not wish to speak, but please record my: ______ **support** ______ **opposition**

Name: GEORGE DODSON

Address: 7309 BALMORAL DR City: COLLEYVILLE

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: G D Dodson

This information is a Public Record

I am probably in the middle.

SPEAKER CARD

Date: 6/21/16

Agenda Item Number: ________ ← Item must be completed!

For example: **5a *(this can be found on the far left side of the agenda copy)***

_____ I will speak **In Support** of this item. ~~5~~ 5 6 I will speak **In Opposition** to this item.

_____ I do not wish to speak, but please record my: _____ **support** _____ **opposition**

Name: Mike Brown

Address: 508 Bandit Trail City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: [signature]

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SPEAKER CARD

Date: 10/21/16

Agenda Item Number: 5b ← Item must be completed!

For example: **_5a (this can be found on the far left side of the agenda copy)_**

X I will speak **In Support** of this item. ______ I will speak **In Opposition** to this item.

______ I do not wish to speak, but please record my: ______ **support** ______ **opposition**

Name: David Medlin

Address: 605 Montrose Ave City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: David Medlin

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SPEAKER CARD

Date: 6-21-16

Agenda Item Number: 5b ← Item must be completed!

For example: ***5a (this can be found on the far left side of the agenda copy)***

✓ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

_____ I do not wish to speak, but please record my: _____ **support** _____ **opposition**

Name: 204 N. Timberline

Address: Kathy Hadley City: Colleyville

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Signed: Kathy Hadley

This information is a Public Record

SPEAKER CARD

Date: 6/21/16

Agenda Item Number: 5b ⟵ Item must be completed!

For example: **_5a (this can be found on the far left side of the agenda copy)_**

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

X I do not wish to speak, but please record my: X **support** _____ **opposition**

Name: Rachel Donnell

Address: 5712 Sycamore Dr. City: Colleyville

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Signed: Rachel Donnell

This information is a Public Record

SPEAKER CARD

Date: 6/21/16

Agenda Item Number: 5b ← Item must be completed!

For example: **<u>5a *(this can be found on the far left side of the agenda copy)*</u>**

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

X I do not wish to speak, but please record my: X **support** _____ **opposition**

Name: John Donnell

Address: 5712 Sycamore Dr City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: John R Donnell

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SPEAKER CARD

Date: 6/21

Agenda Item Number: 3B ← Item must be completed!

For example: ***5a (this can be found on the far left side of the agenda copy)***

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

✓ I do not wish to speak, but please record my: ✓ **support** _____ **opposition**

Name: Charles Kelley

Address: 705 Hillside City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: [signature]

This information is a Public Record

SPEAKER CARD

Date: 6-21-16

Agenda Item Number: 5b ← Item must be completed!

For example: **5a *(this can be found on the far left side of the agenda copy)***

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

✓ I do not wish to speak, but please record my: ✓ **support** _____ **opposition**

Name: Lola Lawrence

Address: 4105 Greenway Ct City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: Lola Lawrence

This information is a Public Record

SPEAKER CARD

Date: 6-21-14

Agenda Item Number: 5b ← Item must be completed!

For example: ***5a (this can be found on the far left side of the agenda copy)***

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

✓ I do not wish to speak, but please record my: ✓ **support** _____ **opposition**

Name: SAM VAN BEVER

Address: 4105 CREST COURT City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: [signature]

This information is a Public Record

SPEAKER CARD

Date: 6-21-16

Agenda Item Number: 5b ← Item must be completed!

For example: **5a (this can be found on the far left side of the agenda copy)**

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

✓ I do not wish to speak, but please record my: ✓ **support** _____ **opposition**

Name: Tom R. Aikens

Address: 4500 Dartmoore Lane City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed:

This information is a Public Record

SPEAKER CARD

Date: 6-21-16

Agenda Item Number: 5b ⟵ Item must be completed!

For example: **_5a (this can be found on the far left side of the agenda copy)_**

_____ I will speak **In Support** of this item. _____ I will speak **In Opposition** to this item.

✓ I do not wish to speak, but please record my: ✓ **support** _____ **opposition**

Name: Claudia Bevill

Address: 119 Cheek Sparger Rd City: Colleyville

I understand I am limited to speaking for five minutes. For agenda items not listed on the agenda as a Public Hearing, City Council cannot respond to speakers in accordance with the Texas Open Meetings Law, Chapter 551 of the Texas Local Government Code. This includes persons speaking under the Citizen's Comments section of the agenda.

Signed: Claudia Bevill

This information is a Public Record

ORDINANCE O-15-1960

AN ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS AMENDING SECTIONS 3A AND 3B OF THE WATER AND SEWER POLICY AND PROCEDURE MANUAL OF THE CITY OF COLLEYVILLE BY PHASING OUT THE WATER AND SEWERAGE USAGE INCLUDED IN THE BASE RATE OVER A FOUR YEAR PERIOD; BASING THE MINIMUM MONTHLY USE CHARGE FOR WATER ON WATER METER SIZE, AND INCREASING THE MINIMUM BASE RATE FOR SEWERAGE FOR NON-RESIDENTIAL CUSTOMERS BY $6.00 PER MONTH OVER A THREE YEAR PERIOD, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council did authorize a water and wastewater rate study; and

WHEREAS, said rate study offered specific recommendations to provide for a financially viable Utility Fund without adding unnecessarily to the burden of the ad valorem tax payer; and

WHEREAS, all statutory and constitutional requirements for the passage of this Ordinance have been adhered to, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council determines that the passage of this Ordinance is in the best interests of the health, safety and welfare of the public.

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

Sec. 1. THAT all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Sec.2. THAT Sections 3A and 3B of the Water and Sewer Policy and Procedure Manual of Colleyville, Texas, which is "Appendix A" to Chapter 11 of the Colleyville Code be replaced in their entirety to read as follows:

Sec. A. – Water rates.

(1) For water meter sizes of less than 1.5 inches:

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.55
Minimum per month charge for out-of-city customers	$17.55
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.69
Minimum per month charge for out-of-city customers	$17.69
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.77
Minimum per month charge for out-of-city customers	$17.77
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.28 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$13.90
Minimum per month charge for out-of-city customers	$17.90
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.41 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(2) For water meter sizes of 1.5 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$15.57
Minimum per month charge for out-of-city customers	$19.57
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$18.26
Minimum per month charge for out-of-city customers	$22.26
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$20.75
Minimum per month charge for out-of-city customers	$24.75
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$23.24
Minimum per month charge for out-of-city customers	$27.24
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(3) For water meter sizes of 2 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$20.29
Minimum per month charge for out-of-city customers	$24.29
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$27.30
Minimum per month charge for out-of-city customers	$31.30
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$34.30
Minimum per month charge for out-of-city customers	$38.30
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$41.43
Minimum per month charge for out-of-city customers	$45.43
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(4) For water meter sizes of 3 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$33.20
Minimum per month charge for out-of-city customers	$37.20
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$53.11
Minimum per month charge for out-of-city customers	$57.11
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$73.03
Minimum per month charge for out-of-city customers	$77.03
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.28 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$92.95
Minimum per month charge for out-of-city customers	$96.95
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(5) For water meter sizes of 4 inches

Effective December 1, 2015, the following water rates go into effect:	
Minimum per month charge for in-city customers	$51.27
Minimum per month charge for out-of-city customers	$55.27
Usage:	
1,501 gallons to 20,000 gallons	$4.30 per 1,000 gallons
20,001 gallons to 30,000 gallons	$4.86 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.42 per 1,000 gallons
40,001 gallons to 50,000 gallons	$5.98 per 1,000 gallons
Over 50,000 gallons	$6.54 per 1,000 gallons

Effective December 1, 2016, the following water rates go into effect:	
Minimum per month charge for in-city customers	$89.26
Minimum per month charge for out-of-city customers	$93.26
Usage:	
1,001 gallons to 20,000 gallons	$4.44 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.00 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.56 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.68 per 1,000 gallons

Effective December 1, 2017, the following water rates go into effect:	
Minimum per month charge for in-city customers	$127.25
Minimum per month charge for out-of-city customers	$131.25
Usage:	
501 gallons to 20,000 gallons	$4.60 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.16 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.72 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.12 per 1,000 gallons
Over 50,000 gallons	$6.84 per 1,000 gallons

Effective December 1, 2018, the following water rates go into effect:	
Minimum per month charge for in-city customers	$165.24
Minimum per month charge for out-of-city customers	$169.25
Usage:	
1 gallon to 20,000 gallons	$4.73 per 1,000 gallons
20,001 gallons to 30,000 gallons	$5.29 per 1,000 gallons
30,001 gallons to 40,000 gallons	$5.85 per 1,000 gallons
40,001 gallons to 50,000 gallons	$6.25 per 1,000 gallons
Over 50,000 gallons	$6.97 per 1,000 gallons

(6) Rates for fire hydrant meters:

The use of fire hydrant meters shall only be allowed within the Colleyville city limits. The use of the fire hydrant meters shall be limited to a period of no more than 90 cumulative calendar days. Under special conditions, a customer may submit a written request to the public works department for use of a fire hydrant meter for a period longer than 90 cumulative calendar days, subject to public works director approval. In considering special condition(s), the public works director shall not consider requests which are necessary to relieve a self-created or personal hardship, failure of performance by a contractor, nor for financial reasons. In considering the customer request, the public works director shall solicit the recommendation of the fire chief and fire marshal in consideration of the request. Further, the public works director shall consider alternative means available to the customer. If special condition(s) are approved by the public works director, in no case shall the meter be used for more than an additional 30 calendar days. The public works director may provide a written ruling within 15 working days of receipt of the customer's written request.

In the event a request for special condition(s) is denied by the public works director, customer shall, within 14 calendar days, make written appeal to the city manager of the public works director's decision. The city manager shall render a written decision within 30 working days of receipt of the customer's appeal. Such decision by the city manager shall be final and not appealable to the city council.

For purposes of this section, written communication shall be considered communication, which is deposited with the United States Postal Service for delivery.

The user must submit in writing, the location of where the meter will be used and such meter shall be used exclusively at the location on record with the city. For purposes of this section, the use of a meter shall be allowed cumulatively for only one location within an individual subdivision and/or development.

For a period of 90 cumulative calendar days after a meter is returned and read by the city, a user shall not be permitted to check out another meter for use at the same designated location, as defined herein.

The minimum monthly bill for water usage for a fire hydrant meter shall be $50.00 for the first 2,000 gallons of water used each month and the tier five rate (over 50,000 gallons of usage) shall be charged for all usage in excess of 2,000 gallons. If the cost of water used during any month is less than $50.00; the minimum charge for that month shall be $50.00.

The customer shall be in possession of and responsible for the meter. The customer will be responsible for bringing the meter to the public works service center by the 20th of each month for reading. The customer is required to use a proper fire hydrant wrench for operation of the fire hydrant. The customer shall be responsible for any damage and repair, as reasonably determined by the city, to the fire hydrant or the fire hydrant meter by the use of a temporary water meter.

The customer will be required to provide for any backflow device necessary to meet the current city ordinance for protection of the city's drinking water supply.

The City of Colleyville, Tarrant County, and Texas Department of Transportation (TxDOT) shall be exempt from the provisions of this policy.

Sec. B. – Sewer rates.

(1) This schedule of rates per month or fraction thereof shall be the basis for determining charges to all customers for rendering sanitary sewage service, where the sewage produced by such customer is a normal strength wastewater (170 mg/l BOD and 260 mg/l suspended solids) and where such customer is located within the City of Colleyville.

A minimum monthly sewer charge shall be charged to all residential customers as follows:	
Effective December 1, 2015	$ 10.45
Effective December 1, 2016	$ 10.65
Effective December 1, 2017	$ 10.73
Effective December 1, 2018	$ 10.90

A minimum monthly sewer charge shall be charged to all non-residential customers as follows:	
Effective December 1, 2015	$ 13.45
Effective December 1, 2016	$ 13.65
Effective December 1, 2017	$ 16.73
Effective December 1, 2018	$ 16.90

(2) A monthly sewer volume charge shall also be charged to all customers as set forth hereinafter. The sewer volume charge for residential customers will be based upon the individual customer's average monthly water use during the months of December, January and February. Where no preceding winter quarter average is available from records, a volume of 7,000 gallons shall be used for this volume charge.

The monthly charges to commercial and industrial class customers will be based on total water use each month as measured by appropriate meters, with the provision that if a customer can show to the satisfaction of the public works director that a significant portion of the metered water usage does not enter the sanitary sewers, the customer will be charged for only that volume entering the sewers, as determined by a method approved by the director of public works.

Effective December 1, 2015	$ 3.14 per 1,000 gallons
Effective December 1, 2016	$ 3.34 per 1,000 gallons
Effective December 1, 2017	$ 3.50 per 1,000 gallons
Effective December 1, 2018	$ 3.63 per 1,000 gallons

Sec. 3. THAT the effective date of this Ordinance shall be December 1, 2015.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 16th day of June 2015.

The second reading and public hearing being conducted on the 7th day of July 2015.

PASSED AND APPROVED by the City Council of the City of Colleyville, Texas, on this the 7th day of July 2015.

ATTEST:

Amy Shelly
Amy Shelly, TRMC
City Secretary

CITY OF COLLEYVILLE

David Kelly
David Kelly
Mayor

APPROVED AS TO FORM AND LEGALITY:

Ben L. Stool
Ben L. Stool, Asst City Attorney
Matthew C.G. Boyle
City Attorney

ORDINANCE O-16-1981

AN ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS AMENDING SECTION 3A OF THE WATER AND SEWER POLICY AND PROCEDURE MANUAL OF THE CITY OF COLLEYVILLE BY ELIMINATING THE TIERED RATE STRUCTURE FOR WATER USAGE AND IMPLEMENTING AN INTERIM, FLAT RATE OF $4.36 PER 1,000 GALLONS FOR ALL GALLONS NOT INCLUDED IN THE BASE RATE, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City of Colleyville charges fees for services and materials as authorized in the Code of Ordinances and it is desirous to update those fees; and

WHEREAS, all statutory and constitutional requirements for the passage of this ordinance have been adhered to, including but not limited to the Open Meeting Act.

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

Sec. 1. THAT for all customer classes, the rate per thousand gallons of water, for all usage greater than the gallons of usage included in the minimum water bill, shall be $4.36 effective August 1, 2016.

Sec. 2. THAT Section 3A of the Water and Sewer Policy and Procedure Manual of Colleyville, Texas, which is “Appendix A” of the Colleyville Code be replaced with:

Sec A. – Water Rates

For ALL Meter Sizes (In-City and Out-of-City Customer)

Usage:	
1,501 gallons and over	$4.36 per 1,000 gallons

Sec. 3. THAT the effective date of this ordinance shall be August 1, 2016.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 21st day of June, 2016.

The second reading and public hearing being conducted on the 12th day of July 2016.

PASSED AND APPROVED by the City Council of the City of Colleyville, Texas, on this the ________ day of ___________________ 2016.

PASSED AND APPROVED BY A VOTE OF __ AYES, __ NAYS, AND __ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	______	Place 6, Mike Taylor	______
Place 4, Jody Short	______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C. G. Boyle
City Attorney

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 6a **Agenda Date** 07/12/2016 **Number** Ordinance O-16-1982
Type Ordinance
Department Community Development

Title
Consideration of an amendment to the PUDC-Planned Unit Development Commercial District on Lots 1R, 2, and 3, Block 1 of the Village Park Addition, located at 1001, 1005, and 1009 Glade Road, Case ZC16-009

Strategy Map Connection
There is no strategy map connection for this item.

Explanation
First Reading and Public Hearing

Terry Lyons, the applicant, has submitted a request to amend the PUD-C – Planned Unit Development Commercial zoning on approximately 1.68 acres, located at 1001, 1005, and 1009 Glade Road. As requested, the amendment would expand the permitted principal land uses on the subject property. The intent of the amendment is to achieve zoning compliance by permitting all existing land uses on the subject property not currently permitted by the governing PUD-C ordinance.

Existing Conditions: The subject property is currently platted as Lots 1R, 2, and 3, Block 1 of the Village Park Addition and generally located at the southwest corner of Glade Road and Bedford Road. The subject property consists of three commercial buildings with a variety of tenants.

Zoning: The subject property is currently zoned PUD-C – Planned Unit Development Commercial. The subject property was rezoned from the CC-1 Village Retail District and R-20 Single Family Residential District to PUD-C in May of 1996 by Ordinance O-96-1024.

Statement of Planning Objectives: The applicant submitted a Statement of Planning Objectives which is attached for review. Included in the Statement of Planning Objectives, the applicant provided a detailed list of the current tenants, and their respective tenure on the subject property. As noted, a number of the existing businesses which are not in compliance with the PUD-C zoning have been operating on the subject property for many years.

Proposed Zoning Change: The governing PUD-C (Ordinance O-96-1024) stipulates that all uses must comply with the CPO–Professional Office District. The applicant is requesting to amend the existing zoning on the property to allow for the addition of the permitted principal land uses of the CN-Neighborhood Commercial District as well as one additional permitted principal land use of the CC-1 Village Retail District:

1. Apparel and Accessory Stores

The CPO zoning district does not permit three of the existing land uses on the subject property (apparel and accessory stores; beauty shops or day spas; restaurants, cafes and cafeterias). This limitation in the zoning appears to have been overlooked when Certificate of Occupancy applications were approved in the past.

