



City of Colleyville City Council Agenda

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

Tuesday, May 15, 2018

**WORKSESSION
5:00 PM
EXECUTIVE CONFERENCE ROOM
THIRD FLOOR**

CALL TO ORDER

- WS-1** Presentation on Colleyville Center Improvements
- WS-2** Discussion of Kimzey Park pond dredging project
- WS-3** Discussion of dates for an objective setting worksession
- WS-4** Discussion of a sidewalk policy
- WS-5** Discussion of an appointment to the North Central Texas Council of Governments Regional Transportation Council
- WS-6** Discussion regarding annexation/de-annexation of the Timarron subdivision
- WS-7** Discussion of the May 15, 2018, 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 items on the agenda

Section 551.071 - Legal - Consultation with attorney regarding contemplated and/or pending litigation, including:

- Glade Road eminent domain cases for Parcels 150 and 159
- Contemplated litigation with Spectrum Cable concerning franchise fees

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

- Glade Road Project Phases 1B and 2

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

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

INVOCATION: Pastor Dave Jung, Crown of Life

PLEDGE OF ALLEGIANCE: City Attorney Whitt Wyatt

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-18-4262

3. OATH OF OFFICE

Chuck Kelley, Place 5
Callie Rigney, Place 6

4. RECEPTION FOR INCOMING COUNCILMEMBERS

5. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS

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

Proclamation in recognition of National Police Week - May 13-19, 2018 - Interim Police Chief Hillary Wreay and Mayor Richard Newton

Proclamation in recognition of National Public Works Week - May 20-26, 2018 - Public Works Director Cheryl Taylor and Mayor Richard Newton

Presentation of the Q2P Receipt Race prize winners - Mayor Richard Newton and Assistant City Manager Mark Wood

In recognition of the Featured Business of the Month Scooter's Coffee, 7171 Colleyville Boulevard, Megan Voissem, franchise operator - Mayor Richard Newton and Assistant City Manager Mark Wood

6. CONSENT: READING AND PUBLIC HEARING- RESOLUTION R-18-4263

- 6a** Approval of the minutes of the regular City Council meeting of May 1, 2018
- 6b** Approval of a contract with Weaver and Tidwell, L.L.P. for auditing services for fiscal year ending September 30, 2018, in the amount of \$48,250 for the audit of 2018 financial statements and Comprehensive Annual Financial Report (CAFR) preparation and printing, \$5,000 for the single audit, and \$1,500 for reports related to bond sales, if applicable
- 6c** Approval to participate in the Texas Local Government Investment Pool (TexPool) and assigning authorized signers
- 6d** Approval to participate in Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), and assigning authorized signers
- 6e** Approval to participate in the Texas Short Term Asset Reserve Program (TexSTAR) and assigning authorized signers
- 6f** Approval of a Pledge Agreement with the Bank of New York Mellon for bank depository collateral
- 6g** Approval of a Professional Services Agreement with MESA Design Associates, Inc. for landscape architectural services for State Highway 26 (SH26) corridor landscape and hardscape improvements, and authorizing the city manager to execute the agreement

7. ORDINANCE(S): SECOND READING AND PUBLIC HEARING**7a Ordinance O-18-2042**

Consideration of a zoning change from the AG-Agricultural and R-40 Single Family Residential zoning districts to the R-30 Single Family Residential zoning district on Lot 2R, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, Case ZC18-005

7b Ordinance O-18-2043

Consideration of a zoning change from the AG-Agricultural zoning district to the R-20 Single Family Residential zoning district on Tract 1R09, Abstract 1619, in the S C H Whitten Survey, located at 2313 Hall-Johnson Road, Case ZC18-007

8. RESOLUTION(S): READING AND PUBLIC HEARING**8a Resolution R-18-4264**

Consideration of a replat for Lots 2R1 and 2R2, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, Case PC18-001

9. CITIZEN COMMENTS/PRESENTATIONS REGARDING ITEMS NOT ON THE AGENDA**10. REPORTS**

Monthly Financial Report - April 2018

Quarterly Investment Report for the quarter ended March 31, 2018

Quarterly Performance Management Report

Sign Board of Appeals Meeting Minutes - April 11, 2017

11. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR MAY 15, 2018 - READING AND PUBLIC HEARING - RESOLUTION R-18-4265**12. ADJOURNMENT**

I hereby certify this agenda was posted on City Hall bulletin boards Friday, May 11, 2018 by 5:00 p.m.

Christine Loven, 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
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Agenda Number WS-1

Agenda Date 05/15/2018

Type Worksession

Department Colleyville Center

Title

Presentation on Colleyville Center Improvements

Strategic Plan

5.3 Provide attractive facilities for leisure and recreation

3.4 Thoroughly plan for future capital investments and associated costs

Explanation

The Colleyville Center is 20 years old and in need of several repairs. These include replacement of palladium windows, restroom plumbing, and repairs to the stage structure. The window replacement has been forecasted in the CEDC five-year plan for fiscal year 2019. Other capital improvements, suggestions, or needed repairs are slated into the CEDC budget as they arise.

In the process of evaluating the palladium window replacement project, a suggestions to consider a patio expansion emerged. By incorporating French doors into the palladium windows, access to the rear of the building is made possible. Additional usable outdoor space could provide an attractive enhancement that creates additional rentable space for outdoor ceremonies and receptions.

Staff will present the attached presentation, reviewing the recommended repairs and improvements projects. The window replacement and courtyard projects were discussed by the Colleyville Center Advisory Committee at their February 2018 meeting, with Committee recommendation to propose these projects for inclusion in the FY 2019 CEDC budget.

Attachments

1. Colleyville Center Renovations



Presentation Agenda

- Historical Upgrades To Colleyville Center
- Colleyville Center Advisory Committee Recommendations
 - Hidell & Associates Presentation
- Additional Improvements / Repairs Needed
- Next Steps / Timeline

COLLEYVILLE
Center

HISTORY

1998 Center Grand Opening

2010 Center Interior Renovations

- Cost-\$920,000

2019 Building Repairs/ Improvements

- Estimated Cost-\$361,000
 - \$225,000 Courtyard Addition
 - \$72,000 Palladium Window Fix (4)
 - \$33,000 Plumbing Repair
 - \$31,000 Stage Repair/Room Paint





Center Courtyard

Colleyville Center Advisory Recommendation- February 2018

Cost Estimate: \$225,000

- Provision of additional 3,400 sq. ft. of rentable, paved, outdoor space
- Water and landscape features for additional visual soft scape
- Doubles amount of outdoor space for ceremonies & cocktail receptions
- Will be constructed during palladium window restoration
- French doors will be incorporated into 2 existing windows



4 Palladium Windows Repaired
Colleyville Center Advisory Recommendation- February 2018
Project Estimate: \$72,000

- Current original wood frames with wood rot replaced
- Windows replaced and upgraded to energy efficient glass
- French doors incorporated for outside access to new courtyard
- Currently included in CEDC 5 year plan (FY2019)

Project Scope

[illegible]

COLLEYVILLE CENTER

IMPROVEMENTS PROJECT

Courtyard Plaza



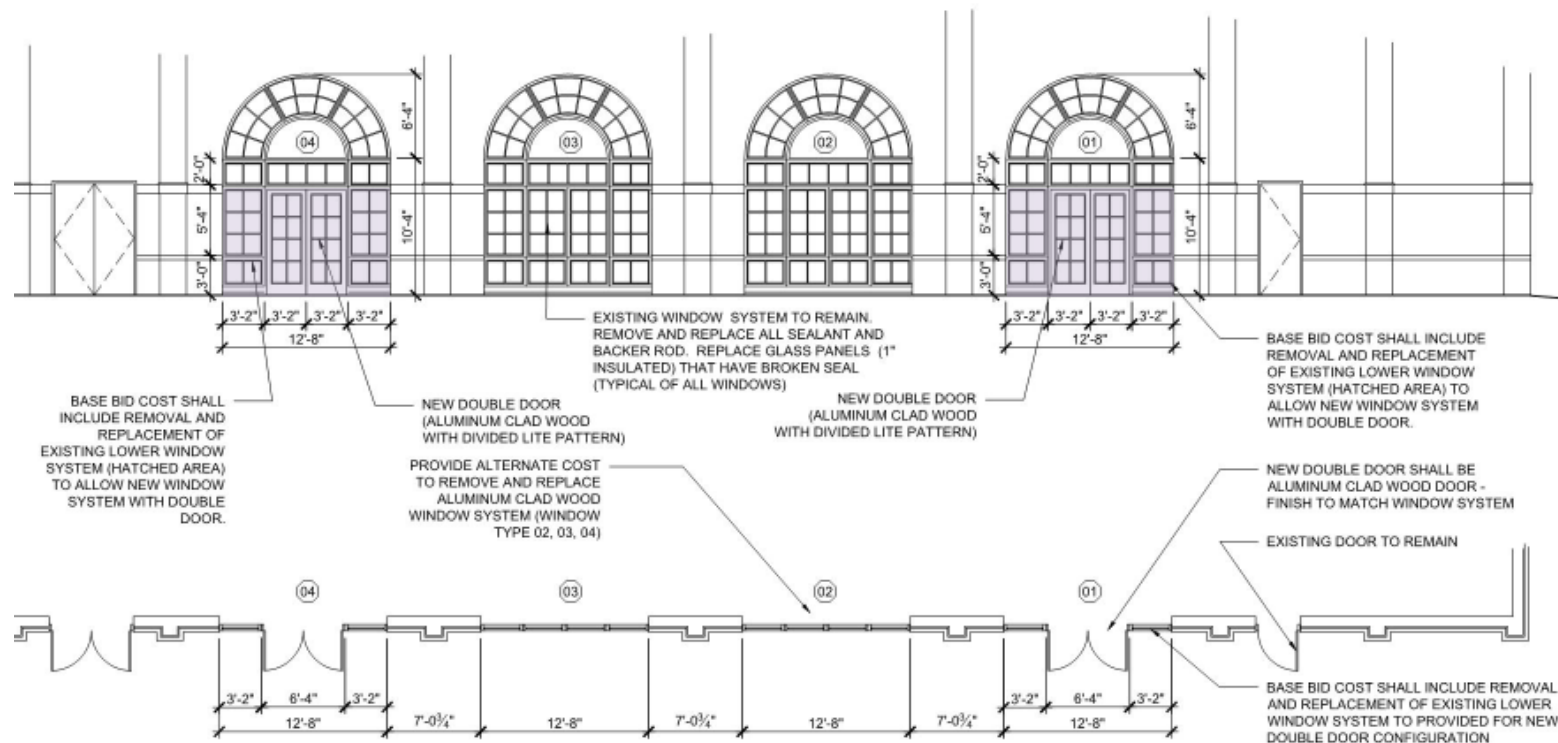
Courtyard Features

- 2800 sf plaza with stone pavers
- 600 sf covered pavilion
- New masonry screen walls
- Accent water feature
- Landscape bed accents

COLLEYVILLE CENTER

IMPROVEMENTS PROJECT

Window Repair and Door Installation



COLLEYVILLE CENTER

IMPROVEMENTS PROJECT

Estimate of construction cost

Colleyville Center Courtyard Concept Estimate of Probable Construction Cost

	Quantity	Unit	Labor Materials	Unit	SubTotal	Total
Courtyard Cost						
Site Work						
Remove existing paving	990	SF	3.50	SF	\$3,465.00	
Excavation, backfilling and compaction	190	CY	10.00	CY	\$1,900.00	
Select Fill	190	CY	14.00	CY	\$2,660.00	
SWPPP Monitoring	221	LF	2.00	LF	\$442.00	
Final Grading			Allowance		\$2,500.00	
			Sub Total			\$10,967.00
New Screen Walls						
Concrete Foundation	300	CF	10.00	LF	\$3,000.00	
Drilled Piers 18"	16		800.00	EA	\$12,800.00	
Masonry screen wall	2,384	SF	10.00	SF	\$23,840.00	
			Sub Total			\$39,640.00
Hardscape Paving						
Sand Base	3,100	CF	0.50	LF	\$1,550.00	
Pre-Cast Pavers	3,100	SF	7.00	SF	\$21,700.00	
			Sub Total			\$23,250.00
Water Feature						
Basin			Allowance		\$8,800.00	
Equipment and piping			Allowance		\$16,400.00	
			Sub Total			\$25,200.00
Covered Pavilion						
Concrete Foundation	200	CF	10.00	LF	\$2,000.00	
Drilled Piers	4		800.00	EA	\$3,200.00	
Concrete Paving	600	SF	6.00	SF	\$3,600.00	
Structure	600	SF	65.00	SF	\$39,000.00	
Electrical/Lighting	600	SF	10.00	SF	\$6,000.00	
			Sub Total			\$48,600.00
Site Lighting						
Tree Canopy Lighting	4	Trees	4500.00	Tree	\$18,000.00	
Pole Lighting			Allowance		\$5,000.00	
			Sub Total			\$23,000.00
Subtotal						
Professional Fee (Architectural/Engineering)					\$170,657.00	
Contractor's Fees (Profit, overhead, bond, insurance)					\$20,475.84	
					\$34,133.40	
			Total			\$225,267.24
Landscaping						
All landscape and irrigation by owner			Allowance		\$25,000.00	

Colleyville Center Window and Door Replacement Estimate of Probable Construction Cost

	Quantity	Unit	Labor Materials	Unit	SubTotal	Total
Window and Door cost						
Door Installation						
Remove existing window system	192	SF	8.00	SF	\$1,536.00	
New window system with double door	192	SF	58.00	SF	\$11,136.00	
Door Hardware	1	EA	800.00	EA	\$800.00	
Painting	192	SF	2.00	SF	\$384.00	
Concrete paving	50	SF	5.50	SF	\$275.00	
			Sub Total			\$14,131.00
New Window Installation						
Remove existing window system	576	SF	8.00	SF	\$4,608.00	
New window system with double door	576	SF	58.00	SF	\$33,408.00	
Painting	576	SF	2.00	SF	\$1,152.00	
			Sub Total			\$39,168.00
Subtotal						
Contractor's Fees (Profit, overhead, bond, insurance)					\$53,299.00	
Contingency					\$10,659.80	
					\$7,984.85	
			Total - Door and window replacement			\$71,953.65



Restroom Plumbing and Tile Repair

Project Estimate: \$33,000

- Center sewage piping in two main restrooms is 21 years old
- Sewer drainage last 18 months has been backing up during large events
- Current drainage/pipe flow needs to be upgraded and tile replaced

Stage Repair & Storage Renovation

Project Estimate: \$31,000

- Replacement of worn stage front laminate façade
- Reinforcement of storage doors
- Expansion of existing storage for tables and chairs
- Removal of wallpaper and painting of 8 columns along with stage trim



Next Steps /Timing

- ✓ **Feb 19th** - Courtyard and Window Repair projects recommended by Center Advisory Committee
- ✓ **May 15th** - Advisory recommendations and repair needs presented to City Council

August - CEDC Board consideration / approval of FY 2019 CEDC Budget

September - City Council consideration / approval of FY 2019 CEDC Budget

October – Bid process for plumbing and stage repairs; schedule repairs around booked events

Spring - Bid process for palladium window and courtyard project

Summer 2019 - Construction scheduled



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number WS-2

Agenda Date 05/15/2018

Type Worksession

Department Parks and Recreation

Title

Discussion of Kimzey Park pond dredging project

Strategic Plan

5.3 Provide attractive facilities for leisure and recreation

Explanation

Staff will provide additional information on the Kimzey Park Pond dredging project, as follow-up from the May 1, 2018 City Council Worksession discussion.

Attachments

1. Kimzey Pond Dredging Project

Kimzey Park Pond Dredging Project

City Council Worksession
May 15, 2018

Bid Tabulation



Kimzey Pond Dredge Bid Opening - 4/23/2018 - 2:00pm		
Bid Tabulation		
Contractor	Dredging Method	Total Cost
Rimrock Ent.	Hydraulic	\$263,835.00
Bullock Construction	Hydraulic	\$291,000.00
Solitude	Hydraulic	\$335,140.00
Merrell Brothers	Excavation	\$388,520.00
Dredg It	Hydraulic	\$475,000.00
Texas Dewatering	Hydraulic	\$476,400.00
Shirley & Sons Construction	Excavation	\$703,987.62

Evaluation Criteria



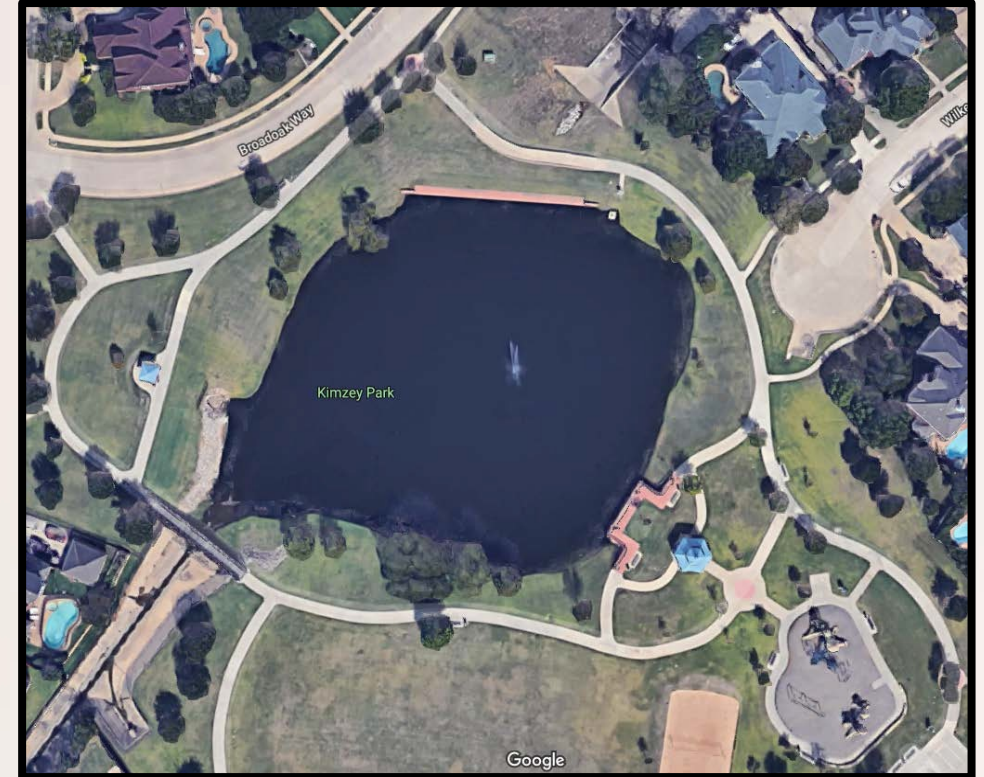
Kimzey Pond Dredging Evaluation Criteria

Contractor	Total Price	Reputation/Services	Plan	Quality Services	City Needs	Timeline	City Relationship	Total
Rimrock Ent.	14	1	11	1	11	6	0	44
Bullock Construction	12	0	6	0	5	2	0	25
Solitude	10	8	8	8	8	8	0	50
Merrell Brothers	8	14	12	14	13	11	0	72
Dredg It	6	12	7	12	3	4	0	44
Texas Dewatering	5	0	4	0	7	11	0	27
Shirley & Sons Construction	2	14	4	14	4	14	0	52

*Each evaluation criteria is based with the highest score in each section totaling 14 points. Scores are provided from 0 - 14 in each section.