The applicant is requesting to allow the existing restaurant (Mr. Jim's Pizza) to continue operations at this location, without permitting future restaurants on the subject property. Should the request be approved, the ordinance will include the following special ordinance provision: "upon termination or abandonment of the existing restaurant use, future uses shall thereafter conform to the regulations applicable to the governing zoning ordinance."

Table 3.24 B, Schedule of Permitted Principal Uses, details the permitted land uses for each zoning district located within the City. The following excerpt identifies the permitted principal land uses for the CPO and CN Districts:

**P-Permitted; S-Special Use Permit; Gray-Not Permitted*

	CPO	***CN***
F. Office Uses		
Accountant's Offices	P	P
Advertising Agencies	P	P
Attorney Offices	P	P
Chiropractic Clinics	P	
Engineering, Architect's, and Surveyor's Offices	P	P
General Business Offices not elsewhere listed	P	P
Insurance Agencies	P	P
Management and Public Relations Services Offices	P	P
Optometrist Office	P	
Psychologist Offices	P	P
Physician's or Dentist's Offices	P	
Real Estate Agency Offices	P	P
Security Broker Offices	P	P
Title Abstract Offices	P	P
Travel Agency/ Airline Ticket Offices	P	P
	CPO	***CN***
G. Retail and Services Uses		
Alcohol or Drug Treatment Center	S	S
Banks, Credit Unions and Financial institutions		P
Barber Shops, Beauty Shops, and Day Spas		P
Cemeteries or Mausoleums	S	S
Civic, Social or Fraternal Organizations	S	S

Copy Centers/Print Shops	S	S
Dance Studios and Martial Arts Studios	S	S
Day Care Centers	S	S
Dry Cleaner Pick-up Stations		S
Florist Shops		P
Hardware, electrical & plumbing w/o outside display		P
Interior Decoration Stores	P	P
Locksmiths		S
Jewelry Stores		P
Mailing and Shipping Stores		P
Pharmacy		S
Photography Studios	P	P
Self-service Laundries		S
Shoe Repair Shops		P
Tailor and Alteration Shops		P
	CPO	***CN***
H. Recreational and Entertainment Uses		
Golf Courses- Privately Owned	P	P
Commercial Recreation (outdoor)		S
I. Automotive and Transportation Uses		
Airports and Heliports	S	S
Auto Parking Lots and Garages (free standing)	S	S
Additional Land Uses Requested to be Permitted		
Apparel and Accessory Stores		
Restaurants, Cafes and Cafeterias		

Analysis: The governing PUD-C does not permit the principal land uses for four of the seven existing tenants currently operating on the subject property, thus resulting in a zoning violation. When a property is occupied by a land use not permitted in the governing zoning district, or the governing zoning ordinance, a zoning violation occurs. The zoning violation on the subject property was discovered by staff after receiving an inquiry from a prospective tenant (DFW MedSpa). Upon discovering the violation, the property owner (Terry Lyons) made application to amend the PUD-C in an effort to address all outstanding zoning violations, and bring all existing land uses into compliance. Although the nonconforming land uses were approved by previous City staff through the issuance of a Certificate of Occupancy, the subject property remains in violation of the governing zoning. Section 1.8 of the Land Development Code clearly determines that the issuance of a Certificate of Occupancy, in no way constitutes approval of a violation to the zoning regulations.

The request to amend the PUD-C by including all CN-Neighborhood Commercial land uses along with one additional land use from the CC-1 Village Retail District (Apparel and Accessory Stores), and the conditioned approval of the existing restaurant (Mr. Jim's Pizza) will resolve all zoning violations on the subject property. Further, it will allow for the property owner to fully lease the remaining space to tenants of similar land uses to those existing today. The existing land uses along with the requested amendment, are generally consistent with the surrounding commercial land uses. Therefore, the proposed amendment should not have adverse impacts on adjacent properties.

The proposed amendment will allow an additional eight land uses by right (permitted) and five land uses with the approval of a Special Use Permit. The eight additional permitted land uses from the CN zoning district are listed below.

1. Banks, Credit Unions and Financial institutions
2. Barber Shops, Beauty Shops, and Day Spas
3. Florist
4. Shops
5. Hardware, electrical & plumbing without outside display
6. Jewelry Stores
7. Mailing and Shipping Stores
8. Shoe Repair Shops
9. Tailor and Alteration Shops

Finally, staff conducted a parking analysis which is attached for review to ensure current and future zoning compliance. The analysis evaluated parking for all existing tenants, as well as any proposed future tenants (e.g. DFW MedSpa). The results of the parking analysis identify 68 parking spaces on the subject property, with a total of 64 spaces required, per the existing land uses. Based on this information the property is currently in compliance with the parking regulations of Chapter 3 (Land Use) of the Land Development Code. Additionally, there are no anticipated parking compliance issues should the subject property be fully leased.

Surrounding Development: The table below reflects the surrounding zoning and existing land uses for the subject property as further illustrated on the attached zoning and aerial maps:

CC-1 Village Retail (Undeveloped)	R-20 Single Family Residential (Single Family Home)	PUD-C Planned Unit Development – Commercial *O-07-1643* (Office Use)
CC-1 Village Retail (Shandorza Spa & Salon)	***Subject Property*** PUD-C Planned Unit Development – Commercial *O-96-1024* (Commercial Uses)	R-20 Single Family Residential (Single Family Home)
R-20 Single Family Residential (Single Family Home)	R-20 Single Family Residential (Single Family Home)	R-20 Single Family Residential (Single Family Home)

Comprehensive Plan: The City's comprehensive plan, *Destination Colleyville*, identifies the subject property as located within the commercial land use. This land use category is comprised of commercial development (e.g., retail, professional services, office). The current character of these areas is dominated by streets, access driveways, and surface parking areas that are frequently located in the front of the building. Moving forward, the desired character of these commercial areas is more visually attractive development with architectural styles that are less residential in character, have less parking along the front, and improved landscaping. These land uses are generally found along the major roadways of Precinct Line Road, SH 121, and Cheek-Sparger Road in order to take advantage of larger volumes of traffic.

Public Notification: Staff mailed notices to all property owners within 200 feet as well as any Homeowners Associations within 500 feet of the subject property regarding this request. Grapevine-Colleyville ISD, where the subject property is located, was notified per State law. Notice was published in the *Fort Worth Star-Telegram* as required by State law and the Land Development Code. To date, no correspondence has been received.

Planning and Zoning Commission Recommendation: The Planning and Zoning Commission recommended approval of this request at the June 13, 2016 meeting by a vote of 6-1.

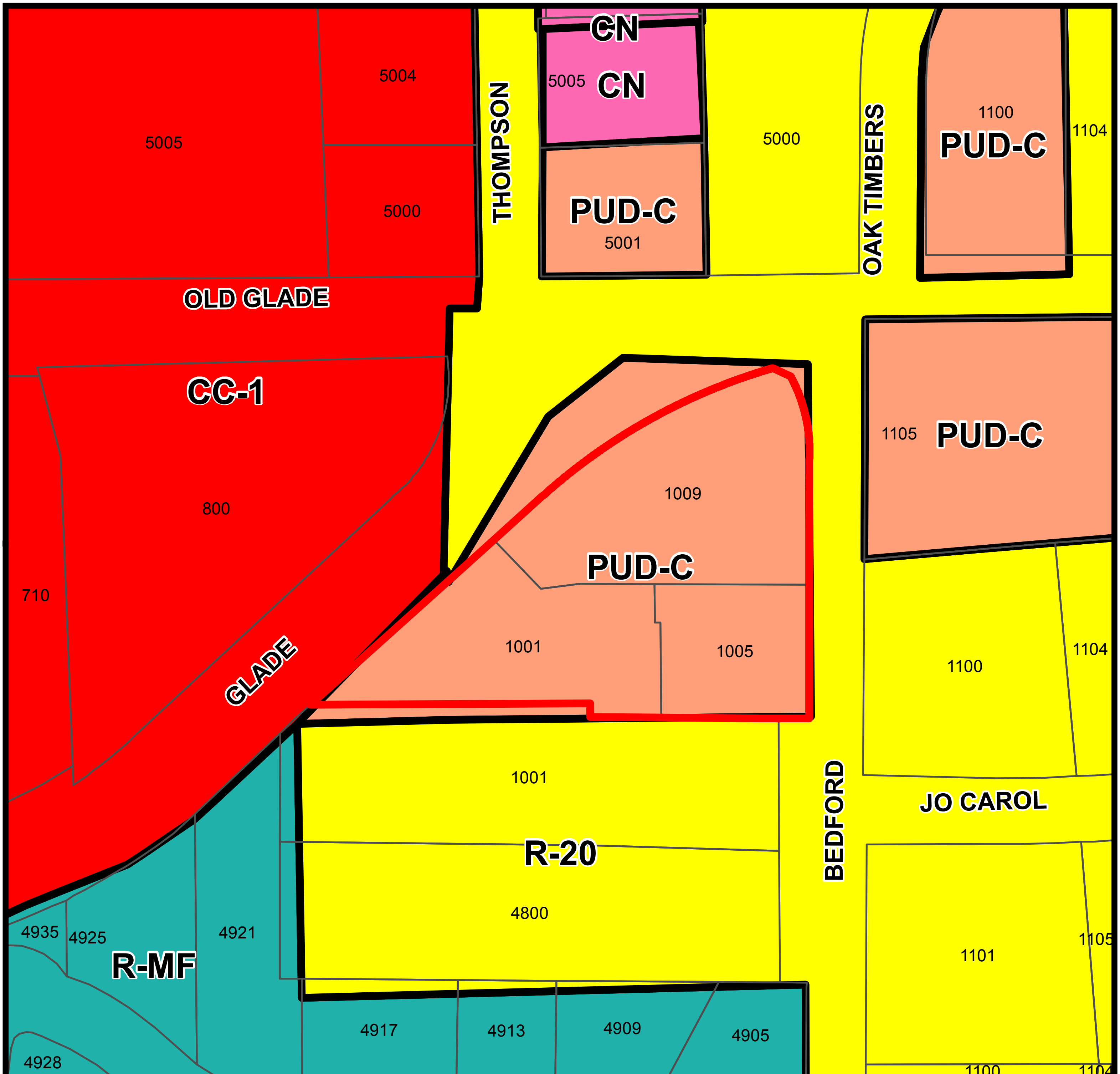
Staff Recommendation: The requested PUD-C amendment will address all zoning violations on the subject property and bring the site into compliance. Additionally, the proposed addition of CN-Neighborhood Commercial District permitted principal land uses, along with "Apparel and Accessory Stores" should not adversely impact the surrounding properties. Staff recommends approval.

Financial Impact
There is no financial impact to the City.

Recommendation
Approve

Attachments
1. Zoning Map
2. Aerial Map
3. Future Land Use Map
4. Statement of Planning Objectives
5. Zoning Exhibit
6. Parking Analysis
7. Notification Map
8. Notification List
9. Existing Ordinance (O-96-1024)
10. Ordinance O-16-1982

ZONING MAP



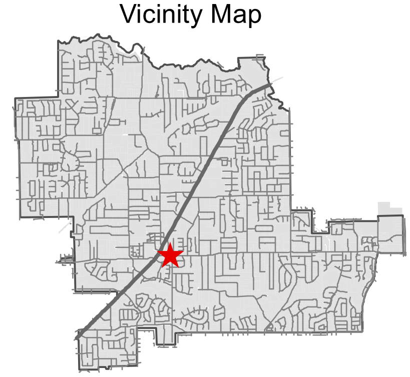
ZC16-009

1001, 1005, 1009 GLADE ROAD

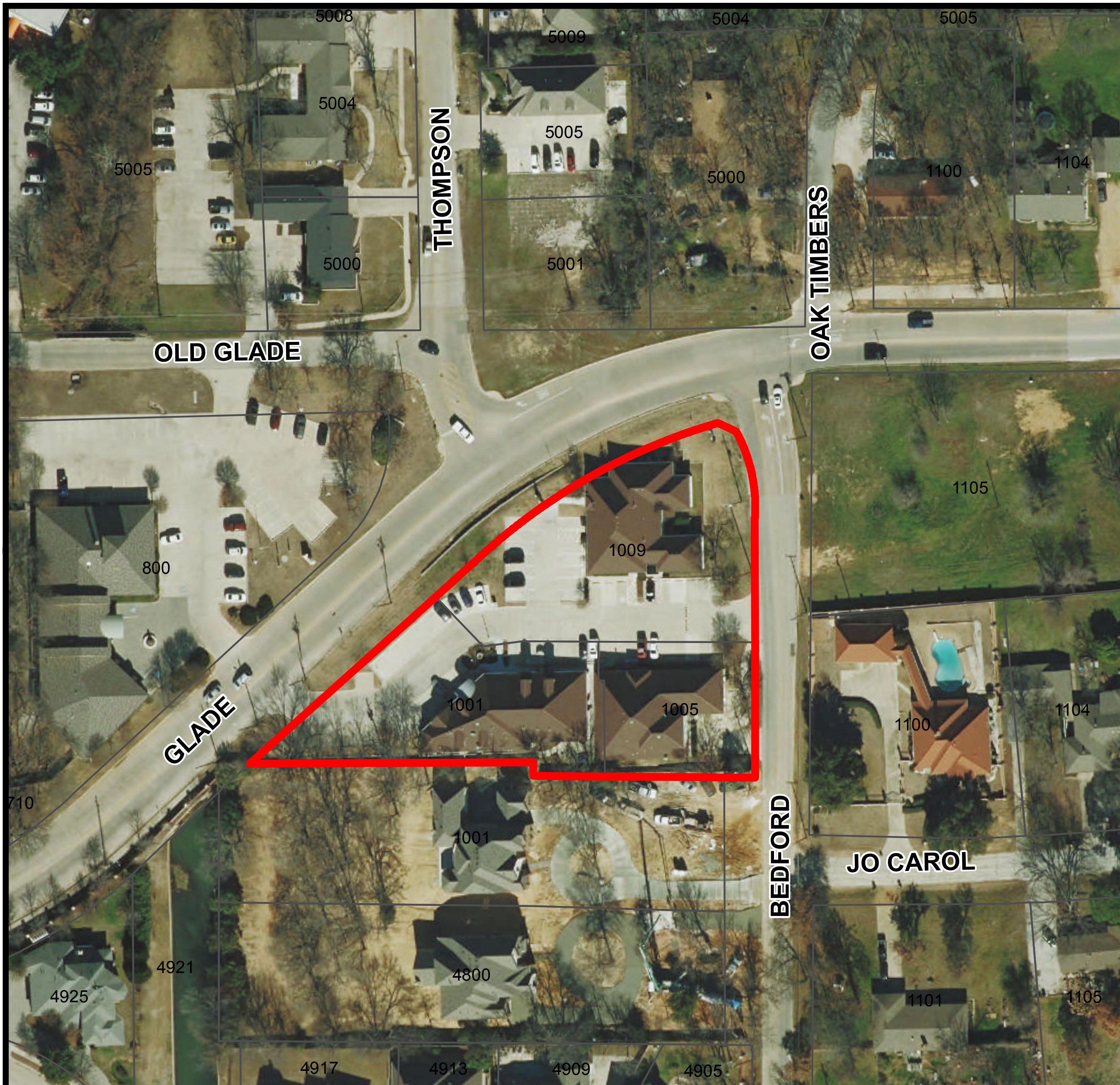
Subject Property

1 inch = 104 feet

Vicinity Map



AERIAL MAP

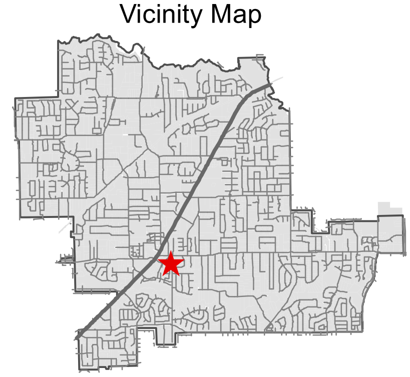


CITY OF COLLEYVILLE TEXAS

ZC16-009

1001, 1005, 1009 GLADE ROAD

Vicinity Map

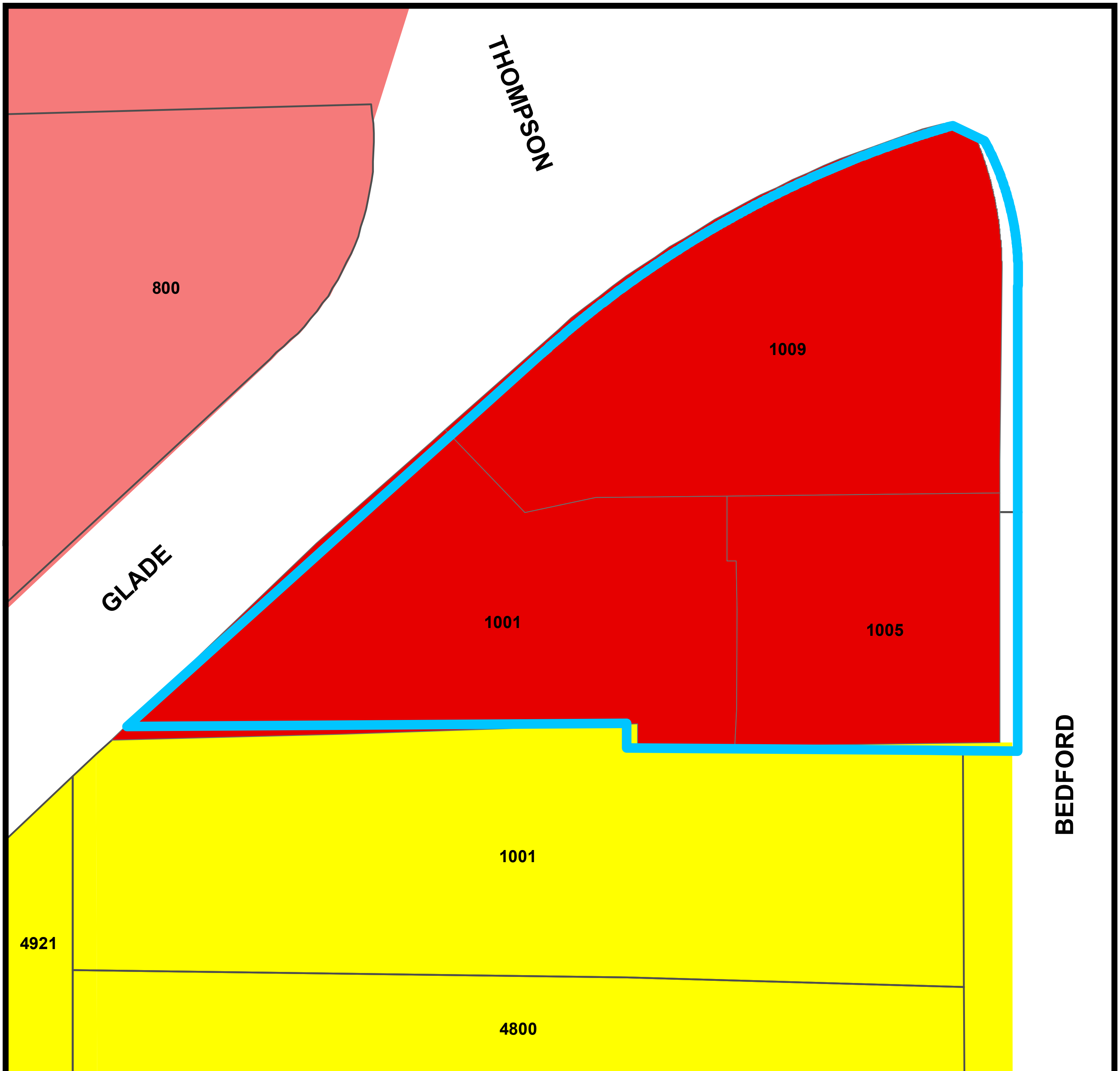


Legend

Subject Property

1 inch = 104 feet

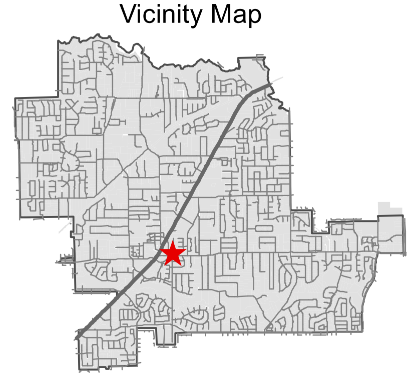
FUTURE LAND USE MAP



ZC16-009

1001, 1005, 1009 GLADE ROAD

Vicinity Map



Subject Property
RESIDENTIAL
COMMERCIAL
INSTITUTIONAL
PARKS/ OPEN SPACE
COLLEYVILLE BLVD CORRIDOR

1 inch = 58 feet

Statement of Planning Objectives

Glade Road Capital, LLC
P O Box 1821
Colleyville, Texas 76034
(817) 992-0505

May 27, 2016

Mr. Shane Pace
Principal Planner Community Development
City of Colleyville

Re: Statement of Planning Objectives and Request for Zoning Amendment
1001, 1005, and 1009 Glade Road, Colleyville, Texas
1.688 acres out of the T.J. Polson Survey, Abstract 1248, Tracts 1B, 1B2, 1B1, and 1B1B

Dear Shane:

We are requesting that the Planning and Zoning Commission amend the current PUD for the above referenced property by adding the Permitted Principal uses of CN and the following individual uses.

Apparel and Accessory Stores

These three properties were purchased individually by Glade Road Capital, LLC on the below dates:

1009 Glade Road Building – purchased in January, 2003
1001 Glade Road Building – purchased in November, 2004
1005 Glade Road Building – purchased in April, 2005

For property tax purposes, the Tarrant Appraisal District considers the three buildings as one retail center.

The below tenants have occupied the three buildings for several years:

1001 Glade Road Building

Suite 100	Mr. Jim's Pizza	since April, 2007
Suite 110	GirliGirl Boutique	since December, 2006
Suite 120	Colleyville Chiropractic	since July 2014
	(Prior to July 2014 occupied 1009 building since prior to Jan 2003)	
Suite 130	Vacant (possible Yoga studio)	

1005 Glade Road Building

GRC Professional Executive Suites	since May, 2014

Statement of Planning Objectives

1009 Glade Road Building

Suite A	B. Haute Salon	since October, 2014
Suite B	Vacant (possible Beauty Salon)	
Suite C	Classis Image Salon	since August, 2009
Suite D	Excellent Living Ministries	since November, 2014
Suite E	Vacant (possible Day Spa)	

The buildings were originally zoned CC-1 but changed to PUD-C in April 1996. The area surrounding the buildings has changed significantly over the 20 years. There are several beauty salons and day spas located in the area.

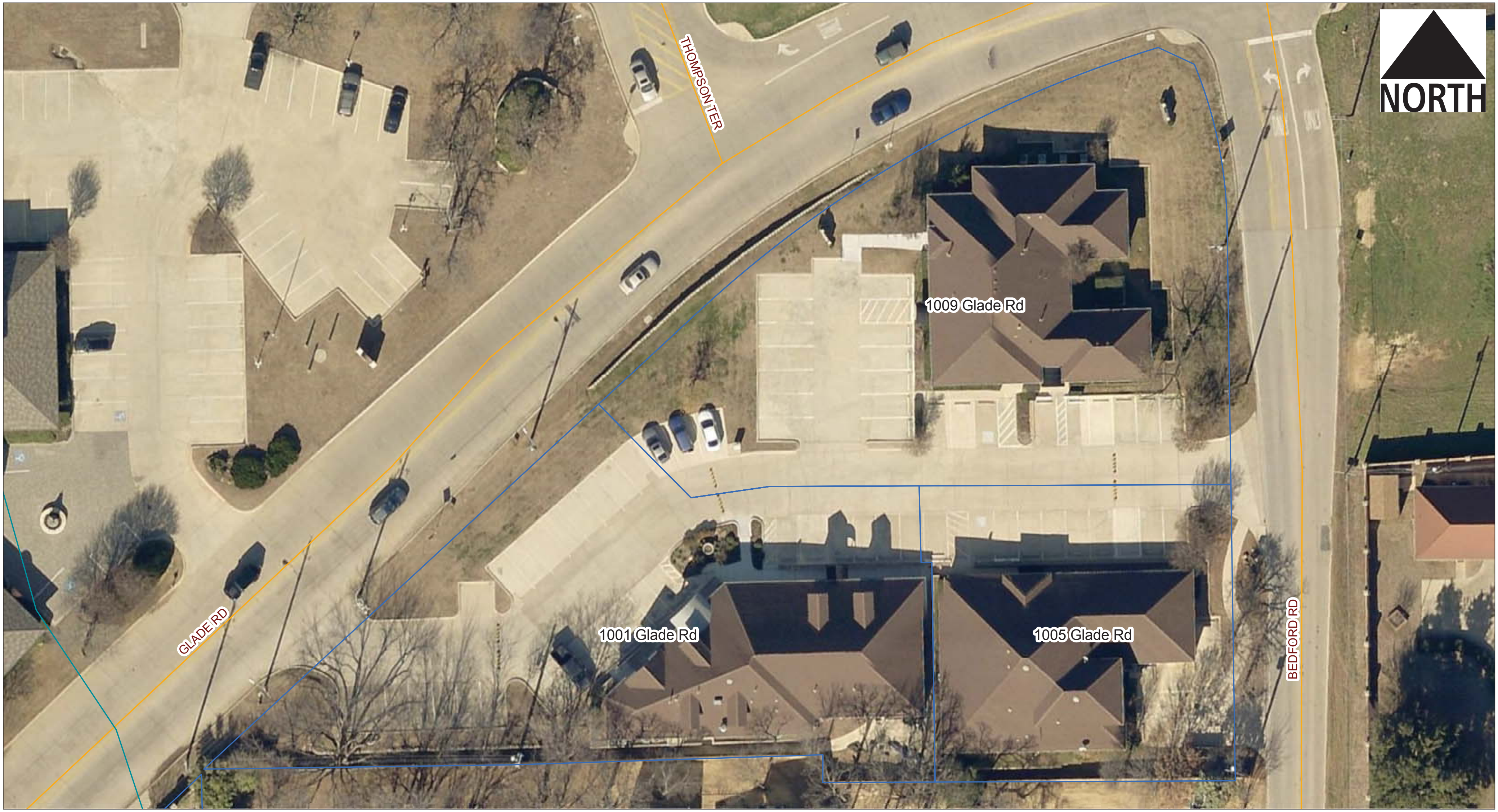
We are requesting that the Planning and Zoning Commission and City Council approve the amended uses in order to bring the buildings into compliance with the City of Colleyville zoning for the tenants that have occupied the three buildings for almost a decade and future possible tenants.

If you have any questions, please give me a call at (817) 992-0505

Best regards,

Terry Lyons
Owner

Zoning Exhibit



Lot Boundaries
City Streets

1 inch equals 16 feet

0 50 100 200 Feet

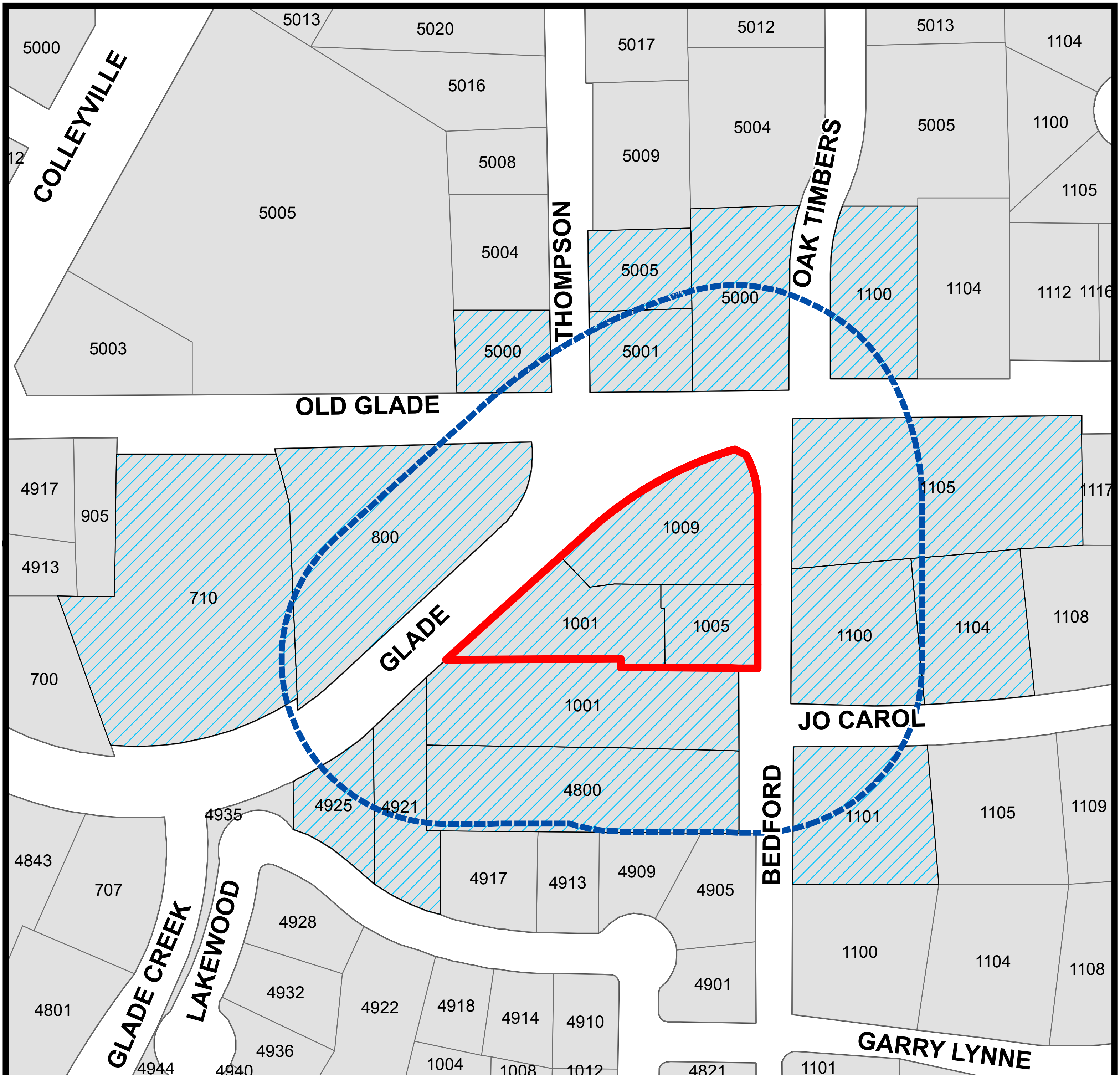
Scaled Page Size: 24 x 36

Zoning Exhibit
ZC16-009 - PUDC Amendment
1001, 1005, 1009 Glade Road

Parking Analysis

Glade Road Capital, LLC As of June 1, 2016				
Suite #	Tenant	Rentable Leased Sq. Ft.	Parking Ratio	Parking Required
1001 Glade Road Building				
100	Goalmet Enterprises, LLC dba/ Mr. Jim's Pizza	1,326	1/200	6.63
110	ETC Special Marketing, Inc. dba/ GirliGirl Gifts	1,552	1/200	7.76
120	Dr. Alicia Castello - Colleyville Chiropractic	1,174	1/300	3.91
130	Vacant	988		
		5,506		
Total Parking Required				**18.30**
Total Parking Provided				**30**
1005 Glade Road Building				
1005	GRC Executive Suites	5,891	1/300	19.64
		5,891		
Total Parking Required				**19.64**
Total Parking Provided				**13**
1009 Glade Road Building				
A	B. Haute Salon	858	1/200	4.29
B	Vacant (Potential Salon Expansion)	650	1/200	3.25
C	M K Wallace Enterprises, Inc. and Kristy Wallace dba/ Classic Image Salon	1,070	1/200	5.35
D	Excelent Living Ministries	1,178	1/200	5.89
E	Vacant (Potential MedSpa)	1,339	1/200	6.70
Total Parking Required				**25.48**
Total Parking Provided				**25**
Summary				
Total Parking Required				**63.42**
Total Parking Provided				**68**

NOTIFICATION MAP



ZC16-009

1001, 1005, 1009 GLADE ROAD

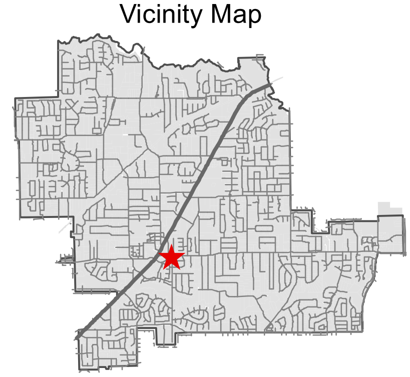
Subject_Property

200 ft Buffer

Properties within 200 ft

1 inch = 167 feet

Vicinity Map



Notification List

Owner Name	Owner Address	Owner City	Owner Zip	Situs Address
ACROPOLIS INC	15233 VENTURA BLVD SUITE 116(	SHERMAN OAKS, CA	91403	5001 THOMPSON TERR
ACROPOLIS INC	15233 VENTURA BLVD SUITE 116(	SHERMAN OAKS, CA	91403	5005 THOMPSON TERR
BONEY, TRAVIS	4925 LAKEWOOD DR	COLLEYVILLE, TX	76034	4925 LAKEWOOD DR
DELGADO, MARK ETAL	5000 THOMPSON TERR	COLLEYVILLE, TX	76034	5000 THOMPSON TERR
ESCOBAR, ROSA	4804 BEDFORD RD	COLLEYVILLE, TX	76034	
GLADE ROAD CAPITAL LLC	PO BOX 1821	COLLEYVILLE, TX	76034	1005 VILLAGE PARK DR
GLADE ROAD CAPITAL LLC	PO BOX 1821	COLLEYVILLE, TX	76034	1009 GLADE RD
GLADE ROAD CAPITAL LLC	PO BOX 1821	COLLEYVILLE, TX	76034	1001 VILLAGE PARK DR
HOA - LAKEWOOD ESTATES	6707 BRENTWOOD STR RD	FORT WORTH, TX	76112	4921 LAKEWOOD DR
HOLLAND, AXEL	1100 JO CAROL ST	COLLEYVILLE, TX	76034	1100 JO CAROL LN
KING, DALE L	PO BOX 371	COLLEYVILLE, TX	76034	5000 OAK TIMBERS CT
MOORE, VICKI LYNN EST	PO BOX 134	COLLEYVILLE, TX	76034	1101 JO CAROL LN
NOBEL SOURCE COMPANY LLC	640 S HILL ST STE 341	LOS ANGELES, CA	90014	800 GLADE RD
PETERSON, BARBARA LISA	1104 JO CAROL ST	COLLEYVILLE, TX	76034	1104 JO CAROL LN
PREMIER OFFICE EQUITIES	1117 GLADE RD STE 140	COLLEYVILLE, TX	76034	1117 GLADE RD
SEHAT, MAJID	4800 BEDFORD RD	COLLEYVILLE, TX	76034	4800 BEDFORD RD
THOMPSON BENJAMIN ETUX YEE-PIN	1100 GLADE RD	COLLEYVILLE, TX	76034	1100 GLADE RD
Y2KITCHEN PROPERTIES LLC	5003 COLLEYVILLE BLVD	COLLEYVILLE, TX	76034	710 GLADE RD

LAKEWOOD ESTATES c/o Lakeridge Property Management	P.O. BOX 1018	COLLEYVILLE, TX	76034	COURTESY NOTICE
GLADE ROAD CAPITAL LLC	PO BOX 1821	COLLEYVILLE, TX	76034	APPLICANT
GRAPEVINE COLLEYVILLE ISD	3051 IRA WOODS AVE E	GRAPEVINE, TX	76051	STATE LAW REQUIRED

Public hearing notices were mailed Friday, May 27, 2016 by Araceli Botello

ORDINANCE 0-96-1024

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF COLLEYVILLE, TEXAS, BY AMENDING THE OFFICIAL ZONING MAP AND CHANGING THE ZONING OF 1.688 ACRES OUT OF THE T.J. POLSON SURVEY, ABSTRACT 1248, TRACTS 1B, 1B2, 1B1, 1B1B, IN THE CITY OF COLLEYVILLE, TEXAS FROM THE CC-1 (VILLAGE RETAIL) AND R20 (SINGLE FAMILY RESIDENTIAL, MINIMUM LOT SIZE 20,000 S.F.) DISTRICT TO THE PUD-C (PLANNED UNIT DEVELOPMENT-COMMERCIAL) DISTRICT; PROVIDING A PENALTY AND AUTHORIZING PUBLICATION.