Bid Finalists

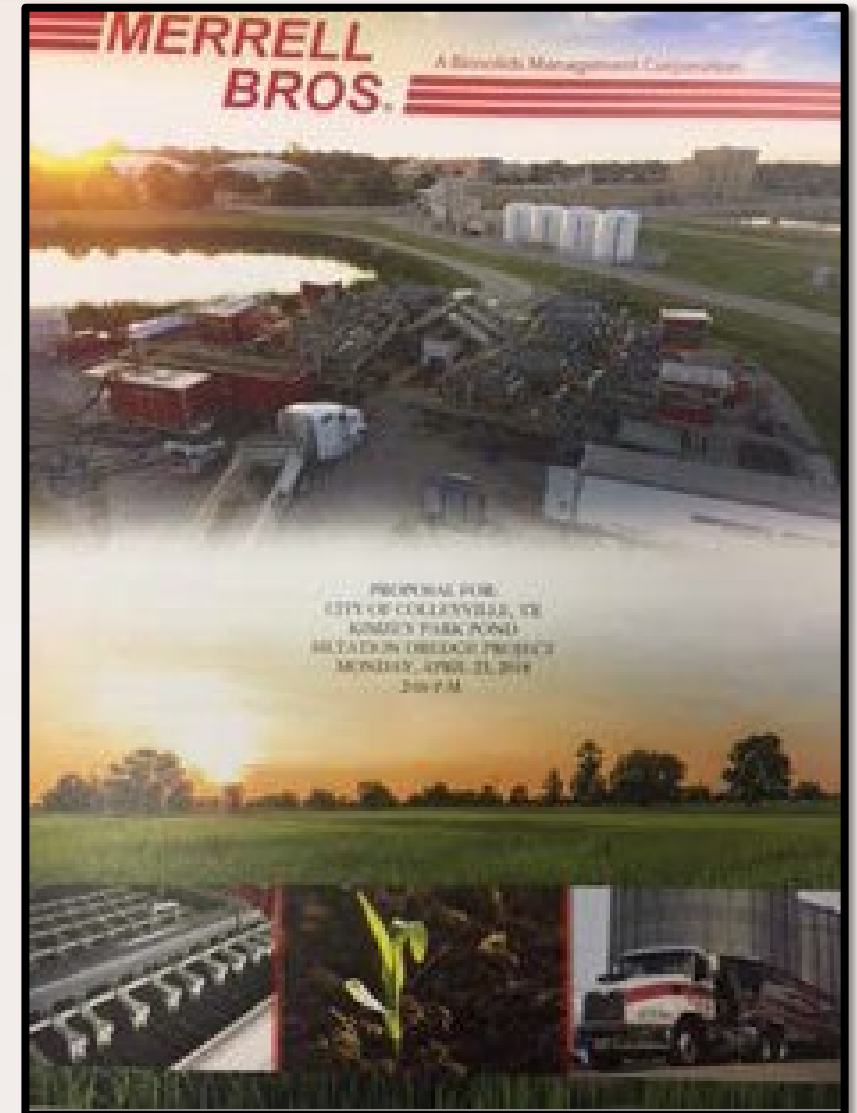
- Rimrock Enterprises
 - Lowest Bid
 - Digging a ditch
 - Irrigation concerns & trail closure
 - Proposed project timeline is 3.5 months
- Bullock Construction
 - Low Bid
 - No references submitted
 - Proposed project timeline is 5 months
- Solitude
 - Proposed drying site – North side of pond
 - Directly across the street from houses
 - Proposed project timeline is 3 months



Merrell Brothers



- Identified as the Best Value for the project
 - Proposed project timeline is 2 months
 - July- August
 - Experience in similar and larger size and scope projects
 - Exceptional references
 - Identified least impact on neighborhood and park
 - Minimal environmental and aquatic life impact



Questions and Discussion



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number WS-3
Type Worksession
Department City Manager

Agenda Date 05/15/2018

Title

Discussion of dates for an objective setting worksession

Strategic Plan

6.1 Articulate a compelling vision and direction for the community

Explanation

The City Council Rules of Procedure were amended on December 5, 2017 to include the following: Within 90 days of being elected, City Council members shall participate in a visioning/objective worksession when called by the Mayor.

The following dates are available to hold a worksession, based on the availability of facilitator David Eisenlohr. Staff is seeking direction from the City Council on a preferred date to schedule the worksession.

Tuesday, May 29

Thursday, May 31

Monday, June 4

Thursday, June 7

Thursday, June 14

Attachments



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
Colleyville, Texas 76034
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Agenda Number WS-4

Agenda Date 05/15/2018

Type Worksession

Department Community Development

Title

Discussion of a sidewalk policy

Strategic Plan

2.1 Communicate thoroughly and strategically

Explanation

The City Council established the Colleyville Sidewalks Ad Hoc Committee at the May 16, 2017 meeting by Resolution R-17-4133. The responsibilities of the committee were stated in the resolution including:

- Review of current Colleyville sidewalk policy and a benchmark of comparator cities.
- Development and recommendation of a sidewalk policy.
- Identification of locations for connection and/or sidewalks to be constructed, while ensuring compatibility with the "Trails Plan".
- Development of a prioritization method and application to identified sidewalk connections.
- Review of available funding and potential options for funding future sidewalks.

An eleven (11) member committee was appointed at the July 18, 2017 City Council meeting by Resolution R-17-4155. The committee met a total of five times from the end of August through the end of October:

August 28, 2017 – 1st meeting of Committee

September 18, 2017

October 2, 2017

October 16, 2017

October 30, 2017

Over the course of these meetings, the committee was able to review, discuss, and create a policy to guide the construction of sidewalks within the City of Colleyville.

Intent/Vision: The committee developed a vision that guided the creation of the policy, to include the following:

- Create a connected community where it makes sense and in accordance with the citizens' wishes and desire to fund this effort and according to a logical, prioritized plan.
- Achieve the above without compromising the charm and semi-rural beauty that makes Colleyville so desirable and unique.

Plan: The Committee created a plan of action where they identified eight (8) points to consider when preparing the policy. The completed policy is a culmination of review of ordinances from adjacent communities, discussion, and annotation of the new policy.

Sidewalk Policy: The proposed Sidewalk Policy identifies requirements for sidewalk construction for different scenarios, including development on new streets, existing streets, and designated streets on the Master Thoroughfare Plan. This may differ between residential and commercial developments.

The policy also clarifies policies for repairs/replacement/maintenance and design standards. Additionally, the committee is proposing a remediation process whereby a property owner, when applicable, may ask that a sidewalk be removed. The removal must be a disjointed or disconnected segment where removal would be in the spirit of the policy.

A major change includes the provision for waivers/variances. These requests should be rare and allowed only where there are unusual factors. The burden of providing justification will be upon the applicant and must describe the unusual conditions.

Finally, the committee proposes a fund to be set aside annually for the construction of sidewalks. Additionally, the Sidewalk Ad Hoc Committee recommends the establishment of a fundraising committee to discuss, create, and implement fundraising opportunities to help contribute to and off-set the costs of providing sidewalks throughout the City of Colleyville.

City Council Consideration: The draft Sidewalk Policy is intended to initiate amendments to the Land Development Code regarding sidewalk construction. If the City Council deems the policy acceptable, staff will begin work on the appropriate language for future presentation to the Planning & Zoning Commission and City Council for amending the Land Development Code.

Attachments

1. Sidewalk policy presentation

Sidewalk Policy Updated Draft

**City Council Worksession
May 15, 2018**

Sidewalk Policy



History

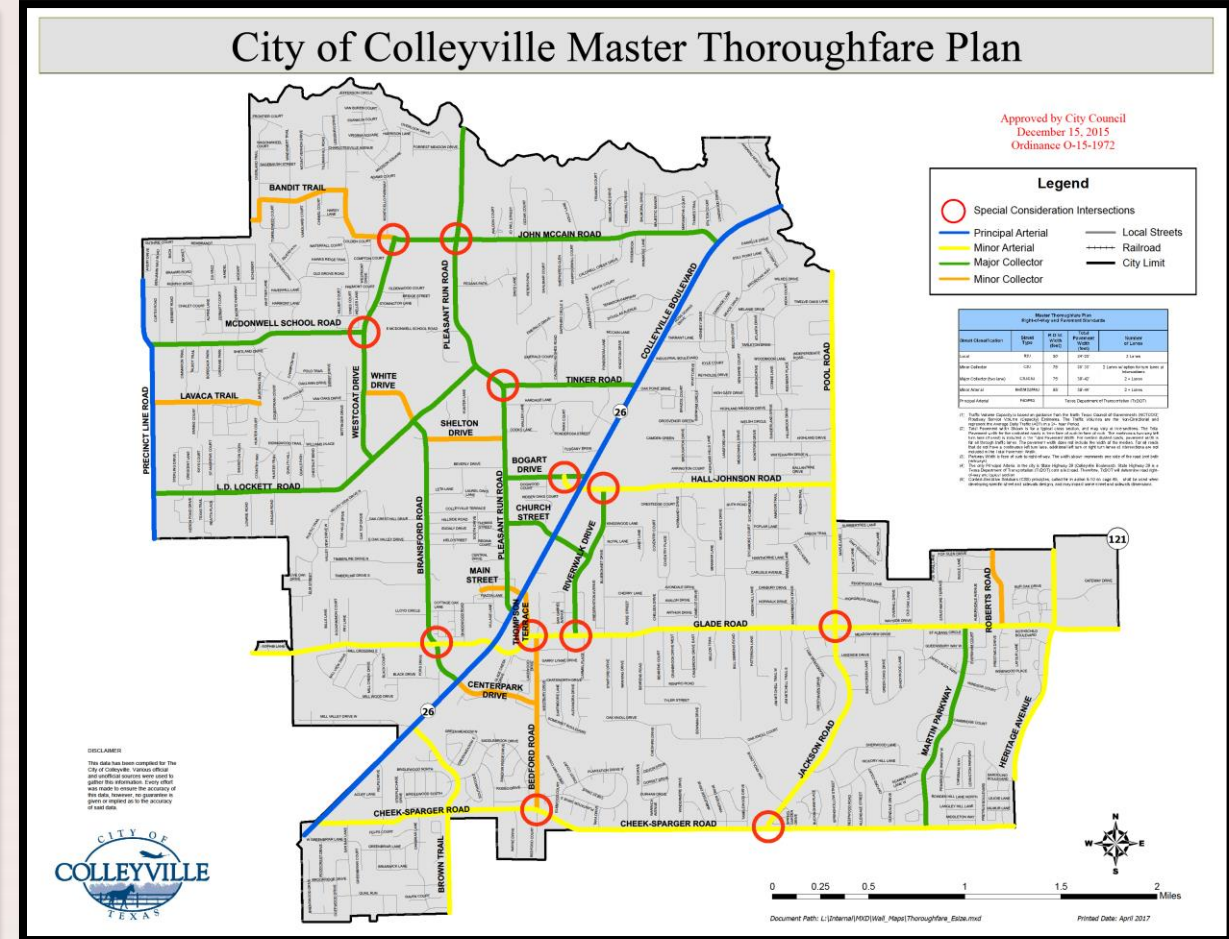
- Colleyville Sidewalk Ad Hoc Committee established (R-17-4133)
Committee Meeting Dates:
 - August 28, 2017 – 1st meeting of Committee
 - September 18, 2017
 - October 2, 2017
 - October 16, 2017
 - October 30, 2017
- 1/16/18 - Council Worksession Review

Sidewalk Policy



Policy Parameters

- Sidewalks should be installed or cash-in-lieu payment made.
 - New development/new road – sidewalks on both sides (exception = single loaded residential roadway).
 - New development adjacent to existing road – required by Master Thoroughfare Plan or Supplemental Sidewalk System Map.
 - Existing Development/Single Family Home - required by Master Thoroughfare Plan, Supplemental Sidewalk System Map, or on a street with 50% or more existing sidewalks.
 - Non-local street frontage – sidewalks required



Sidewalk Policy



Design Standard

- Residential – Minimum 4' width
- Collector Street – Minimum 5' width
- 1' off abutting property line
- Director of Public Works may approve a plan to alter the location and size of a sidewalk to preserve a tree or for aesthetic purposes.
- One additional foot of width shall be added to a sidewalk that abuts a street curb.

Sidewalk Policy



Waiver/Variance

- Factors that may be considered:
 - Cost prohibitive
 - Severe topography
 - Adverse to pedestrian activity (noise, traffic, etc.)
 - Applicant can show justifiable cause
- Approval determination by City Manager
- Appealed to City Council
- Cash-in-lieu paid for all variances

Sidewalk Policy



Remediation (removal)

- Conditions considered for removal:
 - Uniquely isolated (sidewalk to nowhere)
 - “Not Required” on Supplemental Sidewalk System Map
 - Cost of removal and restoration paid by property owner
- Cash-in-lieu paid for all remediation (exception= sidewalk “not required” on SSS Map).

Questions and Discussion



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number WS-5

Agenda Date 05/15/2018

Type Worksession

Department City Manager

Title

Discussion of an appointment to the North Central Texas Council of Governments Regional Transportation Council

Strategic Plan

Explanation

Mayor Richard Newton will brief the City Council regarding making a recommendation of an appointment to the Central Texas Council of Governments Regional Transportation Council.

Attachments



City of Colleyville City Council Agenda Briefing

City Hall
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Agenda Number WS-6
Type Worksession
Department City Manager

Agenda Date 05/15/2018

Title

Discussion regarding annexation/de-annexation of the Timarron subdivision

Strategic Plan

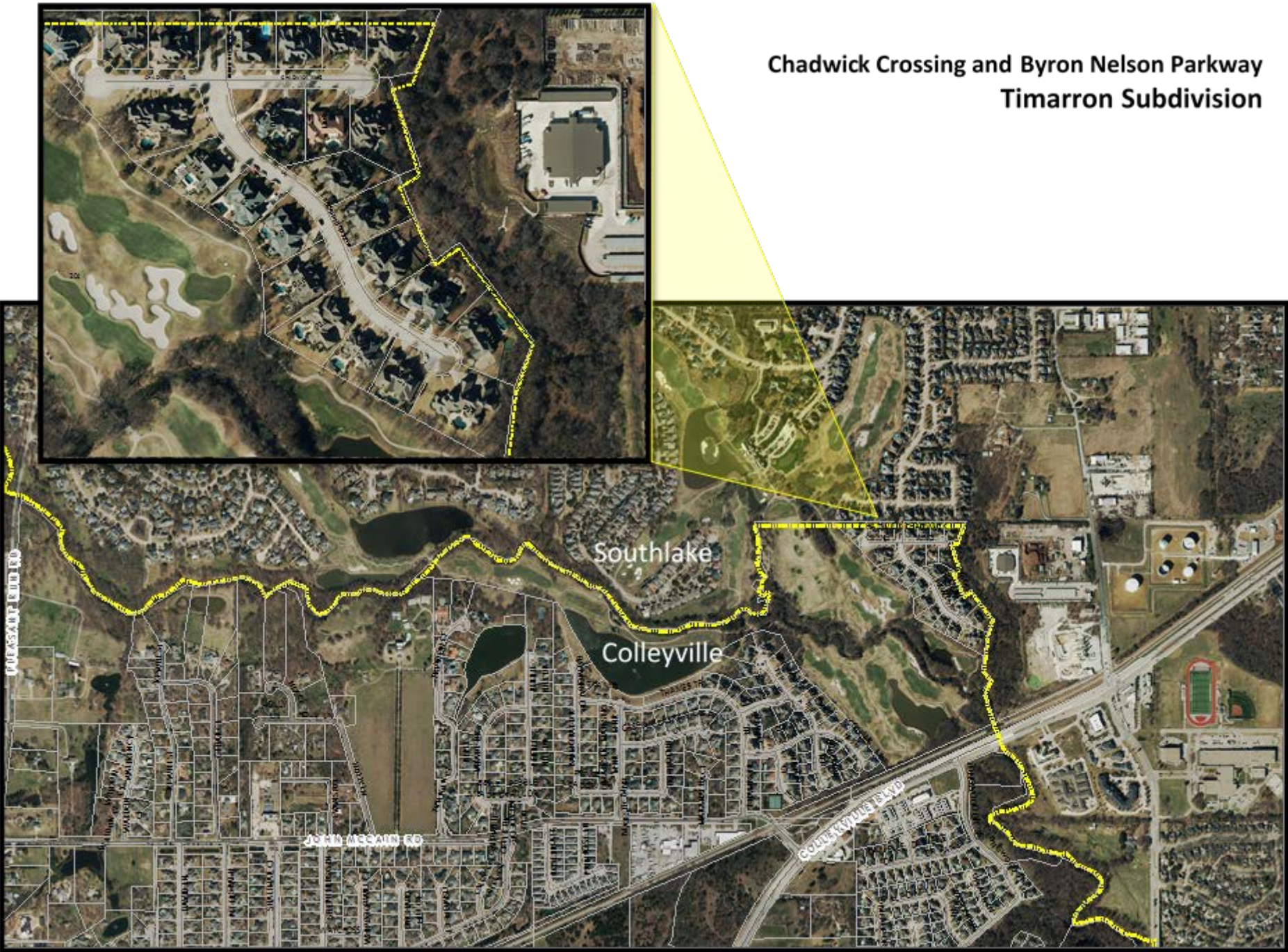
Explanation

Mayor Newton will lead the discussion regarding annexation/de-annexation of the Timarron subdivision.

Attachments

1. Timarron Subdivision Map

**Chadwick Crossing and Byron Nelson Parkway
Timarron Subdivision**





City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number WS-7

Agenda Date 05/15/2018

Type Worksession

Department City Secretary

Title

Discussion of the May 15, 2018, City Council regular agenda items



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number 1

Agenda Date 05/15/2018

Type Executive Session

Department City Secretary

Title

Section 551.071 - Legal - Consultation with attorney on legal issues raised by items on the agenda

Section 551.071 - Legal - Consultation with attorney regarding contemplated and/or pending litigation, including:

- Glade Road eminent domain cases for Parcels 150 and 159
- Contemplated litigation with Spectrum Cable concerning franchise fees

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

- Glade Road Project Phases 1B and 2

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-18-4262

**A RESOLUTION APPROVING COUNCIL ACTION
REGARDING EXECUTIVE SESSION ITEMS AT THE REGULAR
CITY COUNCIL MEETING OF MAY 15, 2018**

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 15TH DAY OF MAY 2018.