WHEREAS, an application for zoning change was filed by William Mitchell, President, Cavallino Properties, LTD, on March 05, 1996 under Case No. Z-96-052; and,

WHEREAS, notice of a hearing before the Planning and Zoning Commission was sent to real property owners within 200 feet of the property herein described at least 10 days before such hearing; and,

WHEREAS, notice of a public hearing before the City Council was published in a newspaper of general circulation in Colleyville at least 15 days before such hearing; and,

WHEREAS, notices were posted on the subject land as provided by the zoning ordinance; and,

WHEREAS, public hearings to change the zoning and the Master Plan on the property herein described were held before both the Planning and Zoning Commission and the City Council, and the Planning and Zoning Commission has heretofore made a recommendation; and,

WHEREAS, the City Council is of the opinion that the zoning change herein effectuated furthers the purpose of zoning as set forth in the Zoning Ordinance and is in the best interest of the citizens of the City of Colleyville;

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

Sec. 1. THAT the Master Plan, the Zoning Ordinance of the City of Colleyville, Texas, and the accompanying Zoning Map (as indicated in Exhibit A) are hereby amended insofar as they relate to certain land located in Colleyville, Texas, described by metes and bounds (Exhibit B) by changing the zoning of said property from the CC-1 and R20 districts to the PUD-C district together with all site plans, supporting documents, and other conditions and restrictions imposed and approved by the Council which are incorporated herein by reference including, but not limited to: the Statement of Planning Objectives which is Attachment 1 to this ordinance; the Conceptual Site Plan, which is Attachment 2 to this ordinance; and subject to the following conditions:

A. Final location of buildings subject to horizontal site distance limitation to be approved by the Development Review Committee and noted on the final plat.

B. The following tree preservation plan:

1. Total preservation on site shall be required for all trees with a diameter of 20 inches or greater.

2. After preservation of all trees 20 inches or greater, 100% exemption of Mulberry and Cottonwood trees under the building foot print shall be permitted and a 90% exemption of all other caliper inches under the foot print shall be permitted.

3. After a calculation of the total caliper inches outside the footprint including those trees which must be preserved, 20% of the caliper inches outside the foot print shall be exempt.

C. With the exception of setback requirements established by this concept drawing and the final plat, all other land use, area, parking, landscaping, screening, design and administrative provisions of the CPO district shall apply.

Sec. 2. Any person, firm or corporation violating any of the provisions of this ordinance as read together with the Zoning Ordinance of the City of Colleyville and accompanying official Zoning Map thereto shall be guilty of a misdemeanor and upon conviction thereof shall be fined in a sum not to exceed Two Thousand Dollars ($2,000.00). Each and every day such violation continues shall constitute a separate offense and shall be punishable as such.

Sec. 3. The City Secretary is hereby authorized and directed to cause publication of the descriptive caption and penalty clause hereof as an alternative method of publication provided by law.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 16th day of April, 1996.

The second reading and public hearing being conducted on the 7th day of May, 1996.

ATTEST:

Jean Harris

Jean Harris, CMC
City Secretary

CITY OF COLLEYVILLE

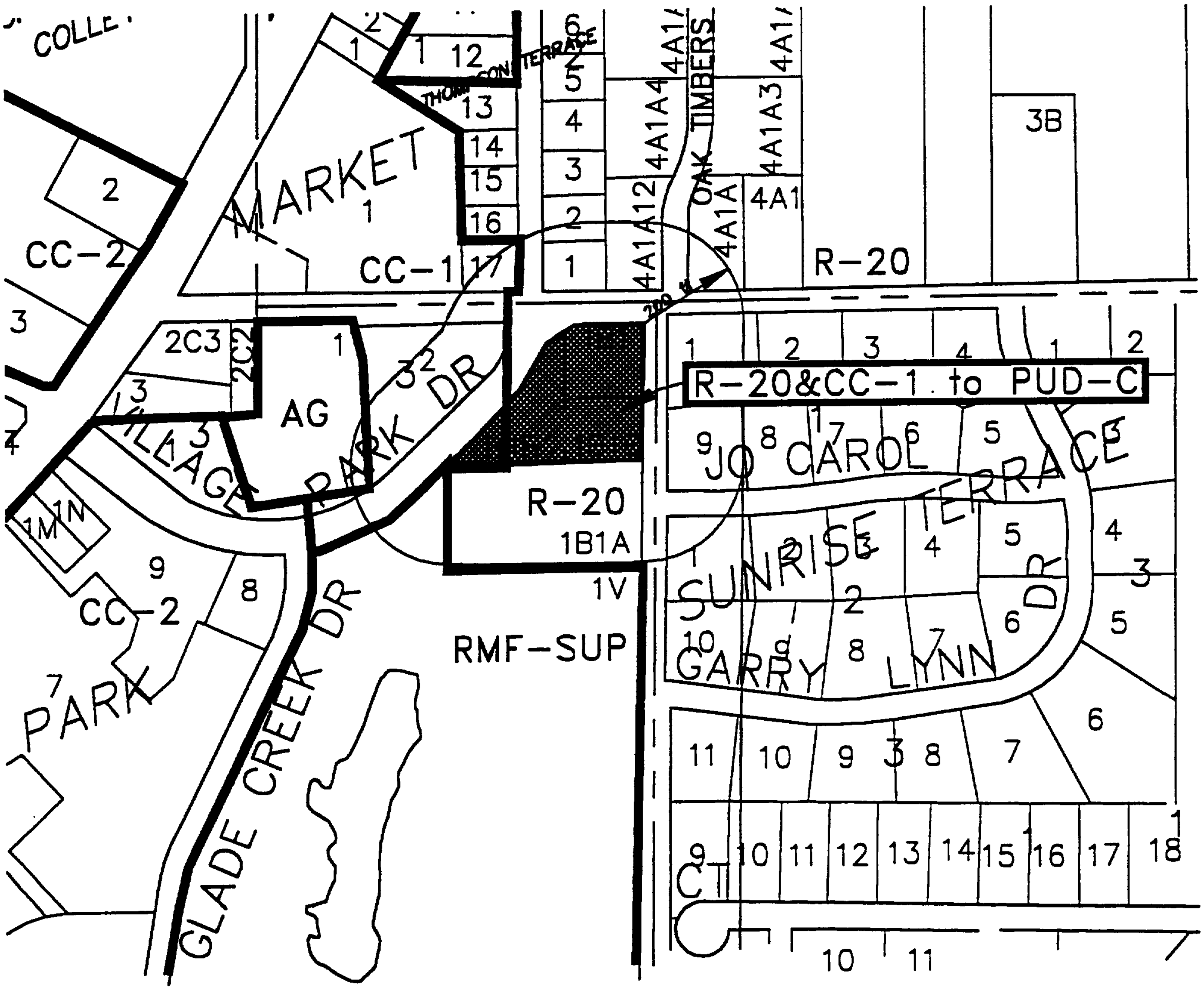
Ed Baker

Ed Baker
Mayor

APPROVED AS TO FORM AND LEGALITY:

Ross T. Foster
City Attorney

Existing Ordinance



ORDINANCE O-96-1024
EXHIBIT "A"

EXHIBIT A

ZONING CHANGE REQUEST
from CPO & R-20 to PUD-C

PROPERTY DESCRIPTION

BEING all that certain tract, parcel, or lot of land located in the T. J. POLSON SURVEY, Abstract No. 1248, Tarrant County, Texas, and more particularly described as follows

BEGINNING at a point at the intersection of the south right-of-way line of Glade Road (a 65 foot right-of-way) and the west right-of-way line of Bedford Road (a variable width right-of-way);

THENCE S 00°01'31" E, 282.71 feet along the west right-of-way line of said Bedford Road;

THENCE departing said west right-of-way line N 89°24'43" W, 161.08 feet to a point;

THENCE North, 10.49 feet to a point;

THENCE S 88°57'24" W, 116.57 feet to a point;

THENCE N 89°58'24" W, 117.93 feet to a point in the southerly right-of-way line of Village Park Drive (a 70 foot right-of-way dedicated to the City of Colleyville by plat recorded in Volume 388-195, Page 23, Plat Records, Tarrant County, Texas;

THENCE N 48°02'33" E, 163.02 feet along said right-of-way line to the beginning of a tangent curve to the left, with a central angle of 26°58'23", a radius of 260.00 feet, a tangent length of 62.36 feet, and a long chord which bears N 34°33'21" E, 121.27 feet;

THENCE an arc length of 122.40 feet along said tangent curve and along said right-of-way line to the beginning of a tangent curve to the right, with a central angle of 69°04'33", a radius of 100.00 feet, a tangent length of 68.83 feet, and a long chord which bears N 55°36'26" E, 113.39 feet;

THENCE an arc length of 120.56 feet along said tangent curve to a point in the south right-of-way line of the aforementioned Glade Road;

THENCE S 89°51'19" E, 111.61 feet to the POINT OF BEGINNING, containing 1.6688 Acres (72,692 square feet) of land, more or less.

ORDINANCE O-96-1024
EXHIBIT "B"

500 Grapevine Highway, Suite 375 Hurst, Texas 76054 817/485-0707 Metro 817/498-3077

Cavallino Properties, LTD.

March 8, 1996

City of Colleyville
City Council and
Planning & Zoning Commission
P. O. Box 185
Colleyville, Texas 76034

RE: Property along the south side of Glade Rd. between Village Park Drive and Bedford Road

Dear Ladies & Gentlemen:

At the request of the planning staff we are writing this letter to describe our intentions for development on the referenced property. We are requesting PUD-C zoning to allow the construction of commercial buildings on this property. We anticipate build-to-suit opportunities of Office or Professional use, primarily in smaller buildings that can be nestled among the trees on this site.

We anticipate that construction will begin on the first building in the next 12-18 months.

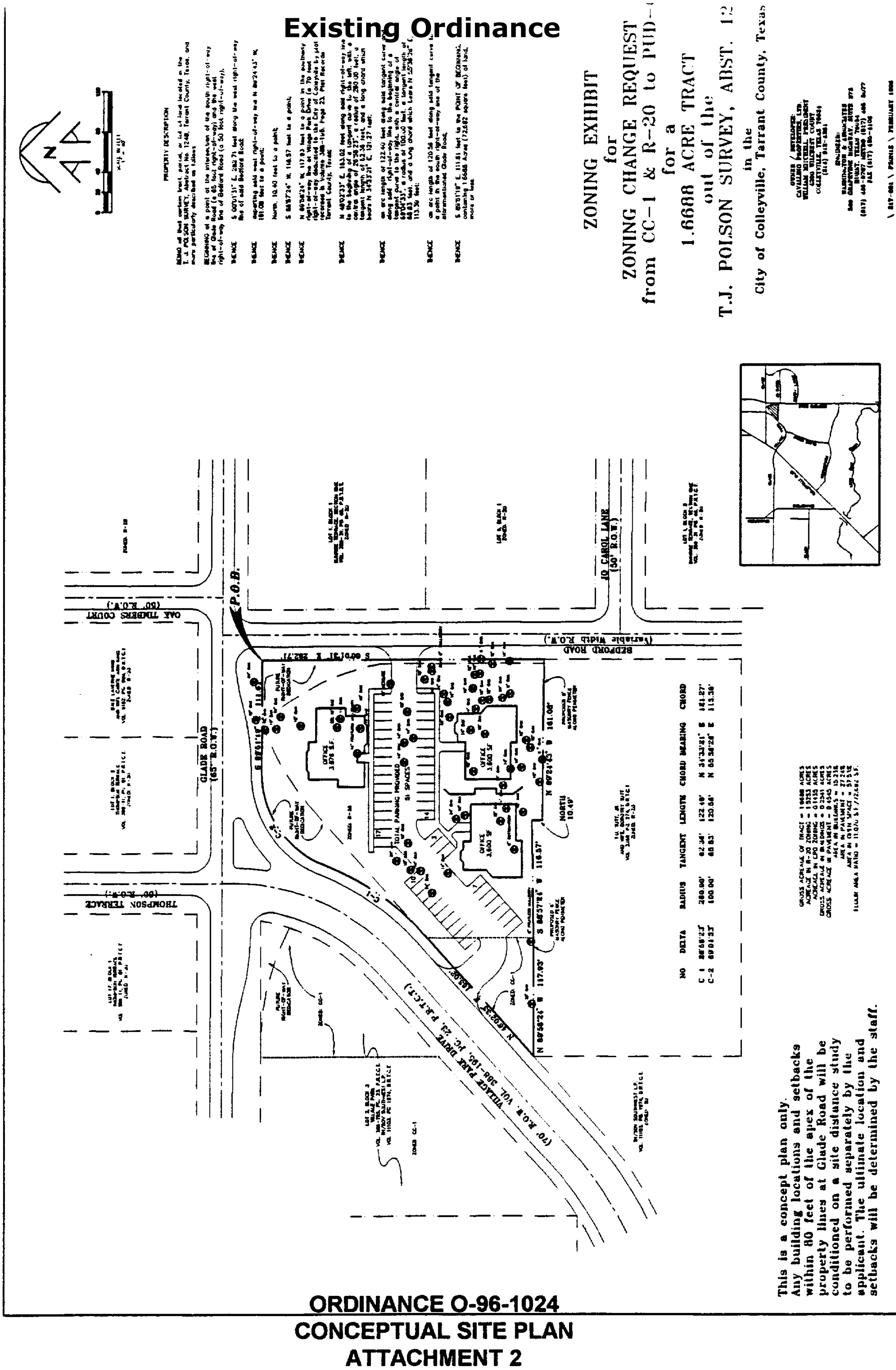
We thank you for your consideration on this zoning request and look forward to working with the city on this project.

Sincerely,

William R. Mitchell
General Partner, Cavallino Properties, Ltd.

ORDINANCE O-96-1024
STATEMENT OF PLANNING OBJECTIVES
ATTACHMENT 1

Existing Ordinance



ORDINANCE O-96-1024

CONCEPTUAL SITE PLAN

ATTACHMENT 2

ORDINANCE O-16-1982

AMENDING THE ZONING ORDINANCE AND THE OFFICIAL ZONING MAP OF THE CITY OF COLLEYVILLE, TEXAS, BY CHANGING THE ZONING ON 1.68 ACRES, LOTS 1R, 2, AND 3, BLOCK 1, OF THE VILLAGE PARK ADDITION, LOCATED AT 1001, 1005, AND 1009 GLADE ROAD, FROM THE PUD-C–PLANNED UNIT DEVELOPMENT COMMERCIAL DISTRICT TO THE PUD-C–PLANNED UNIT DEVELOPMENT COMMERCIAL DISTRICT; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS ($2,000.00); AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Colleyville has received an application for rezoning under Case ZC16-009; and

WHEREAS, the City of Colleyville deems it necessary, for the purpose of promoting the health, safety, morals, or general welfare of the City to enact a new zoning ordinance; and

WHEREAS, the City Council has appointed a Planning and Zoning Commission to recommend the boundaries of the various original zoning districts and appropriate regulations be enforced therein and to recommend a new zoning ordinance; and

WHEREAS, the Planning and Zoning Commission has divided the City into districts and has prepared regulations pertaining to such districts in accordance with a comprehensive plan designed to lessen congestion in the streets; and to secure safety from fire, panic, and other dangers; to promote health, general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, sewerage, schools, parks, and other public requirements; and

WHEREAS, the Planning and Zoning Commission, has given reasonable consideration to, among other things, the character of the districts and their peculiar suitability for particular uses, with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the City; and

WHEREAS, the Planning and Zoning Commission of the City of Colleyville and the City of Colleyville City Council, in compliance with the Charter of the City of Colleyville, and State Law with reference to changes to zoning classifications under the Zoning Ordinance

Regulations and Zoning Map, having given the requisite notices by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all the property owners generally, and to the persons interested and situated in the affected area and in the vicinity thereof, the governing body of the City of Colleyville is of the opinion that said change in zoning should be made.

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

Sec. 1. THAT all the foregoing premises and findings are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

Sec. 2. THAT the Comprehensive Zoning Ordinance of the City of Colleyville, Texas, be, and the same is hereby amended by changing the zoning on 1.68 acres, Lots 1R, 2, and 3, Block 1 of the Village Park Addition, located at 1001, 1005, and 1009 Glade Road, from the PUD-C–Planned Unit Development Commercial District to the PUD-C–Planned Unit Development Commercial District, as depicted in the attached Exhibit "A" and Exhibit "B".

Sec. 3. THAT the above described tract of land shall be used only in the manner and for the purposes provided by the Comprehensive Zoning Ordinance of the City of Colleyville as heretofore amended, and as amended herein.

Sec. 4. THAT the above described tract of land shall be subject to the following conditions:

1. GENERAL

a. The permitted principal land uses of the CPO-Professional Office District, and CN-Neighborhood Commercial District shall be the only permitted land uses on the subject property except as amended by this ordinance.

b. The following additional land use shall be permitted on the subject property:
    a. Apparel and Accessory Stores

c. Upon termination or abandonment of the existing restaurant use, future uses shall thereafter conform to the regulations applicable to the governing zoning ordinance.

Sec. 5. THAT any person, firm or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Colleyville, and upon conviction shall be punishable by a fine not to exceed the sum of Two Thousand Dollars ($2,000.00) for each offense.

Sec. 6. THAT if any section, paragraph, subdivision, clause, phrase or provision of this ordinance shall be judged invalid or unconstitutional, the same shall not affect the validity of this ordinance as a whole or any portion thereof other than that portion so decided to be invalid or unconstitutional.

Sec. 7. THAT in addition to and accumulative of all other penalties, the City shall have the right to seek injunctive relief for any and all violations of this ordinance.

Sec. 8. THAT it has been found that there has been a change in conditions in the above described property, it is now necessary that it be given the above zoning classification in order to permit its proper development and in order to protect the public interest, comfort and general welfare, and requires that this ordinance shall take effect immediately from and after its passage.

AND IT IS SO ORDERED.

The first reading and public hearing being conducted on the 12th day of July, 2016.

The second reading and public hearing being conducted on the 19th day of July, 2016.

PASSED AND APPROVED BY A VOTE ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 19TH DAY OF JULY 2016.

Mayor Richard Newton	_______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	_______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	_______	Place 6, Mike Taylor	______
Place 4, Jody Short	_______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Matthew C. G. Boyle
City Attorney

Exhibit "A"- Zoning Map

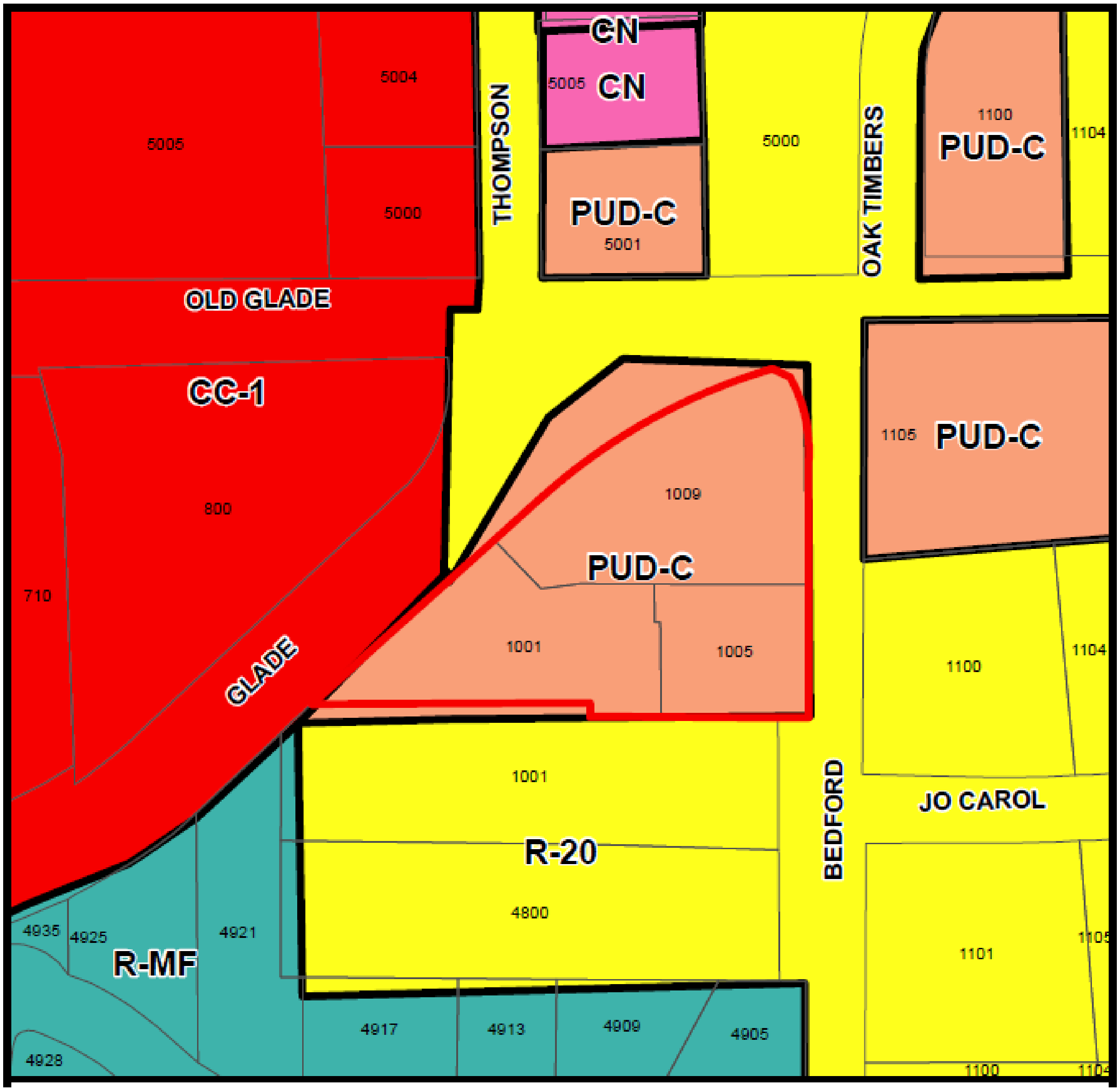


Exhibit "B"- Metes & Bounds Description

BEING all that certain tract, parcel, or lot of land located in the T. J. POLSON SURVEY, Abstract No. 1248, Tarrant County, Texas, and more particularly described as follows

BEGINNING at a point at the intersection of the south right-of-way line of Glade Road (a 65 foot right-of-way) and the west right-of-way line of Bedford Road (a variable width right-of-way);

THENCE S 00°01'31" E, 282.71 feet along the west right-of-way line of said Bedford Road;

THENCE departing said west right-of-way line N 89°24'43" W, 161.08 feet to a point;

THENCE North, 10.49 feet to a point;

THENCE S 88°57'24" W, 116.57 feet to a point;

THENCE N 89°58'24" W, 117.93 feet to a point in the southerly right-of-way line of Village Park Drive (a 70 foot right-of-way dedicated to the City of Colleyville by plat recorded in Volume 388-195, Page 23, Plat Records, Tarrant County, Texas;

THENCE N 48°02'33" E, 163.02 feet along said right-of-way line to the beginning of a tangent curve to the left, with a central angle of 26°58'23", a radius of 260.00 feet, a tangent length of 62.36 feet, and a long chord which bears N 34°33'21" E, 121.27 feet;

THENCE an arc length of 122.40 feet along said tangent curve and along said right-of-way line to the beginning of a tangent curve to the right, with a central angle of 69°04'33", a radius of 100.00 feet, a tangent length of 68.83 feet, and a long chord which bears N 55°36'26" E, 113.39 feet;

THENCE an arc length of 120.56 feet along said tangent curve to a point in the south right-of-way line of the aforementioned Glade Road;

THENCE S 89°51'19" E, 111.61 feet to the POINT OF BEGINNING, containing 1.6688 Acres (72,692 square feet) of land, more or less.

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 6b **Agenda Date** 07/12/2016 **Number** Ordinance O-16-1983
Type Ordinance
Department Finance

Title
Authorizing the sale and issuance of $6,140,000 of General Obligation Refunding Bonds, Series 2016 and providing for the redemption of the obligations being refunded

Strategy Map Connection
F1- Protect and preserve the City’s top financial ratings
F4- Adhere to the City’s financial and budgetary policies

Explanation
First Reading and Public Hearing

Based upon an analysis performed by the City’s Financial Advisor, First Southwest, which was presented to City Council at a worksession on June 7, 2016, there is an opportunity for an economic refunding of a portion of the City's general obligation debt supported by ad valorem taxes and TIRZ revenue.

There is $6,345,000 of the City's debt which is refundable for significant economic savings. Municipal interest rates are at the lowest level in 20 years. Implementation of the projected plan of financing would result in savings reducing future debt service that, starting next year, can be built into the fiscal year 2017 budget. The City has $3,825,000 of callable 2007 General Obligation Bonds and $2,520,000 Combination Tax and TIRZ Revenue Bonds outstanding at a net interest cost of 3.96 percent, which can be replaced by debt at an estimated all in cost of 1.85 percent. Under current market conditions, it is estimated to reduce future debt service costs by $626,575 ($546,877 Debt Service Fund and $79,698 in the TIRZ).

At the worksession, City Council directed staff and the financial advisor to proceed with the preparation of the refunding of the bonds. The bonds will be priced for sale at 10:30 a.m. on July 19, 2016. As the sale date is July 19, 2016, and market conditions could improve or deteriorate in the interim, actual transaction savings could vary from the projection. In the event that the market conditions deteriorate to the point the transaction is not economically feasible, the City is not obligated to complete the transaction.

The refunding bonds will not extend the maturity date and will have the same payment dates. Cash flow savings will be structured upfront to capture savings when needed to lower the aggregate debt service requirements (most savings are allocated in fiscal years 2021 - 2027). The "Bond Buyer General Obligation Bond Index" for the second week of May, 2016 was 3.26 percent which is the 20-Year Low.

After review and approval by the Texas Attorney General, the refunding bonds will close on August 18, enabling the City to build the refunding cash flow savings into the fiscal year 2017 budget.

Financial Impact
The City has $3,825,000 of callable 2007 General Obligation Bonds and $2,520,000 Combination Tax and TIRZ Revenue Bonds outstanding at a net interest cost of 3.96 percent, which can be replaced by debt at an estimated all in cost of 1.85 percent. Under current market conditions, it is estimated to reduce future debt service costs by $626,575 ($546,877 Debt Service Fund and $79,698 in the TIRZ).

Recommendation
Approve

Attachments
1. City of Colleyville Refunding Opportunity Presentation
2. General Obligation Refunding Memo (June 2nd)
3. Preliminary financial analysis of bond refunding
4. Municipal Market Journal (July 5th)
5. General Obligation Refunding Memo - UPDATE (July 6th)
6. Ordinance O-16-1983

FirstSouthwest
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CITY OF COLLEYVILLE TEXAS

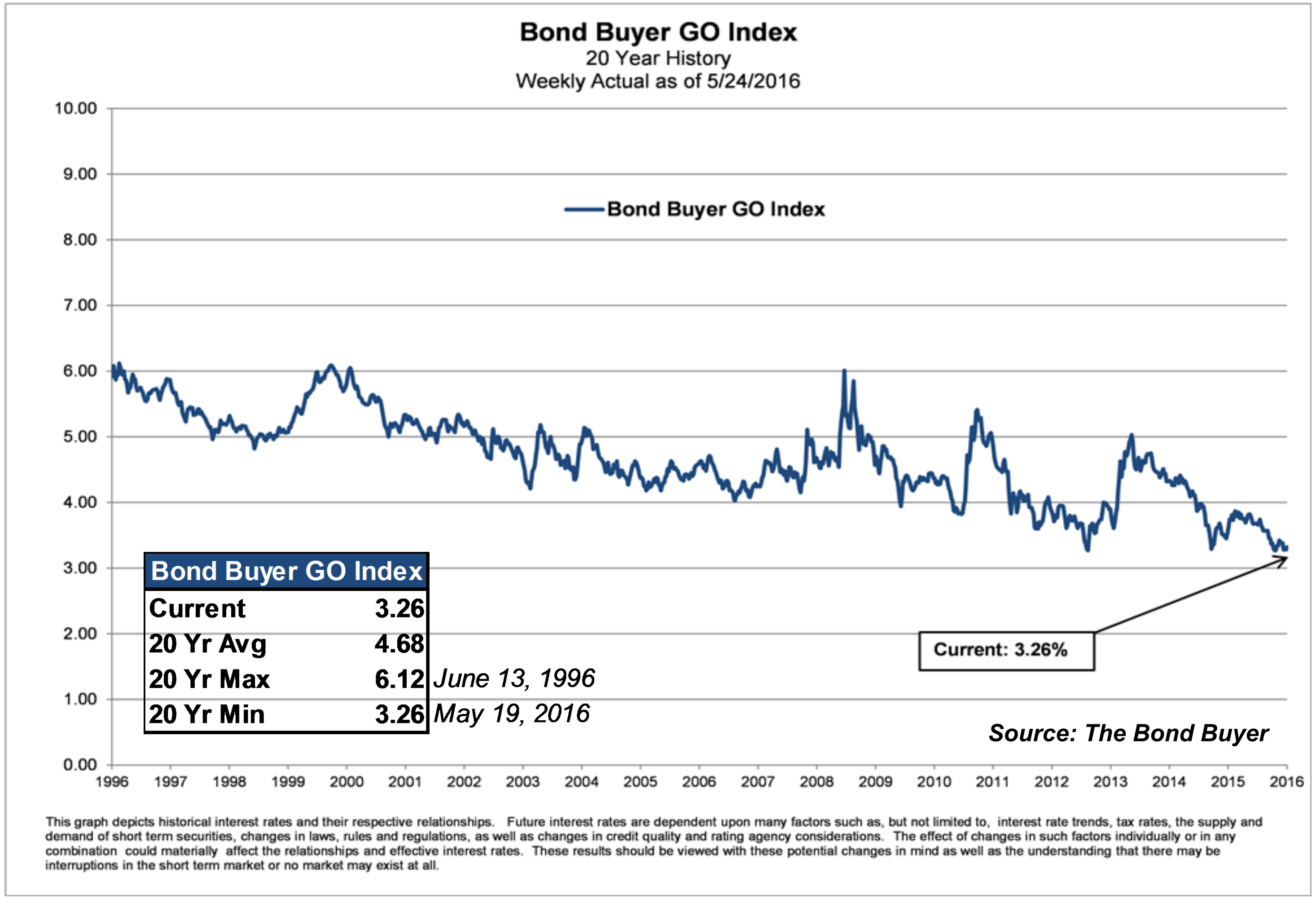
General Obligation Refunding Bonds, Series 2016

City of Colleyville, Texas

June 1, 2016

Preliminary; For Purposes of Discussion Only

Market Update (Bond Buyer GO Index)



- Tax-exempt municipal interest rates remain under the 20-year historical averages.
- Fed policy, lack of bonds supply and economic conditions have contributed to recent downward movements in interest rates.
- The GO Bond Buyer Index hit the 20-Year Low of 3.26% on May 19, 2016

Existing Debt – General Obligation Debt

Series	Name	Amount Issued	Amount Outstanding	Interest Rates	Call Date	Final Maturity
2006	General Obligation Refunding Bonds	$4,895,000	$1,545,000	3.64%	Make Whole Call(1)	2/15/2019
2007*	General Obligation Bonds	$4,575,000	$3,975,000(2)	4.00% - 5.00%	2/15/2017	2/15/2027
2011*	Combination Tax & Tax Increment Revenue Refunding Bonds	$5,255,000	$2,520,000(3)	2.00% - 4.00%	Currently Callable	2/15/2020
2011	General Obligation Refunding Bonds	$2,945,000	$630,000	2.00% - 4.00%	Non Callable	2/15/2020
		$17,670,000	**$8,670,000**			

**Refunding Candidates*

NOTES:

(1) Callable in whole or in part on any date @ par plus a Redemption Premium. The Redemption Premium shall be equal to the greater of (i) zero or (ii) the Mark-to-Market Adjustment as specified in the Ordinance.

(2) $3,825,000 of the currently outstanding amount are callable bonds.

(3) $2,520,000 of the currently outstanding amount are callable bonds.