Mayor Richard Newton	_____	Mayor Pro Tem Bobby Lindamood	_____
Place 1, Tammy Nakamura	_____	Place 3, Kathy Wheat	_____
Place 4, George Dodson	_____	Place 5, Nancy Coplen	_____
Place 6, Mike Taylor	_____		

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville City Council Agenda Briefing

City Hall
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Agenda Number 3

Agenda Date 05/15/2018

Type Oath of Office

Department City Secretary

Title

Chuck Kelley, Place 5

Callie Rigney, Place 6

Attachments



City of Colleyville City Council Agenda Briefing

City Hall
100 Main Street
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Agenda Number 5

Agenda Date 05/15/2018

Type Announcements, Proclamations, and Presentations

Department City Manager

Title

Proclamation in recognition of National Police Week - May 13-19, 2018 - Interim Police Chief Hillary Wreay and Mayor Richard Newton

Proclamation in recognition of National Public Works Week - May 20-26, 2018 - Public Works Director Cheryl Taylor and Mayor Richard Newton

Presentation of the Q2P Receipt Race prize winners - Mayor Richard Newton and Assistant City Manager Mark Wood

In recognition of the Featured Business of the Month Scooter's Coffee, 7171 Colleyville Boulevard, Megan Voissem, franchise operator - Mayor Richard Newton and Assistant City Manager Mark Wood

Attachments

1. Proclamation in Recognition of National Police Week
2. Proclamation in Recognition of National Public Works Week

Proclamation

CITY OF

Colleyville,
Texas

WHEREAS: the Congress of the United States of America has designated May 13-19, as National Police Week 2018, to recognize and honor the service and sacrifice of law enforcement officers who protect our communities and safeguard our democracy; and

WHEREAS, there are more than 900,000 law enforcement officers serving in communities across the United States, including the dedicated members of the Colleyville Police Department; and

WHEREAS, in 2017, 129 officers were killed in the line of duty, and nearly 60,000 assaults against law enforcement officers are reported each year, resulting in over 16,000 injuries or death; and

WHEREAS, the men and women of the Colleyville Police Department unceasingly provide a vital public service; and

WHEREAS, in recognition of National Police Officer Memorial Day, May 15, 2018, the City of Colleyville will remember Colleyville Reserve Officer Dennis Harrell, who died in the line of duty on September 12, 1980, and will honor all Police Officers, who sacrificed their lives in the line of duty, by flying all flags at half staff at all City facilities.

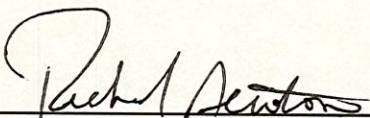
NOW, THEREFORE, I, RICHARD NEWTON, MAYOR OF THE CITY OF COLLEYVILLE, TEXAS, on behalf of the Colleyville City Council, do hereby proclaim the week of May 13-19, 2018 as:

NATIONAL POLICE WEEK

in the City of Colleyville and call upon our citizens to honor, recognize, and show our sincere appreciation to the Police Officers of this City, and across the nation, by deed, remark and attitude.

IN WITNESS WHEREOF, I do hereby set my hand and seal of the City of Colleyville, Texas, affixed this 15th day of May 2018.





Mayor



Proclamation

CITY OF

Colleyville,
Texas

WHEREAS, public works services provided in our community are an integral part of our citizens' everyday lives; and

WHEREAS, public works employees work side by side with police and fire as first responders; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, wastewater, streets, public buildings, fleet maintenance, and stormwater management; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, are vitally dependent upon the efforts and skill of public works officials; and

WHEREAS, the work performed by public works employees, directly impacts the quality of life for the residents and businesses of Colleyville; and

WHEREAS, the American Public Works Association annually sponsors National Public Works Week, and has chosen the theme "The Power of Public Works", to promote the 58th Annual National Public Works Week.

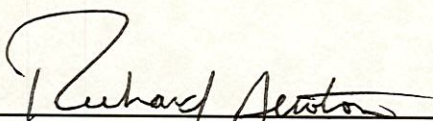
NOW, THEREFORE, I RICHARD NEWTON, MAYOR OF THE CITY OF COLLEYVILLE, TEXAS, do hereby proclaim the week of May 20 - 26, 2018 as:

NATIONAL PUBLIC WORKS WEEK

in the City of Colleyville, and call upon all citizens to recognize the contributions our public works employees make every day to our health, safety, comfort, and quality of life.

IN WITNESS WHEREOF, I do hereby set my hand and seal of the City of Colleyville, affixed this 15th day of May 2018.





Mayor



RESOLUTION R-18-4263

A RESOLUTION APPROVING CITY COUNCIL ACTION UNDER CONSENT ITEMS AT THE REGULAR CITY COUNCIL MEETING OF MAY 15, 2018

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 minutes of the regular City Council meeting of May 1, 2018
 - b. Approval of a contract with Weaver and Tidwell, L.L.P. for auditing services for fiscal year ending September 30, 2018, in the amount of \$48,250 for the audit of 2018 financial statements and Comprehensive Annual Financial Report (CAFR) preparation and printing, \$5,000 for the single audit, and \$1,500 for reports related to bond sales, if applicable
 - c. Approval to participate in the Texas Local Government Investment Pool (TexPool) and assigning authorized signers
 - d. Approval to participate in Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), and assigning authorized signers
 - e. Approval to participate in the Texas Short Term Asset Reserve Program (TexSTAR) and assigning authorized signers
 - f. Approval of a Pledge Agreement with the Bank of New York Mellon for bank depository collateral
 - g. Approval of a Professional Services Agreement with MESA Design Associates, Inc. for landscape architectural services for State Highway 26 (SH26) corridor landscape and hardscape improvements, and authorizing the city manager to execute the agreement

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF _ AYES, _ NAYS AND _ ABSTENTIONS ON THIS
THE 15TH DAY OF MAY 2018.

Mayor Richard Newton	_____	Mayor Pro Tem Bobby Lindamood	_____
Place 1, Tammy Nakamura	_____	Place 3, Kathy Wheat	_____
Place 4, George Dodson	_____	Place 5, Chuck Kelley	_____
Place 6, Callie Rigney	_____		

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville City Council Minutes - Draft

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Tuesday, May 1, 2018

City Council Chambers

Mayor Richard Newton called the Colleyville City Council Worksession to order on Tuesday, May 1, 2018, at 5:00 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood, and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor.

City Manager Jerry Ducay, Assistant City Manager Mark Wood, Assistant City Manager Adrienne Lothery, Interim Police Chief Hillary Wreay, Fire Chief Brian Riley, Interim Public Works Director Cheryl Taylor, Community Development Director Ben Bryner, Library and Special Events Director Mary Rodne, Parks and Recreation Manager Lisa Escobedo, Parks Manager Heather Dowell, Marketing Coordinator Dustin Dangli, Information Services Manager Chris Pena, City Attorney Whitt Wyatt, and City Secretary Christine Loven.

WS-1 Economic Development Update

Assistant City Manager Mark Wood presented this item, highlighting for City Council the progress on economic development objectives and goals and answering questions of the City Council.

Assistant City Manager Wood also discussed preliminary plans for the Q3P to begin during the summer.

WS-2 Capital Improvement Program (CIP) status update

Interim Public Works Director Cheryl Taylor presented this item, providing an update on the status of a variety of CIP projects and answering questions of the City Council.

Councilmember Nakamura asked for an explanation of the temporary mail boxes on Pleasant Run Road. Director Taylor stated the mail boxes will be repaired and returned to permanent status when the roadway is complete. The temporary boxes were established to allow two-way traffic.

The roadway projects which Tarrant County is assisting with, the Cherry and Bluebonnet Drive drainage and culverts, and the Stormwater Master Plan was generally discussed.

WS-3 Kimzey Park pond dredging project update

Parks and Recreation Manager Lisa Escobedo presented this item and answered questions of the City Council. There was general discussion regarding the bid selection process, the efficiency of the project and impact of odor and noise, and the silt removal process.

Mayor Pro Tem Lindamood suggested it should be written into the contract that another silt depth analysis must be performed when the project is complete.

WS-4 Budget process update

City Manager Jerry Ducay advised the City Council all departments have provided the budget data and he and Assistant City Managers Wood and Lothery have met with the departments. The initial projections indicates limited growth and he will be providing another update in the future.

Councilmember Coplen asked if we are looking to assist property owners and consider her request of an exemption. Mayor Newton stated we are trying to get to an effective tax rate so all options are being reviewed.

WS-5 Discussion of a monthly Colleyville video broadcast show

Marketing Coordinator Dustin Dangli presented this item, giving City Council a quick overview of a broadcast show concept.

Councilmember Dodson asked if the show will be available on the City's website. Coordinator Dangli stated yes.

Councilmember Nakamura asked Coordinator Dangli why he thinks people will be drawn to a broadcast show. Coordinator Dangli advised research indicates those who follow social media enjoy hearing the conversation and the speed of a broadcast.

WS-6 Discussion of the May 1, 2018, City Council regular agenda items

Mayor Newton noted he had changes to the April 17, 2018, minutes which have been highlighted and distributed to Council for their consideration when approving the consent agenda item.

Mayor Newton closed the Worksession at 6:27 p.m.

Mayor Newton called the Executive Session to order at 6:27 p.m. and called the roll.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood, and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor.

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 items on the agenda

Section 551.071 - Legal - Consultation with attorney regarding contemplated and/or pending litigation, including:

- Glade Road eminent domain cases for Parcels 150 and 159

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

- Glade Road Project Phases 1B and 2

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

Mayor Newton stated 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 action taken during this time, however, a resolution will move forward on the regular meeting agenda. Executive Session was adjourned at 6:46 p.m.

Mayor Newton called the regular meeting of the Colleyville City Council to order at 7:32 p.m.

ROLL CALL: Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood, and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor.

INVOCATION: Paul Vigiletti, Good Shepherd Catholic Church

PLEDGE OF ALLEGIANCE: City Attorney Whitt Wyatt

2. EXECUTIVE SESSION READING AND PUBLIC HEARING: CONSIDER AND TAKE ANY ACTION(S) NECESSARY RELATIVE TO ITEMS DISCUSSED IN EXECUTIVE SESSION - RESOLUTION R-18-4257

Mayor Newton read Resolution R-18-4257 in its entirety.

Mayor Newton explained this item was for a temporary easement on Glade Road and explained the Glade Road phases.

Mayor Newton opened the public hearing at 7:36 p.m. There was no one present wishing to speak and Mayor Newton closed the public hearing at 7:36 p.m.

Councilmember Dodson made a motion to approve Resolution R-18-4257, Mayor Pro Tem Lindamood seconded the motion.

The motion to approve carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor

3. ANNOUNCEMENTS, PROCLAMATIONS, AND PRESENTATIONS
Announcements of civic and charitable events
Presentation of calendar events and updates
Announcements of awards and recognition

Mayor Newton began by making the following announcements:

Chef Point Cafe is coming to Colleyville. They have purchased the old Gators building at SH121 and the café will be called Chef Point Colleyville.

The Fire Department has applied for a Staffing Adequate Fire and Emergency Response (SAFER) grant which, if awarded will fund 75% of a fire fighters wage for two years. The City has applied for three positions and Mayor Newton commended staff and the fire chief for making application.

The City has applied for a Green Ribbon Grant through TxDOT to supplement SH26 landscaping.

The Fire Department has taken possession of the new ambulance and the City will now have two fully operational ambulances.

Colleyville resident Bobby Fitzgerald has one of the largest collections of historical Colleyville artifacts and allowed a video interview with the City Manager recently. Mayor Newton thanked Mr. Fitzgerald and City Manager Ducay.

Mayor Pro Tem Bobby Lindamood announced the Q2P Receipt Race has ended and staff is in the process of collecting and counting the receipts. The winners will be announced at the May 15, 2018 City Council Meeting.

Mayor Pro Tem Lindamood stated the National Drug Take Back Day held April 28 collected 239 pounds of prescription drugs and he thanked Police Officer Gary Moore for coordinating the event.

Councilmember Tammy Nakamura encouraged everyone to perform their civic duty and vote on Election Day May 5, 2018 at Bransford Elementary School, 601 Glade Road.

Councilmember Kathy Wheat announced the library is now serving coffee and tea and encouraged everyone to take advantage of the opportunity to enjoy the beverages while visiting the library.

Councilmember Nancy Coplen announced the annual Colleyville Garden Club Promenade on Sunday, May 6, and encouraged everyone to attend to be inspired and see ideas for their areas.

Councilmember Mike Taylor reminded everyone of the Parks and Recreation Department Recreation Sensation brochure which is available on-line and encouraged all to take advantage of the sensational programs offered.

Councilmember Coplen noted construction at SH26 and Tinker Road had caused the Oak Pointe subdivision to have limited access and State Representative Giovanni Capriglione, the City, and TXDOT met to resolve this issue and she expressed her appreciation to all.

Mayor Newton reminded everyone of the Farmer's Market every Saturday from 9:00 a.m. – 2:00 p.m.

Mayor Newton noted the Water and Wastewater Advisory Committee members had been recognized for their service a few months ago and Councilmember Dodson had served that committee, but had not received a plaque. Mayor Newton stated he has a plaque for Councilmember Dodson and thanked him for his service.

In recognition of the April Featured Business of the Month - Teddy's Bigger Burgers, 4712 Colleyville Boulevard, Suite 100 - Franchise Owner Brad Cypert, Mayor Richard Newton, and Assistant City Manager Mark Wood

Mayor Newton and Assistant City Manager Mark Wood welcomed Brad Cypert, owner of Teddy's Bigger Burgers, who was recognized as the April business of the month. Mr. Cypert thanked the City Council for their support and said he was very happy to be involved in the community and discussed some of the fundraisers Teddy's has sponsored locally.

Recognition of Councilmember Nancy Coplen and Councilmember Mike Taylor - Mayor Richard Newton

Mayor Newton recognized Councilmembers Nancy Coplen and Mike Taylor for their service to the City. As he presented each with a crystal vase, Mayor Newton relayed the following service record for both:

Nancy Coplen – 3 year councilmember - 2015-2018

During her service as a councilmember, Nancy also served as a member of the Audit Committee, Colleyville Crime Control and Prevention District, and Tax Increment Finance District.

Before being elected to City Council, Nancy served as a member of City Boards and Commissions to include: Library Board, Parks and Recreation, Historical Preservation, and Tree Board 2014.

Her community involvement includes:

GCISD Board of Trustees, Colleyville Chamber of Commerce, Keep Colleyville Beautiful, Woodland Hills HOA. Colleyville Woman's Club, Colleyville Garden Club, Colleyville Lions Club, Colleyville Executive Organization, GCISD District Committees: District Improvement Plan, Attendance Area Revision, Partners in Education, Parent Advisory Committee, Principal Selection Committee, Diversity Advisory Council, Walk of Honor- Executive Committee, Fine Arts Advisory Committee, Colleyville Heritage PTSA, Member of the Church of Jesus Christ of Latter-day Saints, Boy Scouts, O.U.R. Operation Underground Railroad Host Committee, Grapevine Chamber of Commerce Republican Campaign Volunteer for city, state and national elections, State volunteer of the year, Mighty Texas Strike Force and Mighty American Strike Force, GHS Cheerleader Booster GHS and CHHS Band Booster, PTA/PTSA Board Member at GHS, CHHS, Heritage Elementary, and Heritage Middle Schools, and former youth basketball coach.

Nancy also designed the Heritage Middle School Outdoor Classroom and CHHS Panther Plaza.

**Mike Taylor – 14 year councilmember
1999-2001, Place 2; 2006-2018, Place 6
Mayor Pro Tem 2013-2015**

During his service as a Councilmember, Mike also served as a member of the Colleyville Crime Control and Prevention District, Colleyville Economic Development Corporation, and Tax Increment Finance District; he was the Council Liaison to Metroport Teen Court, Parks and Recreation Advisory Board, Traffic Safety Advisory Committee, SH26 Advisory Committee, and the Senior Center Advisory Committee.

During his service on the City Council, there were 497 City Council meetings and worksessions conducted and Councilmember Taylor was absent only four times.

As a citizen, Mike has also served as GCISD Education Foundation Director, and member of the GCISD Investment Policy, Bond Steering, Budget Review, and Long Range Planning Committees; Northeast Leadership Forum, Friends of the Colleyville Public Library; Colleyville Chamber of Commerce Board of Directors, Member and Past President of the Colleyville Lions Club, Director and Past Chairman Metroport Cities Partnership; Colleyville Citizen's Police Academy and Leadership Colleyville Alumni, Member and Past President Chelsea Park Neighborhood Association, Life Member and Past Chairman Northeast Tarrant Chamber of Commerce, Republican Precinct Chairman and Election Judge, CHHS Parent-Teacher Association, 2004 City Charter Review Committee, Regional Transportation Council, Tarrant County Crime Stoppers, NLF Texas Scholars Presenter, Leadership Colleyville and Leadership H-E-B, Grapevine Historical Society, H-E-B Rotary Club, Birdville I.S.D. Budget Advisory Committee, Northeast Tarrant Arts Council, and Glenview Christian School Parent-Teacher Fellowship.

Councilmember Coplen stated she has learned quite a bit of the inner workings of the City and she has always served for Faith, Family, and Freedom. She said it has been her privilege to unite with our many faiths, to have served with many fine people and diverse organizations. Councilmember Coplen thanked the citizens and her husband for this opportunity.

Councilmember Taylor said he is very humbled by the opportunity to serve five terms at the request of citizens. Councilmember Taylor said he owes a debt of gratitude to the citizens, fellow councilmembers, and staff as the experiences have grown him. He believes God brings you through all He calls on you to do and so few have the opportunity to serve – it has been my extreme pleasure and you have changed my life. Councilmember Taylor thanked his wife Susan and daughter Caitlin for their love and support.

4. OUTGOING COUNCILMEMBER RECEPTION

Mayor Newton recessed the meeting at 8:04 for a reception for outgoing Councilmembers Nancy Coplen and Mike Taylor.

Mayor Newton reconvened the meeting at 8:24 p.m.

5. CONSENT: READING AND PUBLIC HEARING- RESOLUTION R-18-4258

- 5a** Approval of the minutes of the regular City Council meeting of April 17, 2018

- 5b** Approval to purchase a replacement aerial bucket truck in the amount of \$110,587.65 from Chastang Ford, an approved vendor, through the HGAC Cooperative Purchasing; approving the disposal of the unit being replaced, and authorizing the city manager to execute the purchase and disposal agreements upon receipt and acceptance of the vehicle

Mayor Newton read Resolution R-18-4258 in its entirety.