Refinancing of Outstanding Debt

- **The City currently has the opportunity to refund $3,825,000 of the outstanding General Obligation Bonds, Series 2007 and $2,520,000 of the outstanding Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011 for debt service savings.**

- **The City can issue tax-exempt General Obligation Refunding Bonds**

- **The refunding of the Series 2007 bonds would be an "advance" refunding for IRS purposes if the refunding escrow is funded more than 90 days prior to the 2/15/2017 call date. The Series 2007 bonds are eligible for advance refunding.**

- **The Series 2011 bonds are currently callable and are eligible to be refunded on a current basis.**

- **The refunding bonds can be issued as Bank Qualified for lower interest rates (fixed interest rates)**

Refunding of Series 2007 & 2011

A	B	C	D	E	F	G	H	I
Fiscal Year Ending 30-Sep	**Existing General Obligation Debt Service**	Less: Refunded Debt Service[1]	NET NEW General Obligation Debt Service	$6,140,000 General Obligation Refunding Bonds, Series 2016[2] *Estimated* All-in TIC = 1.85% — Principal	Interest	Total D/S	***Estimated* NEW GO Debt Service**	*Estimated Gross Debt Service Savings*[3]
2016	$ **1,703,683**	$ -	$ 1,703,683	$ -	$ -	$ -	$ **1,703,683**	$ -
2017	**1,697,829**	832,650	865,179	630,000	154,251	784,251	**1,649,430**	*48,399*
2018	**1,680,813**	976,425	704,388	795,000	141,350	936,350	**1,640,738**	*40,075*
2019	**1,693,228**	973,400	719,828	805,000	125,350	930,350	**1,650,178**	*43,050*
2020	**1,139,700**	966,300	173,400	865,000	104,325	969,325	**1,142,725**	*(3,025)*
2021	**541,700**	541,700	-	395,000	85,425	480,425	**480,425**	*61,275*
2022	**544,700**	544,700	-	410,000	73,350	483,350	**483,350**	*61,350*
2023	**546,900**	546,900	-	420,000	60,900	480,900	**480,900**	*66,000*
2024	**553,200**	553,200	-	435,000	48,075	483,075	**483,075**	*70,125*
2025	**558,500**	558,500	-	450,000	34,800	484,800	**484,800**	*73,700*
2026	**562,800**	562,800	-	460,000	21,150	481,150	**481,150**	*81,650*
2027	**566,100**	566,100	-	475,000	7,125	482,125	**482,125**	*83,975*
2028	**-**	-	-	-	-	-	**-**	-
2029	**-**	-	-	-	-	-	**-**	-
2030	**-**	-	-	-	-	-	**-**	-
	$ **11,789,153**	$ 7,622,675	$ 4,166,478	$ 6,140,000	$ 856,101	$ 6,996,101	$ **11,162,579**	*$ 626,574*

1) Includes General Obligation Bonds, Series 2007 and Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011.
2) Assumes bond issuance in July 2016 and closing on August 18, 2016 for discussion purposes only. Interest cost includes all financing costs and is subject to change at anytime. Bond Pricing Assumes "AAA/AAA" Bank Qualified interest rates.
3) Gross Savings are discounted at the All-in true Interest Cost shown above to obtain the Present Value savings which are estimated at $555,669 or 8.76% of the refunded par amount.

Preliminary; For Purposes of Discussion Only

Refunding of Series 2007 & 2011

Summary Statistics – General Obligation Refunding Bonds, Series 2016[1]	
Assumed Delivery Date	August 18, 2016
Series Refunded	Series 2011 & Series 2007
Par Amount of Refunded Bonds	$6,345,000
Refunded Bonds' Call Date	Series 2011 Callable 2/15/2017 Series 2007 Callable 2/15/2016
Average Coupon of Prior Debt	3.96%
All-in True Interest Cost	1.85%
Total Gross Savings	$626,574
Average Annual Savings	$56,961 (FY 2017-2027)
Present Value (PV) Savings	$555,669
PV Savings as a % of Refunded Bonds	8.76%
Negative Arbitrage (Opportunity Cost)	$17,278
Refunding Efficiency	96.98%

(1) "AAA/AAA" Bank Qualified Interest Rates. ***Subject to change at anytime***

Preliminary Schedule of Events(1)

General Obligation Refunding Bonds, Series 2016	
June 7, 2016	▪ Presentation of Series 2016 Plan of Finance to City Council ▪ City Council considers Plan of Finance and instructs staff and consultants to proceed with the General Obligation Refunding Bonds, Series 2016 (the "Bonds")
June 22, 2016	▪ Bond Rating conference calls
July 12, 2016	▪ City Council has first reading of Ordinance authorizing the issuance of the Bonds
July 19, 2016	▪ Pricing of the Bonds ▪ City Council approves an Ordinance authorizing the issuance of the Bonds
August 18, 2016	▪ Closing of debt issue and delivery of funds to escrow agent
February 15, 2017(2)	▪ Redemption of General Obligation Bonds, Series 2007

(1) Subject to change at anytime.
(2) Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011 are currently callable and will be redeemed shortly after closing.

Discussion, Direction and Next Steps

Questions?

Memorandum

Jim Sabonis
Managing Director
jim.sabonis@hilltopsecurities.com

Andre Ayala
Vice President
andre.ayala@hilltopsecurities.com

Date: June 2, 2016

To: Brian Hogan, CPA, CGFO
CFO/Director of Finance

Re: Refunding of Colleyville General Obligation Bonds Series 2007 and Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011

The City of Colleyville, Texas (the "City") has the opportunity to refund $3,825,000 of the outstanding General Obligation Bonds, Series 2007 (the "2007 Bonds") and $2,520,000 of the outstanding Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011 (the "2011 Bonds") for debt service savings. The 2007 Bonds have a coupon rate of 4.00% and are callable on February 15, 2017 at par. The 2011 Bonds have coupon rates ranging from 3.00% - 4.00% and are currently callable at par. Based on current market conditions, refunding bonds can be issued on a tax-exempt basis at an all in cost of 1.85% which would results in gross debt service savings of approximately $626 thousand or present value savings of approximately $555 thousand or 8.76% of the refunded debt. The following tables summarize the projected refunding transaction and financial impact to the City as well as the proposed implementation timeframe and action items:

Refunding Statistics*	General Obligation Refunding Bonds, Series 2016
Refunded Par Amount	$6,345,000
Refunded Maturities	2017-2027
Gross Savings	$626,574
Net Present Value Savings	$555,669
PV Savings as % of Refunded Bonds	8.76%
Average Annual Savings	$56,961 (FY 2017-2027)
Savings Discount Rate	1.85%
Average Coupon Rate of New Debt	2.88%

**Assumes a competitive sale on July 19, 2016. Preliminary; Subject to change at any time.*

Date	Event/Action Item
Tuesday, June 7, 2016	**City Council Considers Plan of Finance and Directs Staff to proceed with Refunding**
Tuesday, July 12, 2016	**City Council has first reading of Ordinance authorizing the issuance of the Refunding Bonds**
Tuesday, July 19, 2016	Competitive Pricing of Refunding Bonds **City Council Approves an Ordinance authorizing the issuance of the Refunding Bonds**
Thursday, August 18, 2016	Closing and Delivery of funds to Escrow Agent
Wednesday, February 15, 2017*	Redemption of Series 2007 Issue

**Series 2011 are currently callable and will be redeemed shortly after closing.*
***Bold type indicates Council Action Items.*

A	B	C	D	E	F	G	H	I
				$2,510,000 General Obligation Refunding Bonds, Series 2016(2) *Estimated* All-in TIC = 1.80%				
Fiscal Year Ending 30-Sep	**Existing TIRZ Supported Debt Service**	Less: Refunded Debt Service(1)	NET NEW TIRZ Supported Debt Service	Principal	Interest	Total D/S	Estimated NEW TIRZ Debt Service	*Estimated Gross Debt Service Savings*
2016	**$ 682,425**	$ -	$ 682,425	$ -	$ -	$ -	$ 682,425	*$ -*
2017	**679,650**	679,650	-	610,000	50,128	660,128	660,128	*19,523*
2018	**676,425**	676,425	-	615,000	38,350	653,350	653,350	*23,075*
2019	**679,400**	679,400	-	635,000	25,850	660,850	660,850	*18,550*
2020	**678,300**	678,300	-	650,000	9,750	659,750	659,750	*18,550*
2021	**-**	-	-	-	-	-	-	-
2022	**-**	-	-	-	-	-	-	-
2023	**-**	-	-	-	-	-	-	-
2024	**-**	-	-	-	-	-	-	-
2025	**-**	-	-	-	-	-	-	-
2026	**-**	-	-	-	-	-	-	-
2027	**-**	-	-	-	-	-	-	-
2028	**-**	-	-	-	-	-	-	-
2029	**-**	-	-	-	-	-	-	-
2030	**-**	-	-	-	-	-	-	-
	$ 3,396,200	$ 2,713,775	$ 682,425	$ 2,510,000	$ 124,078	$ 2,634,078	$ 3,316,503	*$ 79,698*

Assumptions:
(1) Includes TIRZ Supported Portion of Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011.
(2) Assumes bond issuance in July 2016 and closing on August 18, 2016 for discussion purposes only. Interest cost includes all financing costs.
Bond Pricing Assumes "AAA/AAA" Bank Qualified interest rates.

Preliminary; Subject to change at anytime

City of Colleyville, Texas

I&S Tax Supported Portion - Structured Savings Scenario

DRAFT for discussion purposes only

A	B	C	D	E	F	G	H	I
				$3,630,000 General Obligation Refunding Bonds, Series 2016[2] *Estimated* All-in TIC = 1.80%				
Fiscal Year Ending 30-Sep	**Existing I&S Tax Supported Debt Service**	Less: Refunded Debt Service[1]	NET NEW General Obligation Debt Service	Principal	Interest	Total D/S	Estimated I&S Tax Supported Debt Service	*Estimated Gross Debt Service Savings*
2016	**$ 521,016**	$ -	$ 521,016	$ -	$ -	$ -	$ 521,016	*$ -*
2017	**514,317**	153,000	361,317	20,000	104,123	124,123	485,440	*28,877*
2018	**502,543**	300,000	202,543	180,000	103,000	283,000	485,543	*17,000*
2019	**504,728**	294,000	210,728	170,000	99,500	269,500	480,228	*24,500*
2020	**461,400**	288,000	173,400	215,000	94,575	309,575	482,975	*(21,575)*
2021	**541,700**	541,700	-	395,000	85,425	480,425	480,425	*61,275*
2022	**544,700**	544,700	-	410,000	73,350	483,350	483,350	*61,350*
2023	**546,900**	546,900	-	420,000	60,900	480,900	480,900	*66,000*
2024	**553,200**	553,200	-	435,000	48,075	483,075	483,075	*70,125*
2025	**558,500**	558,500	-	450,000	34,800	484,800	484,800	*73,700*
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2028	**-**	-	-	-	-	-	-	-
2029	**-**	-	-	-	-	-	-	-
2030	**-**	-	-	-	-	-	-	-
	$ 6,377,904	$ 4,908,900	$ 1,469,004	$ 3,630,000	$ 732,023	$ 4,362,023	$ 5,831,027	*$ 546,877*

Assumptions:

(1) Includes I&S Tax Supported GO Bonds, Series 2007.

(2) Assumes bond issuance in July 2016 and closing on August 18, 2016 for discussion purposes only. Interest cost includes all financing costs. Bond Pricing Assumes "AAA/AAA" Bank Qualified interest rates.

Preliminary; Subject to change at anytime

MMA Independent and Data Driven

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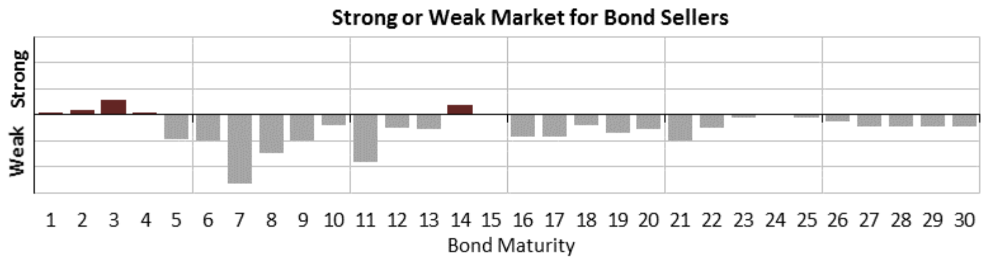

MMA 5% AAA Benchmark

	7/1/2016	6/24/2016	Change
2-yr	0.53%	0.54%	-1
5-yr	0.89%	0.91%	-2
10-yr	1.38%	1.43%	-5
30-yr	2.16%	2.24%	-8

The last week of 2Q and ahead of the July 4 holiday, municipal activity waned and pricing power waned. Low absolute yields were still attractive to issuers but certainly not to the degree of a week earlier. In fact, had the municipal market not experienced an explosive 2-day price improvement after the Brexit result, yields would have been higher in the 2nd half of the month—a historical anomaly. Brexit created a global investor demand for duration and long maturing bonds.

MARKET UPDATE

The start of 3Q16 has brought another wave of generic risk-off trading that benefits bonds and signaled good potential for record low yields.

HIGHLIGHTS

- US bond prices rose again last week as the financial markets' response to Brexit continues to unfold.
- Tax-exempt yields started strong on Monday, falling up to 9bps along a steeper curve. Trading was generally light thereafter, allowing municipals to generally ignore mid-week volatility in UST while shepherding earlier gains into quarter end.
- Still, the combined US Treasury/Brexit/Puerto Rico uncertainty (not to mention new record low nominal yields) were sufficient to briefly trouble the primary market. Massachusetts' $676M bond sale needed several rounds of price cuts (i.e. higher yields) to fully clear.
- By the end of the week, recent new issues were once again trading up to higher prices but the broader market remained flat. With US Treasuries again rallying, in particular on Friday, municipal-to-Treasury yield ratios rose sharply, finishing the week at their highest point since mid-June. This ratio rise assisted in enticing alternative and taxable accounts to the municipal market.
- "Cheap" ratios have bolstered municipal demand today as US Treasuries begin the week with another risk-off rally. New stimulus measures in Britain, along with weak economic indicators out of the EU continued to produce a strong environment for bonds.
- In addition, there is global investor demand for longer duration in order to participate in the bond rally and to maintain portfolio alignment with performance indices. This has intensified the demand for long maturing US Treasury and municipal bonds.
- Also, strong recent (record) municipal mutual fund inflows appeared biased to continue, even though nominal yields resumed their downward momentum. Fund recorded their 39th week of inflows.
- Friday's defaults by Puerto Rico passed almost unnoticed by the broader market. Puerto Rico bond prices actually rose on the week, taking cues from the passage of PROMESA and its promise of a credible counterparty in restructuring negotiations to come later this year.

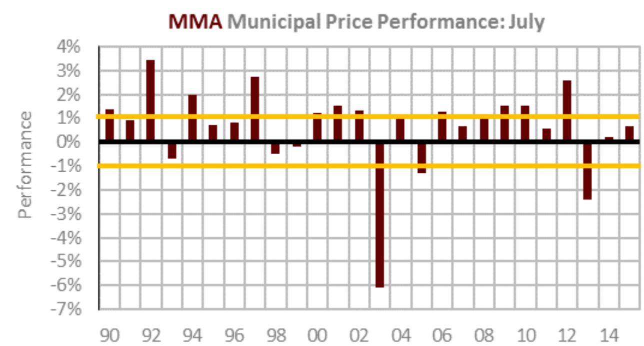

Figure 1: Historically July has been positive for municipal price gains since 1990. A good time for municipal issuers.

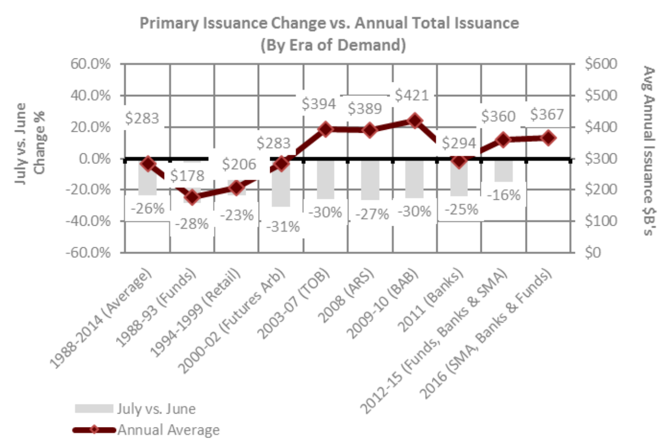

Figure 2: Some of the favorable price performance and lower yields has been the historical tendency for July issuance to be -26.0% less than June.

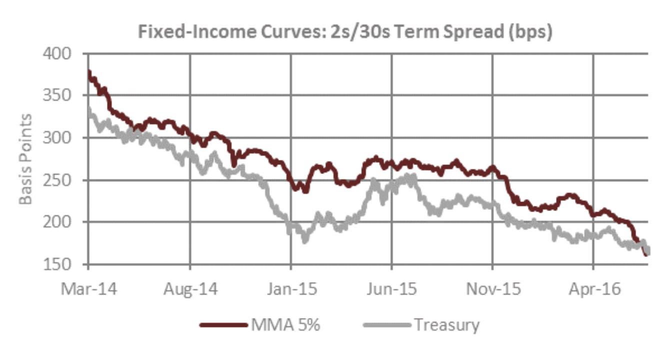

Figure 3: Curve flattening has assisted issuance of longer maturities.

PUERTO RICO DEFAULTS—IMPLICATIONS FOR THE BROADER MARKET

While details are still a bit thin, the new July 1st payment defaults on Puerto Rico's GO and other debts have doubled the par amount of US municipal bonds currently in payment default (to $40.3B). The current US municipal default rate (or, par associated with an uncured payment default divided by all par outstanding) is now 1.08%, up from 0.54% on 6/30/16. Excluding Puerto Rico, the current municipal default rate is just 0.36%. This was also the largest payment default in the municipal market's history.