Public Works Director Cheryl Taylor presented item 5b.

Mayor Newton opened the public hearing at 8:27 p.m. There was no one present wishing to speak and Mayor Newton closed the public hearing at 8:28 p.m.

Councilmember Wheat made a motion to approve Resolution R-18-4258, accepting the corrections to the minutes as provided by Mayor Newton, Councilmember Nakamura seconded the motion.

The motion to approve carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor

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

6a Ordinance O-18-2041

Consideration of amending the City of Colleyville Code of Ordinances, Chapter 14 – Animals, by amending Section 14-1; by adding a definition for Domestic Animals; and by amending and restating Sections 14-18; 14-19; and 14-41; creating an offense for failure to remove domestic animal excreta from certain property; and providing for civil and criminal enforcement

Mayor Newton read the caption of Ordinance O-18-2041.

Mayor Pro Tem Lindamood clarified this ordinance is to provide for animals in public areas.

Councilmember Coplen asked Mayor Newton what certain property meant.

Mayor Newton stated the intent of this ordinance is to have a rule in place which requires pet owners to clean up after their pets when they are in public. Mayor Newton stated when walking your dog, as an example, this ordinance will require you to clean up after the animal.

Mayor Newton noted there are exceptions, those being private property, and with the permission of a private property owner. He also noted another change was the previous version of the ordinance stated enforcement by the animal control officer, and this has been changed to include an animal control officer, and all licensed peace officers.

Mayor Newton opened the public hearing at 8:34 p.m.

Kathy Hadley, 204 Timberline North spoke in opposition to this item with concerns for horses, cats, and common courtesies.

Kathleen Hennessey, 5013 Stonebridge Drive, spoke in favor of this item, and noted it would be a benefit to install more bag dispensers for animal waste clean-up.

Nancy Rogers, 1612 Cherry Lane, spoke regarding concern for horses, seeking clarification regarding definition of a domestic animal and certain property, and suggesting the City install a dog park.

There were no others wishing to speak and Mayor Newton closed the public hearing at 8:40 p.m.

Mayor Newton stated the City is beginning to have more public events, (movies, farmer's market, and concerts) and we were the only area city without an ordinance to address this item, regarding pets. Mayor Newton further stated this does not apply to horses on private property.

Councilmember Taylor stated this ordinance is a reminder to everyone to be good neighbors and pick up after their pets.

Councilmember Taylor made a motion to approve Ordinance O-18-2041, Councilmember Dodson seconded the motion.

The motion to approve carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor

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

7a Ordinance O-18-2042

Consideration of a zoning change from the AG Agricultural and R-40 Single Family Residential zoning districts to the R-30 Single Family Residential zoning district on Lot 2R, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, Case ZC18-005

Mayor Newton read the caption of Ordinance O-18-2042.

Community Development Director Ben Bryner presented this item and answered questions of the City Council.

Director Bryner stated the briefing had not been updated, however, he has recalculated the opposition which is now at 34-percent, and does trigger the need for a super majority vote. Director Bryner stated the report will be updated for the May 15, 2018 second reading and public hearing.

Councilmember Dodson asked why the R-40 is being considered. Director Bryner stated maintaining the R-40 sets the tone for the area and the Planning and Zoning Commission did not want to lessen the zoning, and have other properties follow suit; therefore, Planning and Zoning recommended the R-40 and granted plat waivers.

Mayor Pro Tem Lindamood asked how the property can remain R-40 given its square footage. Director Bryner replied that was the reasoning for the plat waivers.

Mayor Pro Tem Lindamood asked if the pond was for detention. Director Bryner stated the pond is a stock tank.

Mayor Newton asked how the small curved area zoned agriculture came to be. Director Bryner stated a member of the Planning and Zoning Commission had that history and had stated originally it was a planned alignment to connect a road to John McCain; however, the plan was abandoned many years ago.

Mayor Newton opened the public hearing at 8:52 p.m.

Kathy Hadley, 204 Timberline North spoke in opposition to this item with concerns for the reduction in plat sizes.

There were no others wishing to speak and Mayor Newton closed the public hearing at 8:53 p.m.

Mayor Newton asked staff for a clarification of the opposition. Director Bryner displayed a map showing the opposition and stating as currently calculated, there is 34-percent opposition.

Mayor Newton asked John Morgan, Prism Surveys, representing the applicant, if he could speak to what the applicant is trying to achieve. Mr. Morgan stated his client is trying to make the property two lots with equal buildable area.

Mayor Newton asked Mr. Morgan if the applicant was planning on selling the lots. Mr. Morgan replied yes.

Councilmember Dodson asked Mr. Morgan if the opposition was due to a drainage issue. Mr. Morgan replied he is not sure and would have to review a contour map.

Mayor Pro Tem Lindamood stated there was ten foot of fall on the property.

Mayor Newton asked staff is lot 204 is R-40 and what the Planning and Zoning recommendation intent was.

Director Bryner stated he believed the main intent was to preserve the area character and if the property was to re-zone to R-30 that may open the door for others to request to rezoning; therefore, the two lots will may help eliminate this.

Mayor Newton asked Director Bryner to bring forward at the next meeting, what plat waivers would be required for an R-30 zoning.

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

7b Ordinance O-18-2043

Consideration of a zoning change from the AG Agricultural zoning district to the R-20 Single Family Residential zoning district on Tract 1R09, Abstract 1619, in the S C H Witten Survey, located at 2313 Hall Johnson Road, Case ZC18-007

Mayor Newton read the caption of Ordinance O-18-2043.

Community Development Director Ben Bryner presented this item and briefed the City Council.

Councilmember Dodson asked if the area had been planned commercial. Director Bryner stated there is only one lot zoned commercial for an office building, the rest is residential.

Mayor Newton opened the public hearing at 9:02 p.m.

Kathy Hadley, 204 Timberline North, spoke in favor of this item. There were no others wishing to speak and Mayor Newton closed the public hearing at 9:03 p.m.

Councilmembers Coplen and Taylor noted if they were going to be present for this vote, which they will not be, they would vote in favor.

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

8. RESOLUTION(S): READING AND PUBLIC HEARING**8a Resolution R-18-4259**

Consideration for approval of a Site Plan for athletic fields on Lot 1R, Block 1, of the Covenant Christian Academy Addition, located at 901 Cheek-Sparger Road, Case SP18-001

Mayor Newton read Resolution R-18-4259 in its entirety.

Community Development Director Ben Bryner presented this item and briefed the City Council.

Mayor Newton stated the staff briefing notes there are three deviations from the conceptual site plan and numbers two and three are in regard to parking being removed. Mayor Newton asked staff if there will be adequate parking as he did not see a parking analysis in the packet. Director Bryner stated a parking analysis is provided on the overall site analysis and staff looked at the most intense use and based their parking calculations on same. Based on the most intense use calculation, staff is assured there is adequate parking provided.

Mayor Newton asked what the seating capacity of the football field is and Director Bryner replied 750 seats.

Mayor Newton asked if there will ever be overlapping uses on the campus. Director Bryner replied he does not believe so, if there was it would be very minor as games will be held after school and not during school and church hours.

Councilmember Taylor stated the last improvements which occurred at CCA solved any of the minor complaints which were previously filed during CCA major events.

Councilmember Nakamura asked if a noise study has been commissioned. Director Bryner stated the noise was addressed in the 2013 PUD amendment, which allows for a limited number of games which must conclude by 10:30 p.m., but all other games must conclude by 9:00 p.m.

Councilmember Dodson asked staff if there are sound level restrictions. Director Bryner stated there are no sound restrictions beyond the municipal code requirements.

Mayor Newton asked if there was a representative of the applicant present. Pete Castillo, 2112 Northglen Drive, Hurst, came forward. Mayor Newton asked Mr. Castillo if he could speak to the parking.

Mr. Castillo stated on the original PUD, CCA expected to be a larger facility at build out, but since that time, the Board of Trustees have focused on educational opportunity, thus the size of the school and parking required has been reduced.

Mr. Castillo stated CCA has hosted some events which would require parking on the same magnitude of a football game without incidence and CCA will always want to be a good resident of Colleyville.

Mayor Newton asked Mr. Castillo what the reduction in student population was originally compared to today. Mr. Castillo stated originally 855 was targeted and this is now reduced to 750.

Mayor Newton asked Mr. Castillo if he knew how many parking spaces had been removed from the original PUD and plan. Mr. Castillo stated he does not have the net number. Mayor Newton estimated 200 spaces had been removed.

Mayor Pro Tem Lindamood advised it appears 51 parking spaces have been added, eight of which are for buses.

Mayor Newton opened the public hearing at 9:29 p.m.

Brooks Lynn, attorney, 710 Centerpark, Suite 140, on behalf of CCA, spoke in support of this item.

Rusty Beam, 4702 Mill Crossing W, spoke in support of this item.

Jim Hurliburt, 1002 Rodeo Drive, spoke in support of this item on behalf of the Saddlebrook residents.

Kathy Handley, 204 North Timberline, spoke in support of this item.

The following citizens did not wish to speak, but wanted the record to reflect support of this item.

Myrandi Ballesteros, 802 Bridge Street, North Richland Hills; Susan Cook, 833 Shadylake Drive, Bedford; Shannon Caraway, 1907 Caspian Lane; Steve and Becca Turner, 444 Hillview Drive, Hurst; Kelly Wofford, 3633 Spring Grove Drive, Bedford; Tami Hannainan, 1909 Camden Court, Don Perfect, 1909 Camden Court, Jeff Williamson, 5509 Janet Lane, Adam Harwell, 909 Harwood Terrace, Bedford; Laura Hurlburt, 1002 Rodeo Drive.

There were no others wishing to speak and Mayor Newton closed the public hearing at 9:37 p.m.

Mayor Pro Tem Lindamood stated he agreed with Councilmember Taylor's assessment that CCA is an asset to the community.

Mayor Newton asked Cynthia Ramsey, 603 Summertree Court to come forward with her questions. Mrs. Ramsey stated she had questions regarding the lighting

and how it would affect the residents of Saddlebrook, and asked how the noise is going to be monitored, and how CCA will be held accountable.

Mayor Newton asked City Manager Jerry Ducay to explain the lighting inspection and requirements. City Manager Ducay explained the photometric study and stated the lighting must be installed as stated and will be inspected as such. City Manager Ducay further explained the City's noise ordinance will be enforced, just as all other regulations are.

Mrs. Ramsey asked if the parking has been clearly defined. City Manager Ducay stated the code for parking has been accommodated.

Councilmember Coplen stated she thinks this is a good plan and praised CCA on their exceptional curriculum.

Councilmember Taylor made a motion to approve Resolution R-18-4259, Councilmember Coplen seconded the motion.

The motion to approve carried with the following vote:

Aye: 7 – Mayor Richard Newton, Mayor Pro Tem Bobby Lindamood and Councilmembers Tammy Nakamura, Kathy Wheat, George Dodson, Nancy Coplen and Mike Taylor

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

Bill Porter, 2506 Loss spoke in support of the Kimzey Pond dredging project.

Kathy Hadley, 204 Timberline North, thanked CCA for all the good they do. She spoke regarding the pond on Glade Road, requesting more bushes be planted to enhance the area. She addressed wildflowers and grasses and mowing requirements and thanked the City Council for all they do.

Kathleen Hennessey, 5013 Stonebridge, gave a photo presentation of a cable appearing in the Whitten Cemetery and asked for the City's assistance in taking care of this issue.

Nancy Rogers, 1612 Cherry, spoke regarding the cable being installed in Whitten Cemetery. She asked if permits had been issued and stated she spoke with City inspectors today who were going to go out and investigate.

10. ACTION/RESOLUTION: DISCUSSION AND CONSIDERATION OF A RESOLUTION RATIFYING COUNCIL AGENDA ACTION FOR MAY 1, 2018 - READING AND PUBLIC HEARING - RESOLUTION R-18-4260

This resolution was not needed.

11. ADJOURNMENT

There being no further business before the City Council, Mayor Newton adjourned the City Council meeting at 10:01 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ ABSTENTIONS ON THIS THE 15TH DAY OF MAY 2018.

Minutes taken and prepared by:

*Christine Loven, TRMC
City Secretary*



City of Colleyville City Council Agenda Briefing

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

Agenda Number 6b

Agenda Date 05/15/2018

Number Resolution R-18-4263

Type Resolution

Department Finance

Title

Approval of a contract with Weaver and Tidwell, L.L.P. for auditing services for fiscal year ending September 30, 2018, in the amount of \$48,250 for the audit of 2018 financial statements and Comprehensive Annual Financial Report (CAFR) preparation and printing, \$5,000 for the single audit, and \$1,500 for reports related to bond sales, if applicable

Strategic Plan

- 1.1 Actively involve and engage stakeholders
- 1.4 Communicate thoroughly and strategically
- 2.4 Demonstrate stewardship of public resources
- 6.2 Establish a culture of mutual trust and respect

Explanation

Reading and Public Hearing

A Request for Proposal for audit services for Fiscal Year ending September 30, 2018, was received from the following firms:

- Pattillo, Brown & Hill, L.L.P.
- BKD, L.L.P.
- Weaver and Tidwell, L.L.P.
- Whitley Penn, L.L.P.
- R. Dale Dowell, CPA, P.C.
- Carr, Riggs & Ingram

The six responses were evaluated by the Finance Department Technical Committee and four firms were interviewed by the Audit Committee comprised of Mayor Pro Tem Bobby Lindamood, Councilmembers George Dodson and Kathy Wheat and Committee member Susan Mathisen. The following audit firms were interviewed on May 1, 2018:

- Pattillo, Brown & Hill, L.L.P.
- BKD, L.L.P.
- Weaver and Tidwell, L.L.P.
- Whitley Penn, L.L.P.

Based upon the proposal responses and interviews, it is recommended the audit contract be awarded to Weaver and Tidwell, L.L.P., for a term of five years (Fiscal Year 2018 through 2022), subject to the annual review and recommendation of the Audit Committee, the satisfactory negotiation of terms (including a price acceptable to both the City of Colleyville and Weaver and Tidwell, L.L.P.), the concurrence of the City Council, and the availability of appropriations.

The cost for the first year for the audit of 2018 financial statements and Comprehensive Annual Financial Report (CAFR) preparation and printing is \$48,250, \$5,000 for the single audit and \$1,500 for reports related to bond sales, if applicable. The maximum increase in cost shall not exceed 2.5% per year, as follows:

Fiscal Year	Audit & CAFR	Single Audit	Bond Reports
2018	\$48,250	\$5,000	\$1,500
2019	\$49,456	\$5,125	\$1,538
2020	\$50,693	\$5,253	\$1,576
2021	\$51,960	\$5,384	\$1,615
2022	\$53,259	\$5,519	\$1,656
TOTAL	\$253,618	\$26,281	\$7,885

A copy of Weaver and Tidwell, L.L.P.'s most recent peer review is included. They received a peer review rating of pass, which is the highest rating a firm can receive. The audit engagement letter for Fiscal Year 2018 is also included.

Ms. Jennifer Ripka, Senior Manager at Weaver and Tidwell, will be present to introduce herself and answer any questions.

Financial Impact

Funding for the annual audit is provided in the following budgets: General Fund (Finance), Utility Fund (Utility Billing), Drainage Utility Fund, Crime Control and Prevention District Fund, and Colleyville Economic Development Corporation Fund.

Recommendation

Approve

Attachments

1. Colleyville Final 2018 Engagement Letter
2. Weaver Peer Review

Colleyville Final 2018 Engagement Letter



May 4, 2018

To the Honorable Mayor and Members of the
City Council and the City Manager
City of Colleyville, Texas
100 Main Street
Colleyville, Texas 76034

You have requested that we audit the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Colleyville, Texas (the City), as of September 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. In addition, we will audit the City's compliance over major federal award programs for the period ended September 30, 2018. If required, we are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that management's discussion and analysis and budgetary comparison information, among other items, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedules
3. Schedule of Changes in Net Pension Liability and Related Ratios
4. Schedule of Pension Contributions

Supplementary information other than RSI will accompany the City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

1. Combining and Individual Fund Statements and Schedules
2. Schedule of Expenditures of Federal Awards

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

1. Introductory Section
2. Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material aspects, in conformity with U.S. GAAP and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements as a whole. The objective also includes reporting on internal control related to the basic financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the basic financial statements in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States of America (GAGAS); and internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add emphasis-of-matter, or other-matter paragraphs. If our opinions on the basic financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

Auditor Responsibilities

We will conduct our audit in accordance with U.S. GAAS), the standards applicable to financial audits contained in GAGAS; and the provisions of the Uniform Guidance. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of assets, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we may request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and GAGAS.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In making our risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants that could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit, and accordingly, we will not express such an opinion.

Our audit of the City's major federal award program(s) compliance, is required, will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the City has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the City's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
- c. For safeguarding assets;
- d. For identifying all federal awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014;
- e. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
- f. For the design, implementation, and maintenance of internal control over compliance;
- g. For identifying and ensuring that the City complies with laws, regulations, grants, and contracts applicable to its activities and its federal award programs;
- h. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
- i. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
- j. For submitting the reporting package and data collection form to the appropriate parties;
- k. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;
- l. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit; and
 - iii. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.
- m. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the City's auditor;
- n. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current [year period(s)] under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole;
- o. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter;
- p. With respect to any nonaudit/nonattest services we perform, for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience, preferably within senior management, to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls,

including monitoring ongoing activities. These nonaudit/nonattest services do not constitute an audit under GAGAS and such services will not be conducted in accordance with GAGAS.

- q. With regard to the supplementary information referred to above: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

GAGAS require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a nonaudit/nonattest service.

During the course of our engagement, we will request information and explanations from management regarding the City's operations, internal controls, future plans, specific transactions and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The City agrees that as a condition of our engagement to perform an audit that management will, to the best of its knowledge and belief, be truthful, accurate and complete in all representations made to us during the course of the audit and in the written representation letter. The procedures we perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. False or misleading representations could cause us to expend unnecessary efforts in the audit; or, worse, could cause a material error or a fraud to go undetected by our procedures.

Reporting

We will issue a written report upon completion of our audit of the City's basic financial statements. Our report will be addressed to the governing body of the Organization.

In accordance with the requirements of GAGAS, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the City's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Engagement Fees

We estimate that the fee for our audit of the financial statements will be \$48,250 and the single audit will be \$5,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Our fee is based upon the complexity of the work to be performed and the tasks required. Payments are due in compliance with the Texas Local Government Code.

Other

In the unlikely event that circumstances occur which we in our sole discretion believe could create a conflict with either the ethical standards of our firm or the ethical standards of our profession in continuing our engagement, we may suspend our services until a satisfactory resolution can be achieved or we may resign from the engagement. We will notify you of such conflict as soon as practicable, and will discuss with you any possible means of resolving them prior to suspending our services.

The hiring of or potential employment discussions with any of our personnel could impair our independence. Accordingly, you agree to inform the engagement partner prior to any such potential employment discussions taking place.

Both of us agree that any dispute between you and Weaver and Tidwell, L.L.P., arising from the engagement, this agreement, or the breach of it, may, if negotiations and other discussion fail be first submitted to mediation in accordance with the provisions of the Commercial Mediation Rules of the American Arbitration Association (AAA) then in effect. Both of us agree to conduct any mediation in good faith and make reasonable efforts to resolve any dispute by mediation. We agree to conduct the mediation in Dallas, Texas or another mutually agreed upon location. The prevailing party in any litigation shall be entitled to recover from the other party court costs and reasonable attorneys' and expert witness fees incurred in the litigation in addition to any other relief that may be awarded.

If any term of this engagement letter is declared illegal, unenforceable, or unconscionable, that term shall be severed and the remaining terms of the engagement letter shall remain in force. Both of us agree that the Court should modify any term declared to be illegal, unenforceable, or unconscionable in a manner that will retain the intended term as closely as possible. If a dispute arising from the engagement or from this agreement or any term of it or any alleged breach of it is submitted to a Court for interpretation or adjudication, both of us irrevocably waive right to trial by jury and agree that the provisions of this engagement letter regarding damages, attorneys' fees, and expenses shall be applied and enforced by the Court.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Mr. Jerry Gaither is the engagement partner for the audit services specified in this letter. His responsibilities include supervising our services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

City of Colleyville, Texas
May 4, 2018

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The audit documentation for this engagement is the property of Weaver and Tidwell, L.L.P. and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Weaver and Tidwell, L.L.P.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

It is expected that prior to the conclusion of the engagement, sections of the Data Collection Form will be completed by our firm. The sections that we will complete summarize our audit findings by federal grant or contract. Management is responsible to submit the reporting package (defined as including basic financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. The instructions to the Data Collection Form require that the reporting package be an unlocked, unencrypted, text searchable portable document file (PDF) or else it will be rejected by the Federal Audit Clearinghouse. We will be available to assist management in creating the PDF if needed.

We will coordinate with you the electronic submission and certification upon the reporting package completion. If applicable, we will provide copies of our report for you to include with the reporting package if there is a need to submit the package to pass-through entities.

The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of our reports or nine months after the end of the audit period.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

In accordance with the requirements of GAGAS, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Weaver and Tidwell, L.L.P.
WEAVER AND TIDWELL, L.L.P.

JLG:rel

City of Colleyville, Texas
May 4, 2018

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RESPONSE:

This letter correctly sets forth the understanding.

Acknowledged and agreed on behalf of City of Colleyville, Texas by:

Signature:_____

Title:_____

Date:_____



System Review Report

To the Partners of Weaver and Tidwell, L.L.P.
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. (the “firm”) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Weaver and Tidwell, L.L.P. applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Weaver and Tidwell, L.L.P. has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Eide Bailly LLP
October 7, 2016



System Review Report

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A handwritten signature in black ink that reads "Eide Bailly LLP".

Eide Bailly LLP
October 7, 2016



City of Colleyville City Council Agenda Briefing

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

Agenda Number 6c

Agenda Date 05/15/2018

Number Resolution R-18-4263

Type Resolution

Department Finance

Title

Approval to participate in the Texas Local Government Investment Pool (TexPool) and assigning authorized signers

Strategic Plan

2.4 Demonstrate stewardship of public resources

Explanation

Reading and Public Hearing

The Public Funds Investment Act (PFIA) and the City's investment policy include, as a permissible option, participation in local government investment pools that comply with the requirements of the PFIA. At this time, the only local government investment pool the City participates in is the Local Government Investment Cooperative (LOGIC). The majority of LOGIC's portfolio is commercial paper (more than 97% as of March 31, 2018).

In order to diversify the City's investments while maintaining liquidity and return on capital, staff recommends participating in the Texas Local Government Investment Pool (TexPool).

TexPool has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the PFIA, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts (the "Comptroller") is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the "Trust Company"), which is authorized to operate the TexPool Portfolios.

TexPool offers participation in the oldest and largest local government investment pool in the state of Texas. The pool seeks to preserve principal, liquidity, and yield of capital investment consistent with the Texas PFIA.

TexPool invests conservatively in U.S. government securities, repurchase agreements, and AAA-rated money market mutual funds to provide a safe, efficient and liquid investment option. Unlike LOGIC, TexPool does not invest in commercial paper.

TexPool is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve.

Mr. Jerry Landrum, Senior Vice President, at TexPool Participant Services, will be present to talk about TexPool and answer council's questions.

The intent to participate in TexPool was presented to the Audit Committee on May 1, 2018. Staff recommends approval to participate in TexPool, to provide the City with new investment options emphasizing liquidity and safety, and appointing the City Manager, the Chief Financial Officer, and the Accounting Manager as participant service representatives and authorized signers.

Financial Impact

Participation will diversify the City's investments, while reserving principal and maintaining liquidity and yield on capital.

Recommendation

Approve

Attachments

1. TexPool Information Statement
2. TexPool Investment Policy
3. Participation agreement
4. Banking Information
5. Texpool Resolution



TexPool Information Statement

Texas Local Government
Investment Pool

October 2013

Table of Contents

I.	Organization and Structure.....	2
II.	Public Funds Investment Act Disclosure Items.....	2
III.	Understanding Risks Associated with Investing in TexPool...	5
IV.	Administration of TexPool.....	6
V.	Participation in TexPool.....	8
VI.	Summary of Operating Procedures.....	9

No person or entity has been authorized to give any information, or to make any representations other than those contained in this Information Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Texas Treasury Safekeeping Trust Company, the Texas Comptroller of Public Accounts, or Federated Investors, Inc. The attachments included herein are part of this Information Statement. The information contained in this document is subject to change without notice.

If you have any questions regarding this material, please contact:

TexPool Participant Services
C/O Federated Investors, Inc.
Attn: Office Manager
1001 Texas Avenue, Suite 1400
Houston, Texas 77002

1-866-839-7665 (1-866-TEXPOOL)

I. Organization and Structure

The Texas Local Government Investment Pools (the “TexPool Portfolios”) have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments.

The Comptroller of Public Accounts (the “Comptroller”) is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company (the “Trust Company”), which is authorized to operate the TexPool Portfolios. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool Portfolios are provided by Federated Investors, Inc. (“Federated”), under an agreement with the Comptroller, acting on behalf of the Trust Company. The TexPool Portfolios are comprised of two investment alternatives: TexPool and TexPool Prime. This Information Statement relates only to TexPool. TexPool may invest in obligations of the United States Government or its agencies and instrumentalities, and repurchase agreements.

The Comptroller maintains oversight of the services provided to the TexPool Portfolios by Federated. In addition, the TexPool Advisory Board advises on the Investment Policies for the TexPool Portfolios and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios.

II. Public Funds Investment Act Disclosure Items

The Public Funds Investment Act requires investment pools to provide an information statement to the investment officer or other authorized representative of an investing entity. This section provides the specific information items required by Section 2256.016 of the Public Funds Investment Act as it relates to an investment in TexPool.

1. **Types of Investments Authorized for TexPool.** The investment policies and composition guidelines for TexPool are summarized below. Although the Public Funds Investment Act permits investment in a variety of investment types, the TexPool Investment Policy restricts investment to the following investments:

Authorized Investments:

- A. Obligations of the United States Government or its agencies and instrumentalities with a maximum final maturity of 397 days for fixed rate securities and 24 months for variable rate notes.
- B. Fully collateralized repurchase agreements or reverse repurchase agreements (i) with defined termination dates, (ii) secured by obligations of the United States, its agencies or its instrumentalities, including mortgage-backed securities, (iii) that require purchased securities to be pledged to the investing entity or a third party, and (iv) that are placed through primary government securities dealers or a financial institution doing business

in the State of Texas. The maximum maturity on repurchase agreements may not exceed 90 days unless the repurchase agreements have a put provision that enables TexPool to liquidate the agreement at par with no more than seven days' notice to the counterparty. The maximum maturity on repurchase agreements may not exceed 181 days.

- C. No-load money market mutual funds that (i) are registered with and regulated by the Securities and Exchange Commission, (ii) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (iii) maintain a dollar weighted average stated maturity of 90 days or less, (iv) include in their investment objectives the maintenance of a stable net asset value of \$1.00, and (v) are rated AAA or equivalent by at least one nationally recognized statistical rating organization ("NRSRO").
- F. Securities lending programs that comply with various limitations.

Prohibited Investments:

- A. TexPool *will not* invest in derivatives. The definition of derivatives includes instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer or are not correlated on a one-on-one basis to the associated index or market.
- A. TexPool *will not* invest in commercial paper or certificates of deposit.

Diversification Guidelines:

Specific portfolio diversification limitations govern the TexPool portfolio:

- A. 100% of the portfolio may be invested in obligations of the United States.
 - B. 100% of the portfolio may be invested in direct repurchase agreements.
 - C. Reverse repurchase agreements may be used within a limitation of up to one-third (1/3) of total portfolio assets.
 - D. No more than 15% of the portfolio may be invested in approved money market mutual funds.
2. **Maximum Average Dollar-Weighted Maturity.** The weighted average maturity of TexPool cannot exceed 60 days calculated using the reset date for variable rate notes and 90 days calculated using the final maturity date for variable rate notes.
 3. **Maximum Stated Maturity Date.** The maximum maturity for any individual security in the portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.

4. **Objectives of TexPool.** The primary objectives of TexPool are preservation and safety of principal; liquidity; and yield. There is no sales charge and no investment minimum. TexPool will invest only in investments that are authorized under both the Public Funds Investment Act and the TexPool Investment Policy. See Item 1 of this section for a description of authorized TexPool investments.
5. **Size of the Pool.** The current size of TexPool is provided in TexPool's monthly newsletter to Participants or by calling TexPool Participant Services at 1-866-839-7665. A copy of the most recent newsletter, which contains the historical average monthly balance, should be obtained in connection with this Information Statement.
6. **TexPool Advisory Board.** Section 2256.016(g)(1) of the Public Funds Investment Act requires TexPool to establish and maintain an advisory board composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios. The TexPool Advisory Board advises on TexPool's Investment Policy and approves any fee increases. The TexPool Advisory Board members serve at the will of the Comptroller. A current list of the TexPool Advisory Board members is included in the TexPool newsletter, which is mailed monthly to each participant and is also posted on the TexPool website, www.texpool.com, under the Newsletter link.
7. **Custodian for TexPool.** State Street Bank serves as custodian to TexPool.
8. **Net Asset Value.** TexPool seeks to maintain a net asset value of \$1.00 and is designed to be used for investment of funds which may be needed at any time.
9. **Source of Payment.** The only source of payment to Participants is the assets of TexPool. There is no secondary source of payment for TexPool, such as insurance or guarantees.
10. **Independent Auditor.** TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. KPMG Peat Marwick, 111 Congress Avenue, Suite 1100, Austin, Texas 78701, performed TexPool audits for each year beginning with the accounting periods September 1, 2002 through August 31, 2004. The Trust Company engaged Sprouse & Anderson, LLP, 515 Congress Avenue, Suite 1212, Austin, Texas 78701, on August 24, 2005 to perform auditing services for the fiscal year beginning September 1, 2004 through the accounting period ending August 31, 2007. Beginning in the audit period September 1, 2007 through each twelve-month period ending August 31, 2013, Padgett Stratemann & Co., LLP, 811 Barton Springs Road, Suite 550, Austin, Texas 78704 performed auditing services. In addition, TexPool is subject to review by the State Auditor's Office and by the internal auditors of the Trust Company and Comptroller's Office.
11. **Operating Procedures.** Deposits and withdrawals may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. The requirements for TexPool deposits and withdrawals, deadlines, and other operating procedures are summarized under the section entitled "Summary of Operating Procedures" later in this Information Statement.

12. **Performance History.** The performance history, including yield, weighted average maturity, expense ratios and average balance is provided on a monthly basis on the TexPool website, www.texpool.com, under the Rate Information link and in the monthly TexPool newsletter which is mailed to each participant and posted on the website under the Newsletters link.

III. Understanding the Risks Associated with Investing in TexPool

Before making an investment decision, each participant should consider two types of risks in determining whether any investment, including TexPool, is appropriate: credit risk and market risk.

Credit Risk. Credit risk is the possibility that an issuer will default on a security by failing to pay interest or principal when due. If an issuer defaults, TexPool will lose money. TexPool tries to minimize this risk by purchasing high quality securities.

Many fixed income securities receive credit ratings from NRSROs such as Standard & Poor's and Moody's Investors Service. These NRSROs assign ratings to securities by assessing the likelihood of issuer default. Lower credit ratings correspond to higher perceived credit risk and higher credit ratings correspond to lower perceived credit risk.

Credit risk includes the possibility that a party to a transaction involving TexPool will fail to meet its obligations. This could cause TexPool to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategy.

Market Risk. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the prices of other securities rise or remain unchanged.

Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. TexPool tries to minimize this risk by purchasing short-term securities and maintaining a weighted average portfolio maturity of sixty (60) days or less.

IV. Administration of TexPool

By executing the Participation Agreement, the Participant has delegated the authority to the Comptroller, or the comptroller's designee, to hold legal title as custodian and to make investments purchased with the Participant's funds deposited in TexPool. The Participation Agreement permits the Trust Company to enter into an agreement with a third party investment manager to perform its obligations and services under the Participation Agreement with provision that TexPool be managed according to the requirements of the Public Funds Investment Act, the TexPool Investment Policy, and in a manner consistent with that directed by the Trust Company.

The Trust Company has signed an agreement with Federated to provide required services to the TexPool Portfolios. The agreement terminates August 31, 2015. The Trust Company has the right, in its sole discretion, to renew the agreement for three additional one-year periods to August 31, 2018.

The Comptroller maintains control of TexPool through a series of daily, weekly, and monthly reporting requirements. Federated serves as investment manager and provides portfolio accounting, custodial, transfer agency, marketing and participant services to TexPool.

- **Investment Management.** The Comptroller will provide Federated, TexPool's Investment Manager, with a list of primary dealers and brokers authorized to provide investment services. All dealers and brokers who desire to become qualified bidders for investment transactions must supply to the Trust Company a completed broker/dealer questionnaire, proof of registration with the Texas State Securities Board, proof of National Association of Securities Dealers (NASD) certification, audited financial statements, and written acknowledgment that the entity has read the TexPool Investment Policy and has reasonable procedures and controls to preclude imprudent investment activities arising out of investment transactions conducted between the entity and TexPool. Federated will review the financial condition of brokers and dealers with whom it executes investment transactions.
- **Ratings.** To comply with Section 2256.016(h) of the Public Funds Investment Act, TexPool will maintain a AAA or equivalent rating from at least one NRSRO.

TexPool is currently rated AAAM by Standard and Poor's. An explanation of the significance of such rating may be obtained from Standard & Poor's at 1221 Avenue of the Americas, New York, New York 10020.

- **Calculation of Yields and Net Asset Value.** Each day, TexPool determines the net interest income for that day. The net interest income is determined by adjusting TexPool's accrued interest for that day by the amortization of any premiums and/or the accretion of any discounts, daily service fee, and any gains or losses from the sale of securities. TexPool's daily interest rate will be determined by dividing the net interest income for that day by the total investable balance of TexPool for that day. The resulting rate will then be used to determine the amount of interest income to distribute to each Participant's account. Interest income accrued during the month is credited to each Participant's account at the end of the month and is reinvested unless the Participant provides for its withdrawal or transfer.

- **Valuation of TexPool Assets.** All investments are stated at amortized cost, which in most cases approximates the market value of the securities. The objective of TexPool is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas. All TexPool securities will be marked to market daily. If the ratio of the market value of TexPool's portfolio securities divided by the book value of such securities is less than 0.995 or greater than 1.005, TexPool will sell portfolio securities, as required, to maintain the ratio between 0.995 and 1.005. All gains or losses from the sale of securities will be distributed among TexPool Participants over a period of up to thirty (30) days from the date of which the gain or loss is realized.
- **Ethics and Conflicts of Interest.** The Comptroller requires Federated and its staff that are involved with making investment decisions for or executing trades on behalf of TexPool to disclose any personal or business relationship with a broker/dealer seeking to sell investments to TexPool. These employees are also required to refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Federated's Compliance Officer is required to file a quarterly statement with the Trust Company evidencing compliance with foregoing matters by Federated and its employees.
- **Fees and Expenses.** The TexPool service fee is 4.73 basis points annually, calculated daily on the TexPool balance. The TexPool fee is deducted from the gross interest earned. There is no direct reduction to the Participant's account; thus only the net income is credited to the Participant's account. All TexPool rates are quoted net of fees. There are no hidden costs or additional reductions to Participants' accounts. Under the current contract with Federated, the fee may not be raised for the duration of the contract. The contract's initial term ends August 31, 2015, and it is renewable annually each August 31st for three additional years to August 31, 2018.
- **Liability.** Any liability of the Comptroller, the Comptroller's Office, the Trust Company, representatives or agents or the Trust Company, any Comptroller or Trust Company employee, or any member of the Board for any loss, damage or claim, including losses from investments and transfers, to the Participant shall be limited to the full extent allowed by applicable laws. The Trust Company's responsibilities under the Participation Agreement are limited to the management and investment of TexPool and the providing of reports and information required.

V. Participating in TexPool

Participation in TexPool is limited to those eligible governmental entities that have executed a Participation Agreement with the Comptroller. Participants' assets in TexPool are represented by units. Assets in TexPool will be invested in accordance with such investment objectives, limitations, and other policies established by the Comptroller. The TexPool Investment Policy is summarized in the Information Statement. A complete copy of the Investment Policy may be obtained from TexPool Participant Services.

- **Eligibility to Invest.** Each governing body of a local government or a state agency subject to the Public Funds Investment Act may approve by resolution execution of a Participation Agreement, consistent with the provisions of the entity's approved investment policy.
- **Establishment of Accounts.** To open an initial TexPool account, the Participant must execute the Participation Agreement and provide a Resolution authorizing participation in TexPool and follow the procedures for designating "Authorized Participant Representatives" on TexPool Portfolios. Designated Authorized Participant Representatives are authorized to transfer funds for investment in the TexPool Portfolios and are further authorized to withdraw funds from time to time, to issue letters of instructions, and take all other actions deemed necessary or appropriate for the investment of local funds. A Participant must also provide a separate Bank Information Sheet for each account signed by two Authorized Participant Representatives. The Operating Procedures describe in detail the procedures required for the establishment of accounts, deposits to and withdrawals from TexPool, and related information. A copy of the Operating Procedures may be obtained from TexPool Participant Services or through the TexPool website @ www.texpool.com
- **Amendments.** The Trust Company shall advise the Participant in writing of any amendments to the Participation Agreement no less than 45 days prior to the effective date of such amendment. The Participant may ratify the proposed amendment of the Agreement by letter to the Trust Company. In the event the Participant elects not to ratify the amendment, the Participant may terminate the Agreement in accordance with the applicable Agreement provision. In the event the Participant fails to respond in writing to a notice of amendment prior to the effective date of such amendment, the Agreement shall be deemed amended.