Immediate implications for the market at large are likely temporary if they arise at all. Longer term implications are less benign but still diffuse. The massive increase in the default rate makes our sector's risk profile appear closer that of corporate bonds and is likely to restrain some element of investor demand in the future. It is also likely to drive several years' worth of reporting on "The Next Puerto Rico" as did Detroit's bankruptcy in 2013. **MMA** expects that state and local issuers' generally deteriorating credit conditions will provide no shortage of candidates, amplifying headline-driven volatility. This spectacular miss on the GO securities will do little to stop the reorientation of institutional investors away from GOs and toward secured revenue bonds and structures. State and local issuers, already being lobbied to add secured liens and special revenue status to their tax-backed offerings, will feel incremental pressure to hurry that process along. Finally, **MMA** expects that a likely wave of retail investor lawsuits against the broker/dealer community could advance more restrictive suitability policies for municipal bonds, narrowing the universe of investors.

More importantly, the political frictions created in the process to craft and adopt the new PROMESA law have sharply increased the risk of Congressional intervention in the municipal market in our opinion. Participants should anticipate congressional hearings over the next year to deliberate new restraints on market function and/or new transparency requirements for issuers and their counterparties. Puerto Rico is a disaster for the municipal market's legal status quo, graphically illustrating: 1) the ineffectiveness of the market's existing disclosure regime; 2) the susceptibility of the primary market to reckless (and perhaps fraudulent) issuer behavior; and 3) the current system's structural mitigation of investor discipline. Noting an uptick in election-year calls for tax reform, the persistent lobby of P3 proponents against the tax-exempt market, and the recent, more adversarial positioning of Congressional Democrats vis-à-vis Puerto Rico bondholders, it is increasingly difficult to assume that changes to municipal market structure are unlikely in the long term.

IMPACTFUL BOND DEALS AND ASSOCIATED TRADING

Below *are* ***four*** *new primary deals that have impacted the market recently with associated secondary trading dynamics:*

Washington

6/28: **Washington** sold $531M various purpose general obligation refunding bonds to **Bank of America Merrill Lynch**; Aa1/AA+/AA+; callable at par in 8/1/2026:

Pricing Notes: The state sold 4 GO deals totaling nearly $1.3B; BAML won the largest series with a true interest cost of 2.24%.

Maturity	Coupon	Yield	+/- AAA 5%
2021	5.00	1.04	+16
2026	5.00	1.61	+25
2034	5.00	2.07	+19

Secondary Trading: On Thursday, several maturities broke into the secondary at higher yields; 5s of 2020 broke 12 bps weaker than orig.

Massachusetts

6/29: **Bank of America Merrill Lynch** priced $728M general obligation refunding bonds for **Massachusetts**; Aa1/AA+/AA+; callable at par in 7/1/2026, except 2027 & 2028 which are non-callable:

Pricing Notes: The deal was upsized following a retail order period and then upsized an additional $50M during institutional re-pricing.

Maturity	Coupon	Yield	+/- AAA 5%
2022	5.00	1.19	+21
2026	5.00	1.59	+22
2038	5.00	2.18	+14

Secondary Trading: On Friday, several maturities traded 4 basis points firmer than originals; 5s of 2031 at 1.86% vs. 1.90% orig.

South Carolina PSA

6/29: **Barclays Capital Inc.** priced $823M Santee Cooper revenue obligations for the **SC Public Service Authority**; A1/AA-/A+; Series B consists of $501M tax-exempt bonds; callable at par in 12/1/2026:

Pricing Notes: The bonds were generally offered with 5% coupons and re-priced without yield changes on most maturities.

Maturity	Coupon	Yield	+/- AAA 5%
2031	5.00	2.20	+48
2046	5.00	2.57	+41
2056	5.00	2.87	NA

Secondary Trading: On Friday, the 30-year bond broke into the secondary 3 basis points firmer than originals.

San Antonio, TX

6/28: **Bank of America Merrill Lynch** priced $544M electric and gas systems revenue refunding bonds for **San Antonio, TX**; Aa1/AA/AA+; callable at par in 8/1/2026:

Pricing Notes: Bonds were re-priced with minor bumps in spots including a 1 basis point bump on the 10-yr bond with a 5% coupon.

Maturity	Coupon	Yield	+/- AAA 5%
2021	5.00	0.96	+8
2026	5.00	1.53	+17
2034	4.00	2.32	+44

Secondary Trading: On Thursday, 5s of 2032 broke 1 bp weaker than originals but on Monday the bond traded 7 bps firmer than orig.

Memorandum

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Andre Ayala
Vice President
andre.ayala@hilltopsecurities.com

Jorge Delgado
Associate
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Date: July 6, 2016

To: Brian Hogan, CPA, CGFO
CFO/Director of Finance

Re: Refunding of Colleyville General Obligation Bonds Series 2007 and Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011

The City of Colleyville, Texas (the "City") is in the process of economically refunding $3,825,000 of General Obligation Bonds, Series 2007 and $2,520,000 of Combination Tax & Tax Increment Revenue Refunding Bonds, Series 2011 for debt service savings. The 2007 Bonds have a coupon rate of 4.00% and are callable on February 15, 2017 at par. The 2011 Bonds have coupon rates ranging from 3.00% to 4.00% and are currently callable at par.

The presentation made to the City Council on June 7, 2016 estimated to have an all in cost of 1.85% which would result in gross debt service savings of approximately $626 thousand or present value savings of approximately $555 thousand or 8.76% of the refunded debt.

The City's bond rating is "AAA", current interest rates are at or near historical lows, and the bond market has significant liquidity along with a demand for highly rated Texas bank qualified tax-exempt debt. Therefore, it is expected that the proposed refunding bond issuance will be a very competitive, successful bond sale with the results exceeding the projected debt service savings.

The following table summarizes the proposed implementation timeframe and action items:

Date	Event/Action Item
Tuesday, July 12, 2016	**City Council has first reading of Ordinance authorizing the issuance of the Refunding Bonds**
Tuesday, July 19, 2016	Competitive Pricing of Refunding Bonds **City Council Approves an Ordinance authorizing the issuance of the Refunding Bonds**
Thursday, August 18, 2016	Closing and Delivery of funds to Escrow Agent
Thursday, August 25, 2016	Redemption of Series 2011 Issue
Wednesday, February 15, 2017	Redemption of Series 2007 Issue 1st Payment on Refunding Bonds
February 15, 2027	Final Payment of Refunding Bonds – Matches Refunded Bond Maturity

**Bold type indicates Council Action Items.*

ORDINANCE NO. O-16-1983

AN ORDINANCE authorizing the issuance of "CITY OF COLLEYVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016," specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and a Special Escrow Agreement, and the approval and distribution of an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, the City Council (the "Council") of the City of Colleyville, Texas (the "City"), has heretofore issued, sold and delivered, and there are currently outstanding obligations totaling in principal amount of $6,345,000, of the following issues (hereinafter collectively called the "Refunded Obligations"), to wit:

(1) "City of Colleyville, Texas, General Obligation Bonds, Series 2007," dated March 1, 2007, maturing February 15 in each of the years 2019 through 2027, and aggregating in the principal amount of $3,825,000 (the "Series 2005 Refunded Bonds"); and

(2) "City of Colleyville, Texas, Combination Tax and Tax Increment Revenue Refunding Bonds, Series 2011", dated February 15, 2011, maturing February 15 in each of the years 2017 through 2020, and aggregating in the principal amount of $2,520,000 (the "Series 2011 Refunded Bonds");

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the Council is authorized to issue refunding bonds and deposit the proceeds of the sale thereof directly with the place of payment for the Refunded Obligations, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Council hereby finds and determines that the Refunded Obligations should be refunded at this time in order to achieve a savings of $______ in debt service payments on such indebtedness, and the refunding will further provide a net present value benefit to the City of $________; and

WHEREAS, the Council hereby finds and determines that the Refunded Obligations are scheduled to mature, or are subject to being redeemed, not more than twenty (20) years from the date of the refunding bonds herein authorized; now, therefore,

BE ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEYVILLE:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of $______ to be designated and bear the title "CITY OF COLLEYVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016" (the "Bonds"), for the purpose of providing funds for (1) the discharge and final payment of certain outstanding obligations of the City (identified in the preamble hereof and referred to as the "Refunded

Obligations") and (2) the costs of issuance, all in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended.

SECTION 2. **<u>Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates</u>.** The Bonds shall be issued as fully registered obligations only, shall be dated July 15, 2016 (the "Bond Date"), shall be in denominations of $5,000 or any integral multiple (within a Stated Maturity) thereof, shall become due and payable on February 15 each of the years and in principal amounts (the "Stated Maturities"), and shall bear interest at the rate(s) per annum in accordance with the following schedule:

Year of Stated Maturity	Principal Amount	Interest Rate
2017	$ ____,000	_____%
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

The Bonds shall bear interest on the unpaid principal amounts from the date of initial delivery of the Bonds at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year until maturity or prior redemption**,** commencing February 15, 2017.

SECTION 3. **<u>Terms of Payment - Paying Agent/Registrar</u>.** The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Bonds (the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange, and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary are authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice of the change to be sent to each Holder by United States Mail, first class postage prepaid, and such notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds, shall be payable at the Stated Maturities or on a date of earlier redemption thereof only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the “Designated Payment/Transfer Office”). The Paying Agent/Registrar shall pay interest on the Bonds only to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall pay either by: (1) check sent by United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder at the Holder’s risk and expense. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed; then, the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after February 15, 2027 shall be subject to redemption prior to maturity, at the option of the City on February 15, 2026, or any date thereafter, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar) at the redemption price of par, together with interest accrued to the redemption date.

(b) Exercise of Redemption Option. Not less than forty-five (45) days prior to an optional redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of: (1) the decision to redeem Bonds, (2) the principal amount of each Stated Maturity to be redeemed, and (3) the date of redemption. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(c) **<u>Selection of Bonds for Redemption</u>.** If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by $5,000, and shall select by lot the Bonds to be redeemed within such Stated Maturity.

(d) **<u>Notice of Redemption</u>.** Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall: (1) specify the date of redemption for the Bonds, (2) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (3) state the redemption price, (4) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (5) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption, and has been called for redemption, and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the specified redemption date; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) **<u>Conditional Notice of Redemption</u>.** With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5. **<u>Registration - Transfer - Exchange of Bonds - Predecessor Bonds</u>.** A Security Register relating to the registration, payment, and transfer or exchange of the Bonds shall at all times be kept and maintained by the City at the Designated Payment/Transfer Office of the Paying Agent/Registrar and at a place within the State of Texas, as provided herein and in accordance with the provisions of an agreement with the Paying Agent/Registrar and such rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each registered owner of the Bonds issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of like kind, of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bond authorized in Section 8 hereof) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City of authorized denominations and of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond authorized in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of, and furnished by, the City, to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions of this Section are hereby defined to be “Predecessor Bonds,” evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer. Additionally, the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6. Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 3, 4 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representation, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7. **Execution - Registration.** The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers and the seal of the City on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in V.T.C.A., Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8. **Initial Bond.** The Bonds herein authorized shall be initially issued as a single fully registered bond in the aggregate principal amount shown in Section 1 hereof with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1**.** The initial bond (the "Initial Bond") shall be registered in the name of the initial purchaser(s), or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas, and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond and exchange it for definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the named Holders at the addresses identified for such purpose; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9. Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any maturities thereof, are purchased with insurance and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

The City may provide (i) for the issuance of one fully registered Bond for each Stated Maturity in the aggregate principal amount of each Stated Maturity and (ii) for the registration of such Bonds in the name of a securities depository, or the nominee thereof. While any Bond is registered in the name of a securities depository or its nominee, references herein and in the Bonds to the Holder or registered owner of such Bonds shall mean the securities depository or its nominee and shall not mean any other person.

B. Form of Definitive Bonds.

REGISTERED NO. R-____ REGISTERED **$**__________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF COLLEYVILLE, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 15, 2016	________%	February 15, 20__	_________

Registered Owner:

Principal Amount:

The City of Colleyville (the "City"), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the initial date of delivery of the Bonds) at the per annum rate of interest specified above computed on the basis of a 360-day year consisting of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2017, until maturity or prior redemption. Principal of this Bond shall be payable at its Stated Maturity or on a redemption date to the Registered Owner hereof upon presentation and surrender at the designated offices of the Paying Agent/Registrar executing the registration certificate appearing hereon, initially in East Syracuse, New York, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_______ to be designated and bear the title "CITY OF COLLEYVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016" (the "Bonds"), for the purpose of providing funds for (1) the discharge and final payment of certain obligations of the City (identified in the preamble hereof and referred to as the "Refunded Obligations") and (2) the costs of issuance, all in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on and after February 15, 2027, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 15, 2026, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within forty-five (45) days of the redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the registered owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the registered owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as stated above. In case any provision in this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City as of the Bond Date.

CITY OF COLLEYVILLE, TEXAS

____
Mayor

COUNTERSIGNED:

____
City Secretary

(City Seal)

C. <u>Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only</u>.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	(	
	(	
OF PUBLIC ACCOUNTS	(	REGISTER NO. ______________
	(	
THE STATE OF TEXAS	(	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this ___________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

D. <u>Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only</u>.

<u>REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR</u>

This Bond has been duly issued and registered under the provisions of the within mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in East Syracuse, New York is the Designated Payment/Transfer Office for this Bond.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. , Dallas, Texas
as Paying Agent/Registrar

Registered this date:

____

By: _________________________________
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:) ____________________________

____

(Social Security or other identifying number: ______________________________________) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: ____________________________

Signature guaranteed:

____

____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

F. Form of Initial Bond.

The Initial Bond shall be in the form set forth in subsection B of this Section except as that the heading and paragraph one shall be amended to read as follows:

NO. T-1 $________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF COLLEYVILLE, TEXAS
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016

Bond Date: July 15, 2016

Registered Owner: ____________________________

Principal Amount: _____ MILLION ______ HUNDRED THOUSAND DOLLARS

The City of Colleyville, Texas (the “City”), a body corporate and municipal corporation in the County of Tarrant, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner, or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in each of the years and in principal installments in accordance with the following schedule:

YEAR OF STATED MATURITY	PRINCIPAL INSTALLMENTS	INTEREST RATES

(Information to be inserted from schedule in Section 2 hereof)

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid Principal Amount hereof from the date of the initial delivery of the Bonds at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing February 15, 2017, until maturity or prior redemption. Principal installments of this Bond are payable on the Stated Maturity dates or on a redemption date to the registered owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon its presentation and surrender at its designated offices, initially in East Syracuse, New York, or, with respect to a successor paying agent/registrar, at the designated office of such successor (the "Designated Payment/Transfer Office"). Interest shall be payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding the interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 10. Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2016 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, Director of Finance/CFO and City Secretary, any one or more of said officials of the City, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11. <u>Mutilated - Destroyed - Lost and Stolen Bonds</u>. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (a) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (b) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation of the City, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12. <u>Satisfaction of Obligation of City</u>. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. The provisions of this paragraph are subject to the applicable unclaimed property law of the State of Texas.

The term "Government Securities," as used herein, means (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

SECTION 13. **Ordinance a Contract - Amendments - Outstanding Bonds.** This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and in Section 23 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission in this Ordinance. Additionally, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding, the City may amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all the Holders of Outstanding Bonds no amendment, addition, or rescission shall: (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission

The term "Outstanding" when used in this Ordinance with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

(1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"*Yield*" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) **No Private Use or Private Payments.** Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) **No Private Loan.** Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take or pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) **Not to Invest at Higher Yield.** Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) **Not Federally Guaranteed.** Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) **<u>Information Report</u>.** The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) **<u>Rebate of Arbitrage Profits</u>.** Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place, and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) **<u>Not to Divert Arbitrage Profits</u>.** Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) **Bonds Not Hedge Bonds.**

(1) At the time the original bonds refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such obligations within three (3) years after such obligations were issued.

(2) Not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(k) **Current Refunding**. The Bonds are being issued in part to refund the Series 2011 Refunded Bonds and the Bonds are a current refunding of the Series 2011 Refunded Bonds in that the Series 2011 Refunded Bonds are to be paid and redeemed in full within 90 days of the delivery date of the Bonds.

(l) **Qualified Advance Refunding**. The Bonds are issued in part to refund the Series 2007 Refunded Bonds, and the Bonds will be issued more than 90 days before the redemption of the Series 2007 Refunded Bonds. The City represents as follows:

(1) The Bonds are the first advance refunding of the Series 2007 Refunded Bonds within the meaning of Section 149(d)(3) of the Code.

(2) The Series 2007 Refunded Bonds are being called for redemption, and will be redeemed not later than the earliest date on which such bonds may be redeemed and on which the City will realize present value debt service savings (determined without regard to administrative expenses) on the issue.

(3) The initial temporary period under Section 148(c) of the Code will end: (i) with respect to the proceeds of the Bonds not later than 30 days after the date of issue of such Bonds; and (ii) with respect to proceeds of the Series 2007 Refunded Bonds on the Closing Date if not ended prior thereto.

(4) On and after the date of issue of the Bonds, no proceeds of the Series 2007 Refunded Bonds will be invested in Nonpurpose Investments having a Yield in excess of the Yield on the Series 2007 Refunded Bonds.

(5) The Bonds are being issued for the purposes stated in the preamble of this Ordinance. There is a present value savings associated with the refunding. In the issuance of the Bonds the City has neither: (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued; (ii) employed on "abusive arbitrage device" within the meaning of Section 1.148-10(a) of the Regulations; nor (iii) employed a "device" to obtain a material financial advantage based on arbitrage, within the meaning of Section 149(d)(4)

of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

(m) **Elections.** The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager and Director of Finance/CFO, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(n) **Qualified Tax-Exempt Obligations**. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Bonds to be "qualified tax-exempt obligations" in that the Bonds are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax-exempt obligations" to be issued by the City (including all subordinate entities of the City) for the calendar year 2016 will not exceed $10,000,000.