The Operating Procedures may be periodically revised from time to time as necessary for the efficient operation of TexPool. Transactions subsequent to the effective date of a revision in Operating Procedures should be conducted according to the revised procedure.

VI. Summary of Operating Procedures

Deposits and withdrawals to TexPool may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. Excerpts from the current operating procedures are provided below.

- **Wire Transfers.** Wire transfer transactions will be executed on the same day as initiated. TexPool Participant Services must be notified by 4:00 p.m. (Central Time) for all wire transfer activity. Outgoing wire transfers from TexPool will be sent through the FED by the close of business (5:00 p.m. CST). Wire transfer deposits will not be accepted into TexPool after the trade cutoff.
- **Automated Clearing House (“ACH”) Transfers.** ACH transactions will be executed on the business day following the date the transaction was initiated. TexPool must be notified by 3:30 p.m. (Central Time) for all ACH transfer activity one day prior to the actual settlement of the funds. ACH transfer withdrawals are sent in accordance with the prearranged information as provided on the Bank Information Sheet corresponding to that specific TexPool account. In the event of an ACH rejection, TexPool will contact the Participant to confirm the rejection. TexPool will credit/debit the Participant’s account accordingly including any interest earned from the date of the ACH rejection.
- **Methods of Notification** to TexPool of wire transfer or ACH activity:
 - a. TexConnect Voice Response Unit (VRU) touch-tone telephone system;
 - b. TexConnect Online;
 - c. Edgenet online access system; or
 - d. Verbal notification (on a recorded phone line) to a TexPool Participant Services representative. Participant’s TexConnect PIN number must be provided at the point of call. A confirmation for each transaction is generated daily and mailed to the Participant the following business day, provided it is not a bank holiday.
- **Reports.** Participants will be mailed a monthly statement within the first five (5) business days of the succeeding month. The monthly statement will include a detailed listing of the balance in the Participant’s accounts as of the date of the statement; all account activity, including deposits and withdrawals; and any special fees and expenses charged. Additionally, copies of the Participant’s reports in physical or electronic form will be maintained for a minimum of three prior fiscal years. A complete copy of the TexPool Operating Procedures may be obtained by contacting TexPool Participant Services or through the TexPool website @ www.texpool.com.



TexPool Investment Policy

Texas Local Government
Investment Pool

Revised August 2016

I. PURPOSE AND OBJECTIVES STATEMENT

A. TEXPOOL

The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code (the “Act”), provide for the creation of public funds investment pools through which political subdivisions and other entities may invest public funds.

TexPool will use amortized cost to value portfolio assets and follow the criteria established by Governmental Accounting Standards Board (“GASB”) Statement No. 79 for use of amortized cost. This Investment Policy shall be interpreted and applied in a manner consistent with GASB guidance on external investment pools that use amortized cost to value all portfolio assets.

Pursuant to subchapter G of chapter 404, the Comptroller of Public Accounts (the “Comptroller”) administers the Texas Local Government Investment Pools (the “TexPool Portfolios”) as public funds investment pools through the Texas Treasury Safekeeping Trust Company (the “Trust Company”). The Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller is the sole officer, director, and shareholder of the Trust Company.

The Comptroller and the Trust Company have contracted with an administrator and investment manager (“Investment Manager”) for the TexPool Portfolios. The TexPool Portfolios comprise two investment alternatives: TexPool and TexPool Prime. This Investment Policy relates only to TexPool. TexPool invests in U.S. Treasury and government agency securities, repurchase agreements, and certain mutual funds.

In accordance with the Act, the Comptroller has appointed the TexPool Investment Advisory Board (the “Board”) to advise with respect to TexPool. The Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios and are qualified to advise the TexPool Portfolios.

B. PURPOSE

The purpose of TexPool is to offer a safe, efficient, and liquid investment alternative to local governments in the State of Texas. The expectation is that local governments will benefit from the receipt of higher investment returns as a result of economies of scale and the investment expertise and management oversight of the Comptroller and the Trust Company. Investments are made in accordance with this investment policy (the “TexPool Investment Policy”) established by the Trust Company and approved by the Comptroller. The TexPool Investment Policy’s investment parameters are more conservative than those contained in the Act. The TexPool Investment Policy is reviewed annually and revised as necessary.

C. OBJECTIVES

As required by the Act, the investment objectives of TexPool in order of priority are:

- preservation and safety of principal;
- liquidity; and
- yield

TexPool's additional objective is to maintain a stable \$1.00 price per unit. In accordance with the Act, TexPool securities are marked to market daily, and if the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, TexPool will take any appropriate action necessary to maintain the ratio between 0.995 and 1.005. However, the \$1.00 price is not guaranteed or insured by the State of Texas.

D. STANDARD OF CARE

As also required by the Act, TexPool investments are made subject to the "prudent person" standard of care. Accordingly, the Investment Manager must make investment decisions:

"with [the] judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived."

E. STRATEGIES

1. Portfolio Composition

The TexPool portfolio is designed and managed to ensure that it maintains its AAAM rating (or the equivalent) by a nationally recognized statistical rating organization ("NRSRO").

The following guidelines shall be followed by the Investment Manager to maintain the portfolio maturity consistent with a stable net asset value per share:

- The maximum remaining maturity of any security or other investment acquired for the portfolio shall be 397 calendar days or less.
- The portfolio should maintain a weighted average maturity of 60 days or less.
- The portfolio should maintain a weighted average life of 120 days or less.

Maturity limits are applied as defined in GASB 79.

A cure period of not more than 10 business days shall be permitted in the event that the weighted average maturity of the portfolio exceeds these limits, consistent with NRSRO guidelines.

2. Risk Management

Principal is protected and market and credit risks minimized by investing in a diversified pool of assets of high credit quality. Actual risks are minimized by adequate collateralization and use of delivery versus payment procedures.

The following procedure shall be followed by the Investment Manager to monitor investment rating changes:

- Perform ongoing monitoring of the credit risks of all securities.
- Create and update, as necessary, an approved list of issuers and securities.
- Maintain the approved list in the Investment Manager's trading and compliance system and utilize the system to monitor the credit risk on a pre-trade compliance basis.

- Note any changes in the rating of a security and determine whether such change is in compliance with the Act.
- If an investment is downgraded such that it is not in compliance with the Act, liquidate the security as required by the Act.

3. Liquidity

Cash needs and cash expectations take priority in the design and structure of TexPool. Income and expenditure history are developed and continuously updated to determine the liquidity needs of TexPool. Reports of anticipated cash flow needs are used to develop the maturity structure of the portfolio to provide liquidity to all participants. To meet the anticipated liquidity needs, TexPool is invested to ensure sufficient distribution of investments in liquid, short-term instruments. The maturities of the investments are distributed such that there is a continuing stream of securities maturing at frequent intervals.

4. Returns

After consideration of safety and liquidity, TexPool assets are invested with the goal of achieving a competitive rate of return that meets or exceeds the yield on money market mutual funds with similar investment authority. TexPool is structured to benefit from anticipated market conditions and to achieve a reasonable return.

F. DISTRIBUTION OF GAINS AND LOSSES

All gains or losses from the sale of securities are distributed among TexPool participants, and will be amortized over the remaining term to maturity of the liquidated securities.

II. AUTHORIZED INVESTMENTS

The Act governs the investment of TexPool. The Act sets out a number of authorized investments. TexPool funds may be invested only in the following authorized investments:

A. GOVERNMENT SECURITIES (section 2256.009(a)(1) of the Act)

1. Statutory Requirements

Obligations of the United States, its agencies, or instrumentalities **EXCLUDING** the following:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

2. Policy Guidelines

Portfolio Composition: Up to 100% of TexPool assets may be invested in government obligations of the United States, its agencies, or instrumentalities. However, no more than 60% of the portfolio may be invested in variable rate notes.

Maturity Limits: The maximum final stated maturity of a security may not exceed 397 days, other than for floating or variable rate government obligations of the United States, its agencies, or instrumentalities.

B. REPURCHASE AGREEMENTS (section 2256.011 of the Act)

1. Statutory Requirements

Fully collateralized repurchase agreements or reverse repurchase agreements (i) with defined termination dates, (ii) secured by obligations of the United States, its agencies, or its instrumentalities, including certain mortgage-backed securities, (iii) that require purchased securities to be pledged to the investing entity, in the entity's name, and deposited at the time of investment with the investing entity or a third party, and (iv) that are placed through primary government securities dealers, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.

The term of a reverse repurchase agreement may not exceed 90 days after the date of delivery. Money received under a reverse repurchase agreement may be used to acquire additional authorized investments provided such investments mature not later than the expiration date stated in the reverse repurchase agreement.

2. Policy Guidelines

a. Repurchase Agreements

Portfolio Composition:

Direct Repurchase Agreements: Up to 100% of TexPool assets may be invested in repurchase agreements.

Term Repurchase Agreements: A term repurchase agreement refers to any repurchase agreement with more than 7 calendar days remaining to maturity or more than 7 calendar days to the next put option that allows TexPool to liquidate the position at par (principal plus accrued interest.)

Maturity Limits: The maximum final maturity on repurchase agreements may not exceed 365 days. For purposes of calculating the weighted average maturity of the portfolio, the maturity date of a term repurchase agreement will be equal to the put option notice period.

Margin Requirement: Collateral must be equal to at least 102% of the total market value of the repurchase agreement, including accrued interest.

b. Reverse Repurchase Agreements

Portfolio Composition:

TexPool may enter into reverse repurchase agreements for up to one third (1/3) of the value of TexPool assets.

c. Repurchase Agreements and Reverse Repurchase Agreements

Documentation: All repurchase transactions are governed by a Bond Market Association (BMA) or Securities Industry and Financial Markets Association (SIFMA) approved Master Repurchase Agreement and Master Reverse Repurchase Agreement.

Custody: If collateral is to be held by a third party, the third party must have been previously approved by the Trust Company or the Investment Manager.

C. MONEY MARKET MUTUAL FUNDS (section 2256.014 of the Act)

1. Statutory Requirements

No-load money market mutual fund that (i) is registered with and regulated by the Securities and Exchange Commission, (ii) provides a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (iii) is a permissible investment, and (iv) includes in its investment objectives the maintenance of a stable net asset value of \$1.00 for each share.

2. Policy Guidelines

Portfolio Composition: TexPool assets may be invested in approved money market mutual funds. The Investment Manager may utilize affiliated money market funds for this purpose provided the Investment Manager waives its management fee equal to the relevant affiliated fund's net management fee, and provides an annual accounting of such waivers to the Trust Company.

Concentration Limits: No more than 10% of the TexPool assets may be invested in a single money market fund.

Rating: The money market mutual fund must be rated AAA or its equivalent by at least one NRSRO.

D. SECURITIES LENDING (section 2256.0115 of the Act)

1. Statutory Requirements

TexPool may engage in a securities lending program that complies with the following:

- a. the value of the securities loaned, including accrued interest, must be fully collateralized by:
 - (i) government securities,
 - (ii) irrevocable letters of credit issued by a bank organized under U.S. or state law and continuously rated at least A or its equivalent by at least one NRSRO, or
 - (iii) cash invested in government securities, commercial paper, mutual funds, or investment pools authorized by the Act;
- b. the loan must be terminable at any time;
- c. the loan terms must require that the collateral be pledged to the investing entity, held in its name, and deposited with the investing entity or a third party selected and approved by the investing entity;
- d. the loan must be placed through primary dealers or financial institutions doing business in the state; and
- e. the loan agreement must have a term of one year or less.

2. Policy Guidelines

Cash received under securities lending agreements must be used to acquire obligations authorized under this investment policy, provided that the average life of the obligations cannot exceed the average life of the securities lending agreements.

III. PROHIBITED INVESTMENTS

A. STATUTORY

As required by section 2256.009 of the Act, TexPool cannot invest in the following:

- Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

B. POLICY

1. Derivatives

TexPool will not invest in “derivatives.” For the purposes of this Investment Policy, “derivatives” means instruments with embedded features that alter their characteristics or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not directly correlated on a one-to-one basis to the associated index or market. Derivatives include, but are not limited to, the following:

- Arrangements in which an investor has swapped the natural cash flows or some portion of the natural cash flows of an instrument for a different set of cash flows. (*i.e.*, interest rate swaps).
- Over-the-counter/exchange traded options or futures (*i.e.*, option contracts, futures contracts).
- Collateralized mortgage obligations, inverse floating rate notes, range index notes, non-money market index based notes, dual index notes, index amortizing notes, inverse multi-index bonds, stepped inverse index bonds, inverse index bonds.

Securities that are **not** considered derivatives and that are authorized investments for TexPool include the following:

Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Strips, repurchase agreements, reverse repurchase agreements, U.S. agency notes with a defined maturity and fixed coupon rate, U.S. agency discount notes, money market index Treasury and agency variable rate notes (*i.e.*, floating rate notes tied to money market indices such as three and six month Treasury Bills; one, three, and six month London Interbank Offering Rate [LIBOR]; Fed Funds; one year Constant Maturity Treasury; prime rate; and Commercial paper composite); U.S. agency step-up notes and any authorized investment that is callable prior to its final maturity.

2. Commercial Paper

While an authorized investment under the Act, TexPool will not invest in commercial paper.

3. Certificates of Deposit

While an authorized investment under the Act, TexPool will not invest in certificates of deposit.

IV. ADMINISTRATIVE GUIDELINES

A. COMPETITIVE BIDDING

TexPool trades, purchases, and sales are done on a best execution basis through a documented competitive bidding process. The broker/dealers used for TexPool are those approved by the Comptroller and the Trust Company and in compliance with the Comptroller rules.

B. SAFEKEEPING

All eligible book-entry securities whether purchased outright or under repurchase agreements, are held in a separate custodial account at the Federal Reserve Bank in the name of the TexPool Portfolios or in an independent third party institution designated by the Investment Manager on behalf of the TexPool Portfolios. All securities not held in book entry form are held at an independent third-party institution designated by the Investment Manager on behalf of the TexPool Portfolios. Third party institutions must issue original safekeeping receipts to the Investment Manager.

C. AUTHORIZED PERSONNEL

The Investment Manager personnel authorized to buy and sell investment instruments, send and receive securities, and make fund transfers and other types of related investment transactions are directly supervised by senior investment management personnel in the Investment Manager's Investment Management Group.

D. DOCUMENTATION

Complete documentation and audit trails are maintained for all investment transactions.

E. MONITORING MARKET PRICE

State Street Bank and Trust, the custodian designated by the Investment Manager (the "Custodian") provides fund accounting services for TexPool and is responsible for marking-to-market the portfolio holdings of TexPool on a daily basis. The Custodian receives electronic transmissions from various pricing vendors in order to determine the individual market price of each security held in TexPool. These electronic transmissions are checked daily for current data and validity of information. The Custodian also performs a reasonability test to determine whether the prices received are within a set tolerance range. In the event that any of the prices fall outside of the range, then these prices are investigated against secondary pricing sources. As a further check, the Investment Manager also monitors the prices of securities held in TexPool, in order to independently determine reasonableness and validity.

The shadow price is the net asset value per share of TexPool, calculated using total investments measured at fair value at the calculation date. The Investment Manager calculates TexPool's shadow price at a minimum on a monthly basis. The monthly calculation of the shadow price should occur no earlier than five business days prior to and no later than the end of the month.

F. PARTICIPATION AGREEMENTS

Each participant must have a fully executed participation agreement on file with the Trust Company before participating in TexPool.

G. DEPOSIT AND WITHDRAWAL DEADLINES

See separate TexPool Operating Procedures for detailed deposit and withdrawal deadlines.

H. REPORTING AND DISCLOSURE

The Act requires that public fund investment pools provide basic information regarding the pool's investments and operations. The pool is to provide the investment officer, or other authorized representative of a participating entity, disclosure information in an Information Statement. The required disclosure items are listed in the Act. This information is provided to all participants. Further, to maintain eligibility to receive funds from and invest funds on behalf of the pool's participants, TexPool must furnish investment confirmations and a monthly report disclosing certain information. Finally, the Comptroller requires that TexPool be audited annually by an independent auditor.

I. AUTHORIZED DEALERS

The Comptroller maintains a list of approved dealers and brokers (collectively, "dealers") authorized to provide investment services. All dealers who desire to become qualified bidders for investment transactions for TexPool must be on the approved list. The Comptroller annually reviews the financial condition and registration of the qualified dealers and revises the approved list as needed.

J. ETHICS AND CONFLICT OF INTEREST

The Comptroller requires the Investment Manager and its staff that are involved with making investment decisions for or executing trades on behalf of TexPool to disclose any personal or business relationship with a broker/dealer seeking to sell investments to TexPool. These employees are also required to refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. The Investment Manager's Compliance Officer is required to file a quarterly statement with the Trust Company evidencing compliance with foregoing matters by the Investment Manager and its employees.

Moreover, agents, advisors, and contractors providing services in connection with the custody, management, and investment of public funds under a contract with the Comptroller are required to at all times avoid any actual or apparent conflict of interest with respect to the custody, management, and investment of public funds. For purposes of this investment policy, a conflict of interest refers to any circumstances in which an agent, advisor, or contractor who, in the context of duties under its contract with the Comptroller, has interests that are or may become inconsistent with the interests of the agent, advisor, or contractor with respect to other duties, contractual or otherwise.



TexPool Investment Pools Participation Agreement

Preamble

This participation agreement (the "Agreement") is made and entered into by and between the Comptroller of Public Accounts (the "Comptroller"), acting through the Texas Treasury Safekeeping Trust Company (the "Trust Company"), Trustee of the Texas Local Government Investment Pool (TexPool) and TexPool Prime, (collectively the "TexPool Investment Pools"), and _____ (the "Participant").

WHEREAS, the Interlocal Cooperation Act, TEX GOV'T CODE ANN, ch. 791 and the Public Funds Investment Act, TEX. GOV'T CODE ANN. ch. 2256 (the "Acts") provide for the creation of a public funds investment pool to which any local government or state agency may delegate, by contract, the authority to hold legal title as custodian and to make investments purchased with local funds;

WHEREAS, the Trust Company is a special purpose trust company authorized pursuant to TEX. GOV'T CODE ANN. § 404.103 to receive, transfer and disburse money and securities belonging to state agencies and local political subdivisions of the state and for which the Comptroller is the sole officer, director and shareholder;

WHEREAS, TexPool and TexPool Prime are public funds investment pools, which funds are invested in certain eligible investments as more fully described hereafter;

WHEREAS, the Participant has determined that it is authorized to invest in a public funds investment pool created under the Acts and to enter into this Agreement;

WHEREAS, the Participant acknowledges that the Trust Company is not responsible for independently verifying the Participant's authority to invest under the Acts or to enter this Agreement;

WHEREAS, the Participant acknowledges that the performance of TexPool Investment Pools is not guaranteed by the State of Texas, the Comptroller, or the Trust Company and that there is no secondary source of payment for the TexPool Investment Pools; and

WHEREAS, in an effort to ensure the continued availability of an investment pool as a vehicle for investment of local government funds and simultaneously provide for enhancement in services and potential decreases in management and administrative fees, Participant and Trust Company desire to provide in this Agreement that the Trust Company may obtain private professional investment management and related services.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree with each other as follows:

Article I: Definitions

"Account" shall mean any account or accounts, established by the Participant in TexPool Investment Pools in accordance with this Agreement and the Operating Procedures (as defined herein), which Account represents an undivided beneficial ownership in TexPool Investment Pools.

"Authorized Investments" shall mean those investments which are authorized by the Investment Act (as herein defined) for investment of public funds.

"Authorized Representative(s) of the Participant" shall mean any individual who is authorized to execute documents and take such other necessary actions under this Agreement as evidenced by the duly enacted Resolution of the Participant.

"Authorized Representative(s) of the Trust Company" shall mean any employee of the Comptroller or Trust Company who is designated in writing by the Comptroller or the Trust Company's Chief Executive Officer to act as the authorized Trust Company representative for purposes of this Agreement and shall include employees of any private entity performing the obligations of the Comptroller under this Agreement.

"Board" shall mean the advisory board provided for in the Investment Act (as defined below).

"Investment Act" shall mean the Public Funds Investment Act, TEX. GOV'T CODE ANN. ch. 2256, as amended from time to time.

"Investment Policy" shall mean the written TexPool Investment Pools Investment Policies, as amended from time to time, relating to the investment and management of funds in TexPool Investment Pools as established by the Trust Company consistent with the Investment Act.

"Letter of Instruction" shall mean a written authorization and direction to the Trust Company signed by an Authorized Representative of the Participant.

"Operating Procedures" shall mean the written procedures established by the Trust Company describing the management and operation of TexPool Investment Pools, and providing for the establishment of, deposits to and withdrawals from the Accounts, as amended from time to time.

"Participant" shall mean any entity authorized by the Acts to participate in a public funds investment pool that has executed this Agreement pursuant to a Resolution.

"Resolution" shall mean the resolution adopted by the governing body of a local governmental entity authorizing the entity's participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant.

Article II: General Administration

Section 2.01. TexPool Investment Pools Defined.

- (a) TexPool Investment Pools are public funds investment pools created pursuant to the Acts.
- (b) Subject to Section 6.10, the Trust Company agrees to manage the Participant's Account(s) in accordance with the Investment Act and the Investment Policy.

Section 2.02. Board.

- (a) The Board is composed of members appointed pursuant to the requirements of the Investment Act.
- (b) The Board shall advise the Trust Company on the Investment Policy and on various other matters affecting TexPool Investment Pools, and shall approve fee increases.

Section 2.03. General Administration.

- (a) The Trust Company shall establish and maintain the Investment Policy specifically identifying the Authorized Investments consistent with the Investment Act and the general policy and investment goals for TexPool Investment Pools.
- (b) The Trust Company shall establish and maintain the Operating Procedures, describing the management and operation of TexPool Investment Pools and providing for procedures to be followed for the establishment of, deposits to, and withdrawals from the Accounts and such other matters as are necessary to carry out the intent of this Agreement.
- (c) The Trust Company shall have the power to take any action necessary to carry out the purposes of this Agreement, subject to applicable law and the terms of this Agreement.

Section 2.04. Ownership Interest. Each Participant shall own an undivided beneficial interest in the assets of TexPool Investment Pools in an amount proportional to the total amount of such Participant's Accounts relative to the total amount of all Participants' Accounts in TexPool Investment Pools, computed on a daily basis.

Section 2.05. Independent Audit. TexPool Investment Pools are subject to annual review by an independent auditor consistent with Ch. 2256, TEX GOV'T CODE ANN. In addition, reviews of TexPool Investment Pools may be conducted by the State Auditor's Office and the Comptroller's office. The Trust Company may obtain such legal, accounting, financial or other professional services as it deems necessary or appropriate to assist TexPool Investment Pools in meeting its goals and objectives.

Section 2.06. Liability. Any liability of the Comptroller, the Comptroller's office, the Trust Company, representatives or agents of the Trust Company, any Comptroller employee, Trust Company or any member of the Board for any loss, damage or claim, including losses from investments and transfers, to the Participant shall be limited to the full extent allowed by applicable laws. The Trust Company's responsibilities hereunder are limited to the management and investment of TexPool Investment Pools and the providing of reports and information herein required.

Article III: Participant Requirement

Section 3.01. The Participation Agreement. The Participant must execute this Agreement and provide a Resolution authorizing participation in TexPool Investment Pools and designating persons to serve as Authorized Representatives of the Participant and any other documents as are required under, and substantially in the form prescribed by, the Operating Procedures before depositing any funds into TexPool Investment Pools. The Participant must provide an updated Resolution designating Authorized Representatives within 5 business days of the departure of any Authorized Representative of the Participant.

Section 3.02. Operating Procedures

- (a) The Participant acknowledges receipt of a copy of the Operating Procedures. The Operating Procedures describe in detail the procedures required for the establishment of accounts, deposits to and withdrawals from TexPool Investment Pools, and related information.
- (b) The Operating Procedures may be modified by the Trust Company as appropriate to remain consistent with established banking practices and capabilities and when such modification is deemed necessary to improve the operation of TexPool Investment Pools.
- (c) The Participant hereby concurs with and agrees to abide by the Operating Procedures.

Article IV: Investments

Section 4.01. Investments. All monies held in TexPool Investment Pools shall be invested and reinvested by the Trust Company or Authorized Representatives of the Trust Company only in Authorized Investments in accordance with the Agreement, the Investment Policy and the Investment Act. Participant hereby concurs with any such investment so made by the Trust Company. Available funds of TexPool Investment Pools that are uninvested may be held at the Trust Company's account at the Federal Reserve Bank of Dallas, or any designated custodian account, or with a custodian selected by the Trust Company. All investment assets and collateral will be in the possession of the Trust Company and held in its book-entry safekeeping account at the Federal Reserve Bank, any designated custodian account, or with a custodian selected by the Trust Company.

Section 4.02. Failed Investment Transaction. In the extraordinary event that a purchase of securities results in a failed settlement, any resulting uninvested funds shall remain in the Trust Company's Federal Bank of Dallas account, any designated custodian account or with a custodian selected by the Trust Company. If an alternative investment can be secured after the failure of the trade to settle, TexPool Investment Pools will receive all the income earnings, including but not limited to, any compensation from the purchaser failing in the trade and the interest income from the alternative investment.

Section 4.03. Investment Earnings and Losses Allocation. All interest earnings in TexPool Investment Pools will be valued daily and credited to the Participant's Accounts monthly, on a pro rata allocation basis. All losses, if any, resulting from the investment of monies in TexPool shall also be allocated on a pro rata allocation basis. All earnings and losses will be allocated to the Participant's Accounts in accordance with generally accepted accounting procedures.

Section 4.04. Commingling of Accounts. Participant agrees that monies deposited in TexPool and TexPool Prime, may be commingled with all other monies held in TexPool and TexPool Prime, respectively for purposes of common investment and operational efficiency. However, each Participant will have separate Accounts on the books and records of TexPool Investment Pools, as further provided for in the Operating Procedures.

Article V: Fees, Expenses and Reports

Section 5.01. Fees and Expenses. The Participant agrees to pay the amount set forth in the fee schedule. Participant agrees that all fees shall be directly and automatically assessed and charged against the Participant's Accounts. The basic service fee shall be calculated as a reduction in the daily income earned, thus only the net income shall be credited to the Participant's Account. Fees for special services shall be charged to each Participant's account as they are incurred or performed. A schedule of fees shall be provided to the Participant annually. Each Participant will be notified thirty (30) days prior to the effective date of any change in the fee schedule.

Section 5.02. Reports. A monthly statement will be mailed to the Participant within the first five (5) business days of the succeeding month. The monthly statement shall include a detailed listing of the balance in the Participant's Accounts as of the date of the statement; all account activity, including deposits and withdrawals; the daily and monthly yield information; and any special fees and expenses charged. Additionally, copies of the Participant's reports in physical or computer form will be maintained for a minimum of three prior fiscal years. All records shall be available for inspection at all reasonable hours of the business day and under reasonable conditions.

Section 5.03. Confidentiality. The Trust Company and any private entity acting on behalf of the Trust Company for purposes of this Agreement will maintain the confidentiality of the Participant's Accounts, subject to the Public Information Act, TEX GOV'T CODE ANN. ch. 552, as amended.

Article VI: Miscellaneous

Section 6.01. Notices. Any notices, Letters of Instructions or other information required or permitted to be given hereunder shall be submitted in writing and shall be deemed duly given when deposited in the U.S. mail postage prepaid or successfully transmitted via facsimile addressed to the parties as follows:

To the *Participant*:

Participant

Address _____

City, State, Zip

Telephone _____ Fax _____

Fax _____

To **Trust Company** with respect to contractual matters or disputes under this Agreement:

Texas Treasury Safekeeping Trust Company
Attn: TexPool Investment Pools
Rusk State Office Building
208 East 10th Street
Austin, TX 78701
Telephone: (512) 463-3716
FAX No.: (512) 463-0823

To **TexPool Investment Pools** with respect to operational matters, including enrollment documents; changes to Authorized Representatives; Bank Information Sheets; initiation of deposits or withdrawals of funds; changes to addresses; audit confirmation requests; and account inquiry:

TexPool Participant Services
C/O Federated Investors Inc.
1001 Texas Ave., Suite 1400
Houston, TX 77002
Telephone: 1-866-839-7665 (1-866-TEX-POOL)
FAX No.: 1-866-839-3291 (1-866-TEX-FAX1)

The Participant and the Trust Company agree to notify the other of any change affecting this information and agree that unless and until so notified, the other party shall be entitled to rely on the last information provided.

Section 6.02. Taxpayer Identification Number. The Participant's taxpayer identification number assigned by the Internal Revenue Service is: _____ . The Participant hereby agrees to notify the Trust Company of any change affecting this Taxpayer Identification number and agrees that unless and until so notifies, the Trust Company shall be entitled to rely on same in providing any and all reports or other information necessary or required by the Federal tax laws as amended from time to time.

Section 6.03. Severability. If any provision of this Agreement shall be held or deemed to be in fact illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 6.04. Execution of Counterparts. This Agreement may be simultaneously executed in several separate counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.05. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Venue for any dispute under this Agreement shall be in Travis County, Texas.

Article VI: Miscellaneous (continued)

Section 6.06. Captions. The captions or headings in this Agreement are for convenience only and in no way defined, limit or describe the scope or intent of any provisions, articles or sections of this Agreement.

Section 6.07. Amendments.

- (a) The Trust Company shall advise the Participant in writing of any amendments to this Agreement no less than 45 days prior to the effective date of such amendment. The Participant may ratify the proposed amendment of this Agreement by letter to the Trust Company. If the Participant elects not to ratify the amendment, the Participant may terminate this Agreement in accordance with Section 6.08. In the event the Participant fails to respond in writing to a notice of amendment prior to the effective date of such amendment, this Agreement shall be deemed amended.
- (b) The Trust Company may periodically revise the Operating Procedures from time to time as it deems necessary for the efficient operation of TexPool Investment Pools. The Participant will be bound by any amendment to the Operating Procedures with respect to any transaction occurring subsequent to the time such amendment takes effect, provided, however, that no such amendment shall affect the Participant's right to cease to be a Participant.

Section 6.08. Termination. This Agreement may be terminated by either party hereto, with or without cause, by tendering 30 days prior written notice in the manner set forth in Section 6.01 hereof.

Section 6.09. Term. Unless terminated in accordance with Section 6.08, this Agreement shall be automatically renewed on each anniversary date hereof.

Section 6.10. Assignment. The Trust Company may enter into an agreement with a third party investment manager to perform its obligations and service under this Agreement, provided that such third party investment manager shall manage TexPool Investment Pools according to the Investment Act, Investment Policy and in a manner consistent with that directed by the Trust Company. The Trust Company also shall have the right to assign its rights and obligations under the Agreement to a third party investment manager if the Trust Company determines that such assignment is in the best interest of the State and Participants. In the event a successor pool to TexPool or TexPool Prime is deemed by the Trust Company to be in the best interest of the State and the Participant, the Trust Company may take any action it deems necessary to assign its rights and benefits under any third party agreements and transfer the assets from TexPool Investment Pools to any successor pool.

In **Witness Whereof**, the parties hereto have caused this Agreement to be executed as of the dates set forth below, and the Agreement shall be effective as of the latest such date.

PARTICIPANT:

Signature _____

Printed Name _____

Title _____

Date

TEXAS TREASURY SAFEKEEPING TRUST COMPANY
COMPTROLLER OF PUBLIC ACCOUNTS

Signature _____

Printed Name _____

Title _____

A horizontal timeline with 8 tick marks. The 3rd and 5th tick marks are highlighted with thick vertical bars, indicating specific dates of interest.

CERTIFICATE OF INCUMBENCY:

The preceding signatory is a duly appointed, acting, and qualified officer of the Participant, who, in the capacity set forth above is authorized to execute this Agreement.

IN WITNESS WHEREOF, I have duly executed this certificate as of the _____ day of _____, 20____.

Signature _____

Printed Name _____

Title _____



Bank Information Sheet

Effective Date*

Please complete this form to add new banking instructions, or to change or delete existing banking instructions.

*Required Fields

1. Participant Information

Participant Name*

Street Address* City* State* Zip Code*

Mailing Address* City* State* Zip Code*

County* Email

Primary Representative* Phone Number* Fax Number*

2. Instructions

Location Number* Account Number Account Name*

☐ 449 TexPool ☐ 590 TexPool Prime

Please check all that apply.

☐ Add New Account ☐ Add New Banking Instructions ☐ Change Banking Instructions ☐ Delete Banking Instructions

☐ Wire and ACH* ☐ Wire Only ☐ ACH Only* ☐ Primary

☐ Primary

3. Bank Information

Bank Name* Bank Address*

City* Texas Zip Code* County*

Bank ABA Number* Bank Account Number*

Bank Account Name* Bank Contact

Credit Information

Correspondent Bank Information (if applicable)

Correspondent Bank Name/City Correspondent Bank ABA Number

Correspondent Bank Account Name Correspondent Bank Account Number

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Account Number*

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Location Number*

4. Signature

CONFIRM THE INSTRUCTIONS FOR WIRE AND ACH TRANSFERS WITH YOUR LOCAL BANK. ACH INSTRUCTIONS MAY VARY FROM YOUR BANK'S WIRING INSTRUCTIONS IF THE LOCAL BANK IS NOT ON-LINE WITH THE FEDERAL RESERVE. IF ACH INSTRUCTIONS DIFFER FROM WIRING INSTRUCTIONS, PLEASE COMPLETE AN ADDITIONAL BANK INFORMATION SHEET.

*If ACH availability is selected, I hereby authorize State Street Bank to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to TexPool Participant Services. I understand that the Trust Company reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize State Street Bank to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. Likewise, I authorize State Street Bank to credit all amounts withdrawn in error to Designated Account.

Note: This authorization must be executed by a current Authorized Representative of the Participant as set forth in the duly enacted Resolution of the Participant, which is on file with TexPool.

As a current Authorized Representative, I certify that the above information is both true and correct.

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Signature of First Authorized Representative*

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Date*

--

Printed Name*

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Telephone Number*

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Title*

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Signature of Second Authorized Representative*

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Date*

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Printed Name*

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Telephone Number*

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Title*

5. Mailing Instructions

The completed Bank Information Sheet can be faxed to TexPool Participant Services at 1-866-839-3291. Please mail the original form to:

TexPool Participant Services
1001 Texas Avenue, Suite 1400
Houston, TX 77002



Resolution Authorizing Participation in the TexPool Investment Pools and Designating Authorized Representatives

WHEREAS, _____
("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pools ("**TexPool/TexPool Prime**"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in **TexPool/TexPool Prime**, for the purpose of transmitting local funds for investment in **TexPool/TexPool Prime**.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in **TexPool/TexPool Prime** and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

Authorized Representatives of the Participant

These individuals will be issued P.I.N. numbers to transact business via telephone with a Participant Service Representative.

1.	Signature Printed Name Title	Telephone Number Fax Number Email
2.	Signature Printed Name Title	Telephone Number Fax Number Email
3.	Signature Printed Name Title	Telephone Number Fax Number Email
4.	Signature Printed Name Title	Telephone Number Fax Number Email

Authorized Representatives of the Participant (continued)

5.	
Signature	Telephone Number
Printed Name	Fax Number
Title	Email

List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Printed Name

In addition and at the option of the Participant, one additional authorized representative can be designated to perform inquiry only of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

1.	
Printed Name	Telephone Number
Title	Fax Number

- C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until **TexPool/TexPool Prime** receives a copy of any such amendment or revocation.

This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ____ Day of _____, 20____.

Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

Name of Participant

SIGNED:

Signature

Printed Name

Title

ATTEST:

Signature

Printed Name

Title



City of Colleyville City Council Agenda Briefing

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

Agenda Number 6d

Agenda Date 05/15/2018

Number Resolution R-18-4263

Type Resolution

Department Finance

Title

Approval to participate in Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), and assigning authorized signers

Strategic Plan

2.4 Demonstrate stewardship of public resources

Explanation

Reading and Public Hearing

The Public Funds Investment Act (PFIA) and the City's investment policy include, as permissible option, participation in local government investment pools that comply with the requirements of the PFIA. At this time, the only local government investment pool that the City participates in is the Local Government Investment Cooperative (LOGIC).

In order to diversify the City's investments while maintaining liquidity and return on capital, staff recommends participating in the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS).

Texas CLASS was created as a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). The pool manages the funds in a way that preserves principals, maintains liquidity of the funds, and maximizes yield. It allows for same-day availability of funds and competitive rates that are compounded and paid daily.

The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian.

Texas CLASS is supervised by a Board of Trustees whose members are elected by the Participants. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the Investment Policy and Investment Strategy of the Trust.

Texas CLASS is rated AAAM by Standard & Poor's, the highest rating a local government investment pool can achieve.