SECTION 15. **Sale of Bonds – Official Statement Approval.** Pursuant to a public sale for the Bonds, the bid submitted by ________________ (herein referred to as the "Purchaser") is declared to be the best bid received producing the lowest true interest cost rate to the City, and the sale of the Bonds to said Purchaser at the price of par plus a cash premium of $______ is hereby determined to be in the best interests of the City and is approved and confirmed. Delivery of the Bonds to the Purchaser shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

Furthermore, the use of the Preliminary Official Statement in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Manager, Director of Finance/CFO and City Secretary, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated July 19, 2016, in the offering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by said officials shall be deemed to be approved by the Council and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 16. **Control and Custody of Bonds.** The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 17. **Proceeds of Sale.** Immediately following the delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any additional proceeds being deposited to the Interest and Sinking Fund) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement (as defined in Section 18 hereof). The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance, or deposited in the Interest and Sinking Fund for the

Bonds. Any proceeds of sale remaining after payment of the costs of issuance for the Bonds shall deposited in the Interest and Sinking Fund for the Bonds. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as amended, and the City's investment policies and guidelines, and any investment earnings realized may be expended for such authorized projects and purposes or deposited into the Interest and Sinking Fund as shall be determined by the appropriate authorized officials of the City. All surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

Additionally, on or immediately prior to the date of the delivery of the Bonds to the Purchaser, the Director of Finance/CFO shall cause to be transferred in immediately available funds to the Escrow Fund from moneys on deposit in the interest and sinking funds maintained for the payment of the Refunded Obligations the sum of $_______ to accomplish the refunding.

SECTION 18. Escrow Agreement Approval - Redemption of Refunded Obligations.

(a) The "Special Escrow Agreement" (the "Escrow Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent"), attached hereto as **Exhibit C** and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and such Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Secretary for and on behalf of the City and as the act and deed of this City Council; and such Escrow Agreement as executed by said officials shall be deemed approved by the City Council and constitute the Escrow Agreement herein approved.

(b) Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements on the day of delivery of the Bonds to the Purchasers for the purchase of the escrowed securities referenced in the Escrow Agreement and the delivery thereof to the Escrow Agent to the credit of the "SPECIAL 2016 CITY OF COLLEYVILLE, TEXAS, GENERAL OBLIGATION REFUNDING BOND ESCROW FUND" (the "Escrow Fund"); all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance and the Escrow Agreement.

(c) The Series 2007 Refunded Bonds shall be redeemed and the same are hereby called for redemption on February 15, 2017, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A. (successor paying agent/registrar to The Bank of New York Trust Company, N.A.), in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit C** and incorporated herein by reference as a part of this Ordinance for all purposes.

(d) The Series 2011 Refunded Bonds shall be redeemed and the same are hereby called for redemption on August 23, 2016, at the price of par and accrued interest to the date of redemption. The City Secretary is hereby authorized and directed to file a copy of this Ordinance, together with suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., in accordance with the redemption provisions applicable to such obligations; such suggested form of notice of redemption being attached hereto as **Exhibit D** and incorporated herein by reference as a part of this Ordinance for all purposes.

(e) The redemption of the Refunded Obligations described above being associated with the refunding of such Refunded Obligations, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Obligations on the redemption dates designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Secretary is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Obligations of the City's decision to redeem such Refunded Obligations on the dates and in the manner herein provided and in accordance with the ordinances authorizing the issuance of such Refunded Obligations and this Ordinance.

SECTION 19. Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given; and, such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 20. Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it; and, if surrendered to the City, such Bonds shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 21. Legal Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel to the City, approving the Bonds as to their validity, with said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart thereof shall accompany the global Bonds deposited with DTC.

SECTION 22. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. However, it is expressly provided that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance and shall have no effect the legality of such bonds. Furthermore, neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 23. Continuing Disclosure Undertaking.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2 12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, beginning in or after 2016, financial information and operating data with respect to the City of the general type included under the Tables 1 through 6 and 8 through 14 of the Official Statement, and (2) within twelve months after the end of each fiscal year ending in or after 2016, and if not provided as part of such financial information and operating data, audited financial statements of the City. Any financial statements so provided shall be prepared in accordance with the accounting principles described in Appendix B of the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) Notice of Certain Events.

The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(d) Filings with the MSRB.

All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City's financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 24. <u>Further Procedures</u>. Any one or more of the Mayor, Mayor Pro Tem, City Manager, Director of Finance/CFO and City Secretary are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the City Manager, Mayor, Director of Finance/CFO or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 25. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance. This Ordinance in its entirety is intended to be and is for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 26. Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict; and, the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 27. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 28. Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 29. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 30. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid; and, the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 31. Incorporation of Findings and Determinations. The findings and determinations of the Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 32. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 33. **Effective Date.** This Ordinance shall take effect and be in force from and after its passage and approval in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

[*remainder of page intentionally left blank*]

FIRST READING, July 12, 2016.

SECOND AND FINAL READING, PASSED AND ADOPTED, July 19, 2016.

CITY OF COLLEYVILLE, TEXAS

____
Mayor

ATTEST:

____
City Secretary

(City Seal)

APPROVED AS TO FORM:

____
City Attorney

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B

SPECIAL ESCROW AGREEMENT

EXHIBIT C

NOTICE OF REDEMPTION

CITY OF COLLEYVILLE, TEXAS
GENERAL OBLIGATION BONDS
SERIES 2007
Dated March 1, 2007

NOTICE IS HEREBY GIVEN that the obligations of the above series maturing on February 15 in each of the years listed below, and aggregating in the principal amount of $3,825,000, have been called for redemption on February 15, 2017 at the redemption price of par and accrued interest to the date of redemption, such obligations being identified as follows:

Year of Maturity	Principal Amount ($)	CUSIP Number
2019*	300,000	
*****	*********	
2021*	565,000	
*****	*********	
2023*	890,000	
*****	*********	
2025*	985,000	
*****	*********	
2027*	1,085,000	

* term bond

ALL SUCH OBLIGATIONS shall become due and payable on February 15, 2017, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said obligations shall be paid to the registered owners of the obligations only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. (successor paying agent/registrar to The Bank of New York Trust Company, N.A.) at its designated offices at the following addresses:

First Class/Registered/Certified	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said obligations and pursuant to an ordinance by the City Council of the City of Colleyville, Texas.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

EXHIBIT D

NOTICE OF REDEMPTION

CITY OF COLLEYVILLE, TEXAS
COMBINATION TAX AND TAX INCREMENT REVENUE REFUNDING BONDS
SERIES 2011
Dated February 15, 2011

NOTICE IS HEREBY GIVEN that the obligations of the above series maturing on February 15 in each of the years listed below, and aggregating in the principal amount of $2,520,000, have been called for redemption on August 23, 2016 at the redemption price of par and accrued interest to the date of redemption, such obligations being identified as follows:

Year of Maturity	Principal Amount ($)	CUSIP Number
2017	600,000	
2018	615,000	
2019	640,000	
2020	665,000	

ALL SUCH OBLIGATIONS shall become due and payable on August 23, 2016, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said obligations shall be paid to the registered owners of the obligations only upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A. at its designated offices at the following addresses:

First Class/Registered/Certified	Express Delivery/Courier	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P.O. Box 396 East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 111 Sanders Creek Pkwy. East Syracuse, NY 13057	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1st Floor East New York, NY 10286

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THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

City of Colleyville
City Council
Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
www.colleyville.com

Agenda Number 8 **Agenda Date** 07/12/2016
Type Report
Department City Secretary

Title
Parks and Recreation Advisory Board Minutes - January 11, 2016

Attachments
1. Parks and Recreation Advisory Board Minutes - January 11, 2016

City of Colleyville

City Hall
100 Main Street
Colleyville, Texas
76034
817.503.1000
www.colleyville.com

Parks and Recreation Advisory Board MINUTES

Monday, January 11, 2016 — Colleyville Public Library
6:00 p.m. — 110 Main Street - 2nd Floor

1. CALL TO ORDER

Chairperson Michelle McGarry called the meeting of the Parks and Recreation Advisory Board to order on January 11, 2016 at 6:01 p.m. and called the roll.

Present: Board members Debra Minea, Leti Carson, Charles Bethards, Mitali Mandlekar, Ken Llewellyn, Ajit Purandare and Hillary Schwanbeck

City Staff: Library and Recreation Director Mary Rodne, Recreation and City Events Manager Lisa Escobedo, Parks Manager Heather Dowell, State Highway 26 Project Coordinator James Hubbard, and Administrative Support Specialist Rylee Truckenmiller were also present.

2. APPROVAL OF MINUTES

October 12, 2015

Charles Bethards moved to approve the October 12, 2015 meeting minutes contingent on the correction made to agenda item 3d, changing the word sport to spot. Leti Carson seconded the motion. The motion carried unanimously.

3. REGULAR AGENDA ITEMS

3a Use of Voluntary Park Funds for the improvement of a portion of the practice fields at Pleasant Run Park in an amount not to exceed $70,000

State Highway 26 Project Coordinator James Hubbard discussed the improvements to the eight and a half acres located on the northwest side of Pleasant Run Park, and used for soccer practices. Staff has worked with the Colleyville Soccer Association to improve this portion of the property. Hubbard would like to improve the four acres of lower, non-irrigated and lighted portion of the fields. The eastern portion of Pleasant Run Park is irrigated and level, he would like to have the money approved for the western portion.
The improvements are broken down into three sections: Section one is closest to Pleasant Run Road, it is relatively flat but has low areas that hold water and will

require some minor grading. Section two is in need of the most work, it slopes relatively dramatically from west to east and is not very conducive to practice soccer. Section three is fairly level but has low areas that hold water. Hubbard stated the fields are non-irrigated, and the soil is very compacted. Therefore, when it rains these areas that hold water, will have standing water for a week and will remain saturated. It is very hard to overcome this situation without an irrigation system.

Hubbard outlined the steps needed to complete the project. Step one is a site survey to get elevations, so a design for a grading and drainage plan for the property can be made. The project will still have a positive slope from east to west, and continue to drain into the facilities at Pleasant Run Road. After the design is finished; dirt work and soil preparation will take place with an additive tilled into the top surface of the soil. At approximately the same time the soil is being prepared, the irrigation installation will begin, and will be tied into the central computer system at the office located on Bransford Road. Once the irrigation system is installed it will allow staff to establish the seed proposed, versus laying sod.

Hubbard stated the terms of cost of the project include: the survey, grading and erosion control at $10,000, dirt work at $20,000. The irrigation system and the seeding brings the total estimate to $85,000 - $100,000. The estimate is largely dependent on the irrigation system. This project would cause the fields to be closed for a four month period from April to September. Staff recommends using funds from the Voluntary Park Fund as it was not budgeted in the annual operating budget. If approved an amendment would be taken forward to the capital improvement plan, in addition the Colleyville Soccer Association has agreed to contribute $30,000 to the project cost.

Board member Ken Llewellyn asked if any of these improvements have been done previously. Hubbard responded that no improvements have been made to these fields. Board member Debra Minea inquired if the parking lot by Pleasant Run Park was owned by the City or church. Hubbard answered that it is City owned park land. Llewellyn asked if the fields were used by club teams. Hubbard stated that they are occasionally rented by club teams when the city is not in contract with the Colleyville Soccer Association. Llewellyn questioned if the fields are rented if it can be a source of revenue. Hubbard responded that it is a small revenue source.

Charles Bethards made a motion to approve the use of Voluntary Park Funds for the improvement of a portion of the practice fields at Pleasant Run Park in an amount not to exceed $70,000. Ken Llewellyn seconded the motion. The motion carried with a unanimous vote.

3b Legislative update

State Highway 26 Project Coordinator James Hubbard discussed the new Texas Open Carry law that became effective January 1, 2016. The law modified the current concealed to carry license law that had been in effect since 1995, it eliminates concealed/open distinction and creates the license to carry a handgun. Hubbard stated that as of January 1, 2016 a person with a concealed handgun license or a person who obtains a new license to carry a handgun, may carry a handgun in a concealed manner or openly in a belt or shoulder holster. The law also states that the rules and rights to where a license owner may carry are essentially where a concealed license holder has been able to carry, but the law does prohibit the right to carry in certain places. For example, it is a crime to take a gun onto the premises of a polling place or court. The court also prohibits a license holder from carrying a handgun into a governmental meeting, if the government gives notice that doing so is prohibited. On January 5, 2016 the Colleyville City Council approved Resolution R-16-3951, of which prohibits the open carry of firearms during public open meetings.

3c Discussion of future meeting dates

State Highway 26 Project Coordinator James Hubbard reviewed the dates per the bylaws of the Parks and Recreation Advisory Board. The meeting dates are set to be the first Monday of each quarter or as the board decides. Hubbard referred to the 2016 dates and instead of making last minute changes to the dates due to conflicts, Hubbard suggested making these changes now. The dates that were purposed for the upcoming year were April 4th, 2016, July 18th, 2016 and October 17th, 2016. Chairperson Michelle McGarry discussed with the board the 2016 dates. The board decided to approve these dates but will have a continued discussion of approving dates at each meeting.

Charles Bethards made a motion to approve the purposed future meeting dates of the Park and Recreation Advisory Board Meeting. Ajit Purandare seconded the motion. The motion carried with a unanimous vote.

4. REPORTS

4a Recreation Update

Lisa Escobedo, Recreation and City Events Manager updated the Board on Recreation and Special Events activities since the board had last met in October. Recreation began the winter and spring sessions last week and will continue through April. Escobedo stated that the Recreation Department has started a new homeschool pre-engineering LEGO program, it is a six week program geared toward ages 5-12. In addition, Recreation will offer spring break camps which will include soccer, LEGO, and art.

Escobedo indicated that the youth sport associations had finished their fall seasons in November and December, and will began their spring seasons in the next couple of months. Along with the associations, the City of Colleyville Girls' Volleyball leagues finished in November with 275 girls participating, the biggest league as to date. The spring league will start in March, with registration beginning February 1st. Tennis classes began last week and will continue through April, and the tennis leagues will begin in February.

Additionally, Escobedo explained the Senior Center offered an overnight excursion to Tunica, Mississippi and Memphis, Tennessee. This was a weeklong trip involving 46 seniors traveling to Graceland, various casinos, visiting museums and attending tours. This trip was very well received and patrons are already asking for another excursion. The Senior Center hosted their Annual Holiday Party on December 16th with 62 seniors that were registered for a night of catered dinner, pictures with Santa and a white elephant gift exchange. Escobedo stated upcoming events are The Winter Ball on January 29th, this is the annual daddy daughter dance, but includes mothers and sons alike. Bunny Brunch will be held on March 19th at the Colleyville Center and the Senior Center will be holding the AARP tax help starting February 2 through April 12.

4b Parks Update

State Highway 26 Project Coordinator James Hubbard updated the Board on the recent opening of the new playground at Pleasant Run Soccer Complex. There were three projects that the board approved last meeting using funds from the Voluntary Park Fund. One of the projects was flashing signs at two crosswalks. The signs are located at the intersection of the Cotton Belt Trail and Bransford Road and the other at the Cotton Belt Trail and Pleasant Run Road, these were finished about a week ago. Another item that was discussed at the last meeting was the fountain at Kimzey Park. The fountain was replaced promptly within two weeks after the October 12, 2015 meeting, along with the installation of new trash receptacles.

Hubbard also reported on ongoing projects: the Cotton Belt Trail phase III at John McCain and Highway 26 is still targeting at a spring opening; L.D. Lockett Park is still in the works; the splash pad recirculation system has had the tanks and pumped installed and the city will run electricity to it. Staff will begin training on the system. Hubbard stated that an upcoming project for 2016 is the Park Master Plan, which has $100,000 allocated to the project. The Park Master Plan has not been updated since 2011. Hubbard following the parks update, agreed with the board that they would vote in a new chair and vice chair at the next meeting on April 4, 2016.

5. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA

There were no citizen comments/presentations regarding items not on agenda.

6. ADJOURNMENT

A motion was made by Debra Minea and seconded by Leti Carson to adjourn the meeting. The motion carried with a unanimous vote. Chairperson Michelle McGarry adjourned the meeting at 6:43 p.m.

APPROVED BY A VOTE OF __6_ AYES, __0_ NAYS, AND __0_ ABSTENTIONS ON THIS THE __4____ DAY OF ______April_________.

Minutes taken and prepared by:

Rylee Truckenmiller
Administrative Support Specialist

RESOLUTION R-16-4011

A RESOLUTION APPROVING CITY COUNCIL ACTION UNDER BUSINESS AT THE REGULAR CITY COUNCIL MEETING OF JULY 12, 2016

WHEREAS, City Council has taken action on certain items on the agenda under Business.

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

Sec. 1. THAT

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS ON THIS THE 12TH DAY OF JULY 2016.

Mayor Richard Newton	______	Mayor Pro Tem Chris Putnam	______
Place 1, Tammy Nakamura	______	Place 5, Nancy Coplen	______
Place 2, Bobby Lindamood	______	Place 6, Mike Taylor	______
Place 4, Jody Short	______		

ATTEST: **CITY OF COLLEYVILLE**

Amy Shelley, TRMC
City Secretary

Richard Newton
Mayor