Ms. Karen Proctor, Regional Director, at Texas CLASS and Ms. Sheila Duffy, Director, investment Advisory Services, at Public Trust Advisors, will be present to talk about Texas Class and answer council's questions.

The intent to participate in Texas CLASS was presented to the audit committee on May 1, 2018. Staff recommends approval to participate in Texas CLASS, to provide the City with new investment options emphasizing liquidity and safety, and appointing the City Manager, the Chief Financial Officer, and the Accounting Manager as participant service representatives.

Financial Impact

Diversify the City's investments, while reserving principal and maintaining liquidity and yield on capital.

Recommendation

Approve

Attachments

1. TXCLASS Information Statement_December_2016
2. 08.16- Seventh Amended and Restated Trust Agreement
3. Texas CLASS Investment Policy- Effective April 2017
4. Texas CLASS Profile
5. Texas CLASS Participant Listing- DFW Area
6. All Texas CLASS Participant Listing - March 2018
7. Resolution - Texas CLASS Registration Packet



Texas Cooperative Liquid Assets Securities System



December, 2016

Texas
CLASS[®]

Information Statement

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Texas CLASS Information Statement, December 2016

No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by Texas CLASS, its Board of Trustees, the Investment Advisor or any agent of Texas CLASS or the Board of Trustees.

Each potential Participant is given a copy of the Trust Agreement and this Information Statement before becoming a Participant in Texas CLASS. This Information Statement contains a summary of the Trust Agreement.

This summary is qualified in its entirety by reference to the full text of the Trust Agreement. All potential Participants are encouraged to read the Trust Agreement in its entirety for more complete information regarding the program.

Additional information that is a required part of this Information Statement is included in the monthly Program Statements furnished to each Participant. The Information Statement will be updated through supplemental material and may be used only if it is accompanied by such information.

PART 1

Overview of Trust Agreement and Program

Part I of this Information Statement contains certain information about the operation and policies of Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). The parties to the Trust Agreement are Texas local government entities that choose to participate (the *'Participants'*), Public Trust Advisors, LLC as Program Administrator (the *'Program Administrator'*), and Wells Fargo Bank, NA as Custodian (the *'Custodian'*).

A. Participant Investments

The purpose of the Trust is to establish one or more investment funds through which a Participant may pool any of its funds or funds under its control in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield in accordance with the Public Funds Investment Act (the *"Act"*), Section 2256.01, et seq., Texas Government Code, or other laws of the State of Texas, from time to time in effect, governing the investment of funds of a Participant or funds under its control. The Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds.

As of December 1, 2016, the Trust has two investment fund options:

- 1) **Texas CLASS** is an investment option that utilizes all eligible investments as defined by the Public Funds Investment Act (PFIA). Refer to the Texas CLASS Investment Policy for a complete listing of eligible investments.
- 2) **Texas CLASS Government** is an investment option that utilizes only investments that are backed or collateralized with U.S. Treasury or U.S. Government Agency obligations. Refer to the Texas CLASS Investment Policy for complete listing of the eligible investments for Texas CLASS Government.

With the exception of their respective eligible investments, the terms and conditions are the same for each fund. Therefore, unless otherwise noted, for the purposes of this Information Statement, the two investment options shall be referred to as the *"Funds"*.

Under the Trust Agreement, there are four general objectives of the Trust: (i) Legality - investing only in investments legally permitted under Texas law; (ii) Safety - minimizing risk by managing portfolio investments so as to preserve principal, maintain a stable net asset value, and maintain the highest rating for the Funds from a nationally recognized statistical rating organization for so long as such rating is required by Texas law; (iii) Liquidity - managing portfolio investments to ensure that cash will be available as required to finance Participants' operations; and (iv) Yield - maximizing current income to the degree consistent with legality, safety, and liquidity.

Eligible Participants are any municipality, county, school district or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department, commission, board, or other agency that is part of any branch of State government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities that has taken the actions required by Section 2256.016 of the Act and that has executed either the Trust Agreement or a counterpart of the Trust Agreement or a participation certificate. Any local government entity that becomes a Participant has the same rights and obligations under the Trust Agreement as other Participants.

Each Participant shall have the right to invest funds for credit to such Participant's account. There is no minimum amount that must be invested pursuant to the Trust Agreement, nor is there any limitation on the aggregate amount of funds that any Participant may invest at one time. Similarly, each Participant has the right from time to time to request payment of an amount equal to or less than the amount of funds in the Participant's account. Subject to meeting the daily times for giving notice, which may be adjusted by the Program Administrator, there is no limitation on the period of time that funds may be invested through the Trust prior to such payment. Upon receipt of any payment request, the Program Administrator notifies the Custodian of the payment request from a Participant and the requested amount is paid by the Custodian to, or on behalf of, such Participant not later than the next business day, subject only to certain calamities or crises that may affect the financial markets of the United States, as specified in the Trust Agreement.

Any Participant may withdraw from the Trust Agreement at any time without penalty upon written notice to the Program Administrator, who will notify the Custodian and the Board of Trustees upon receipt of such notice. The withdrawal becomes effective when the Participant's account is equal to zero. If any Participant breaches any material covenants contained in the Trust Agreement or if any of its representations cease to be true, it shall be deemed to have given notice of withdrawal.

Each Participant must designate a representative to act for the Participant under the Trust Agreement for all purposes, including the giving of consent on behalf of the Participant and receiving notice on behalf of the Participant. Pursuant to Section 2256.005 of the Act, such representative must be the investment officer that is empowered by the charter, ordinances, and any local regulation to direct the investments for such Participant. Such representative is not required to devote the representative's entire time to duties under the Trust Agreement.

Such representative shall be the official responsible for the investment of funds into the Trust and all payments made from the Trust for the Participant represented by such representative. In making investment and payment requests, each representative should use judgment and care to achieve the following objectives in the indicated order: (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

B. Trustees and Board of Trustees; Advisory Board

Pursuant to the Trust Agreement the Trust is supervised by a Board of Trustees, each of whom is elected by the Participants. The Board of Trustees (the "Board") supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian, subject to the terms of the Trust Agreement.

The Board of Trustees is selected at the annual meeting of the Participants. Any representative may be nominated as a Trustee. The number of Trustees to be selected shall be determined by the Participants at such meeting and shall be an odd number of three (3) or more. The current list of

Trustees is available at www.texasclass.com/board.

The expenses of each Participant to attend the annual meeting are borne by each Participant. The reasonable out-of-pocket expenses of the Trustees incurred in performing their duties and attending meetings of the Board of Trustees are expenses of the Trust.

Pursuant to Section 2256.016(g)(2), the Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust, but are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the Investment Policy and Investment Strategy of the Trust and about other matters as requested by the Board and the Program Administrator. The current list of Advisory Board members is available at www.texasclass.com/advisory.

C. Duties of the Program Administrator and the Custodian

In order to facilitate the business of the Trust, and in conformance with the Act, the services of a Program Administrator and a Custodian are employed by the Trust. The duties of the Program Administrator and the Custodian are specifically set forth in the Trust Agreement.

Subject to the supervision of the Board of Trustees, the Program Administrator is responsible for advising the Board concerning investments which appear to the Program Administrator to be advantageous to the Participants within the investment criteria set forth in the Trust Agreement.

The Program Administrator shall also implement or cause to be implemented securities transactions of the Funds on behalf of the Board and the Participants and shall provide other investment advisory services as called for by the Trust Agreement. Some of these services include the execution of agreements and other documents on behalf of and as agent for the Trust containing representations, warranties and covenants common for such agreements and documents within the investment industry. The Program Administrator also provides portfolio valuation services. The Program Administrator from time to time may propose to the

Participants that the Participants establish specially designated subaccounts with investment payment procedures, fees or other characteristics different from those set forth in the Trust Agreement. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding period prior to payments or certain other conditions to be met for payments, such as possible payment penalties, or additional fees for administering such specially designated subaccounts. A Participant in its sole discretion may create any such special subaccount using the same procedure for establishing other subaccounts. The establishment of such special subaccounts is not deemed to be an amendment of the Trust Agreement. Any subaccount that is created is subject to the terms set forth in the proposal of the Program Administrator until the terms governing such special subaccount are amended pursuant to the Trust Agreement.

The Program Administrator performs certain administrative functions on behalf of the Board of Trustees. These functions include maintaining records, assisting in the organization of the annual meeting of the Participants and the meetings of the Board, responding to inquiries and other communications with Participants, paying expenses of the Trust, and engaging in marketing activities to promote participation of Texas governmental entities in the Trust.

The Program Administrator fees are outlined in the Seventh Amended and Restated Trust Agreement with Texas CLASS dated August 5, 2016, the Program Administrator charges its fee on a sliding scale. The maximum fee is 12 basis points on assets up to \$1 billion. The full sliding scale of the current management fee is specified in the Trust Agreement available at www.texasclass.com/document. Fees accrue daily and are deducted from portfolio earnings prior to the recording of daily Participant investment results. The fee is paid monthly and may be waived or abated at any time, in the sole discretion of the Program Administrator. The Program Administrator's fee covers the following costs and expenses of program operation:

- The Custodian's fee
- Third parties retained by the Program Administrator to render investment advice
- Investment Property record-keeping expenses
- Securities clearance transaction charges
- Outgoing wire charges of the Custodian
- Auditor and legal counsel charges
- Preparation of monthly and annual reports
- Execution of Participant surveys and mailings

- Sales, marketing, and client service functions (including Web site maintenance and certain conference sponsorships)
- Valuation of the Investment Property
- Board of Trustee meetings charges
- The cost of obtaining a rating from a nationally recognized statistical rating organization

Wells Fargo Bank, NA serves as Custodian of the Trust. The Custodian is, among other things, responsible for the receipt and safekeeping of all cash, securities or other assets comprising the cooperatively invested assets. Such assets are held for the benefit of the Trust in the name of the Custodian or its nominee. The Custodian also collects the income on investments and allocates it in accordance with the instructions from the Program Administrator and the provisions of the Trust Agreement. The Custodian is required to hold the investments of the Trust separate and apart from other property of the Custodian and assure that such property is never deemed an asset or liability of the Custodian.

D. Investment, Payment, Valuation Procedures

Specific investment, payment, and valuation procedures are described in Exhibits A through C of the Trust Agreement. Such Exhibits may be amended by the Program Administrator.

Exhibit A describes the time by which funds must be received by the Custodian in order to make investments on the same business day. Exhibit B provides the timetable for receipt of notice in order to make payments on the same business day.

As provided in Exhibit C, on a daily basis, normally at 5:00 pm Eastern time, the Investment Property Value is determined by using the amortized cost valuation method. This involves initially valuing a security at its costs and thereafter accreting to maturity any discount or amortizing to maturity any premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

At least daily, the Investment Property Value is determined on a mark-to-market basis as described in Exhibit C. As an alternative, the market value of all or a portion of the account securities may be determined using the matrix method. Matrix pricing involves grouping

securities into a matrix by type, maturity, and short-term credit rating. A primary dealer who makes markets in those securities will provide the bid side prices for the matrix.

E. Permitted Investments

The Funds have been specifically designed for the use of Texas local government entities. Accordingly, the portfolios of Texas CLASS consist solely of securities in which such entities are permitted to invest funds pursuant to the Act. All investment securities purchased for the Funds, including those with repurchase agreements, are delivered to the Custodian and held for the benefit of the Trust and its Participants.

Home rule city and county charters may have provisions more restrictive than the Act regarding investments of their money and such restrictions may not be complied with by the Trust. Any such restrictions are the sole responsibility of each Participant.

Texas CLASS Authorized Investments

Texas CLASS may invest in any or all of the legal investments specified in Sections through 2256.016, of the Act (referred to herein as “Permitted Investments”). Such investments may include the following:

- U.S. Treasury Bills, Notes, and Bonds,
- Obligations of or guaranteed by U.S. Government Agencies and Instrumentalities,
- State and local government obligations (subject to limitation),
- Certificates of Deposits of a State or National Bank domiciled in the State of Texas guaranteed or insured by the FDIC, that meet the requirements of the Act
- Bankers’ Acceptances
- Mutual Funds,
- Repurchase Agreements,
- Highly Rated Commercial Paper, and
- Guaranteed Investment Contracts.

Texas CLASS Government Authorized Investments

Monies of Texas CLASS Government Fund may be invested and reinvested only in investments authorized by the Texas CLASS Investment Policy (Section 6.04) and in Sections through 2256.016, of the Act (referred to herein

as “Permitted Investments”). Such investments may include the following:

- U.S. Treasury Bills, Notes, and Bonds,
- Obligations of or guaranteed by U.S. Government Agencies and Instrumentalities,
- Stable \$1.00 NAV Mutual Funds.
- Repurchase Agreements.

The Board of Trustees has adopted an Investment Policy and Investment Strategy that further provides what investment instruments the monies of the Funds may be invested and reinvested in. The Funds may only invest in those instruments authorized by the Act. The current Texas CLASS investment policy is available at www.texasclass.com/document.

No monies of the Funds may be invested in the following or in any other type of investment prohibited by the Act or other applicable law:

- obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO’s),
- obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO’s),
- collateralized mortgage obligations that have a stated final maturity date of greater than 10 years, and
- collateralized mortgage obligations, the interest rates of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

No more than 5% of the total Texas CLASS portfolio (Not applicable for Texas CLASS Government) may be invested in securities issued by one issuer. The maximum portfolio exposure to United States dollar denominated securities issued in the United States by United States branches and/or subsidiaries of foreign entities is 25% of assets.

All investments made on behalf of the Trust shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation but for investment, considering the probable safety of capital and the

probable income to be derived. Investment of funds shall be governed by the following investment objectives in order of priority: (1) preservation and safety of principal; (2) liquidity; and (3) yield.

F. General Information Regarding the Trust

The intent of the Trust is to maintain a net asset value of \$1.00, however, due to the risk of market price fluctuation there is no guarantee that a net asset value of \$1.00 can be maintained. The Investment Criteria as described in Exhibit E of the Trust Agreement and the Investment Policy and Investment Strategy may be amended by a majority of the Board of Trustees.

The Funds will seek to attain their investment objectives. However, no guarantees or assurances can be given that the Funds will achieve their investment objectives or that any benefit described in this Information Statement will result from the placement of money in the Funds.

G. Portfolio Transactions

Pursuant to the Act, the Board of Trustees has appointed the Program Administrator to invest and manage the funds of the Trust. Portfolio transactions occur primarily with major dealers in money market instruments acting as principals. Such transactions are normally on a net basis which do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

G. Program Information

For the most current information on the Trust, please visit www.texasclass.com.

PART 2 INVESTING THROUGH TEXAS CLASS

A. How to Open an Account with Texas CLASS and/or Texas CLASS Government

Any municipality, county, school district, or authority created under Section 52(b)(1) or (2) Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply

district, a hospital district and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, institution of higher education, and any nonprofit corporation acting on behalf of any of those entities that has taken action required by Section 2256.016 of the Act ("Public Entity") may join the Texas CLASS and/or the Texas CLASS Government investment program. In order to join either Fund an eligible Public Entity must adopt the Trust Agreement through a majority vote of its governing body. To obtain information on how to become a Participant, please contact the Client Service Desk at 800- 707-6242. Upon receipt and acceptance of such forms and any other necessary documents, the Public Entity will be a Participant of Texas CLASS and may make its initial investment of funds.

B. Investments and Payments

Investments in and payments from the Trust can be made by Participants on any business day by notifying the Program Administrator by telephone, written notice, or over the secure internet program, MYACCESS. It is the responsibility of Participants to provide instructions to their respective banks to wire or electronically transfer funds to the account at the Custodian when contributions are made. Participants are responsible for any wire charges billed by their own banks. Custodian wire charges are an expense of the Trust.

For security purposes, only previously designated Participant officials may conduct transactions, and funds will only be wired to payees listed on the list of approved payees provided by the Participant to the Program Administrator in advance of the payment.

For telephone transactions, all conversations are recorded for accuracy and verification.

A Participant may withdraw from Texas CLASS at any time at its discretion by sending an appropriate written notice to Texas CLASS.

C. Reports to Participants

Each Participant receives an annual report containing the audited financial statements of the Trust, including a statement of assets and liabilities and a statement of

operations and changes in net assets of the Trust. The fiscal year end is June 30 of each calendar year. Each Participant receives a monthly report of its own account. Potential Participants are advised to review the financial reports for the Trust that are made available to them.

D. Identity of Advisors

The Program Administrator

Public Trust Advisors, LLC is the Program Administrator under the Trust Agreement. Public Trust Advisors, LLC is an SEC-registered investment advisor and is located at 717 17th Street, Suite 1850, Denver, Colorado 80202. Its phone number is 800-707-6242.

The Custodian

The Custodian is Wells Fargo Bank, NA, with offices in Dallas, Houston, and multiple other locations throughout the state.

Auditors

CliftonLarsonAllen, LLP, a national accounting firm, serves as the independent auditor for the Trust and provides an opinion on the financial statements of the Trust in accordance with generally accepted accounting principles. The address of CliftonLarsonAllen, LLP is 8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111. Its phone number is 303-779-5710.

Attorneys

Bracewell LLP serves as legal counsel to the Trust. The address of Bracewell LLP is 1445 Ross Avenue, Suite 3800, Dallas, Texas 75202. Its phone number is 214-758-1606.

Texas CLASS

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www.texasclass.com

SEVENTH AMENDED AND RESTATED TRUST AGREEMENT

Dated as of August 5, 2016

by and among

**The Texas Participants
that have entered into this Agreement,**

Wells Fargo Bank, N.A., as Custodian

and

Public Trust Advisors, LLC, as Program Administrator

This Seventh Amended and Restated Trust Agreement

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PREAMBLE

This Seventh Amended and Restated Trust Agreement dated as of August 5, 2016 (the "Agreement") is by and among the Texas local governmental entities and public entities that have taken the actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, and that have either executed this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof (the "Participants"), Wells Fargo Bank, N.A., as Custodian (the "Custodian") and Public Trust Advisors, LLC, (the "Program Administrator") and amends and restates that certain Sixth Amended and Restated Trust Agreement dated as of August 16, 2013, among the Participants, the Custodian and Public Trust Advisors, LLC the Program Administrator.

WHEREAS, each Participant is permitted pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, to pool its funds, or funds under its control, with any similar funds in the treasury of other Participants for the purpose of investing such funds in statutory permitted investments; and

WHEREAS, each Participant will receive a substantial benefit by agreeing to invest such funds in concert with the other Participants because of economies of scale; and

WHEREAS, it will increase the efficiency of such investment if the funds to be invested in concert are held by one entity, the Custodian, which will hold such funds and investments in its capacity as custodian for the benefit of the Participants; and

WHEREAS, it will increase the efficiency of such investment if the advisory, record-keeping and other administrative functions are performed by one entity, the Program Administrator, acting on behalf of the Board of Trustees (as hereinafter defined) and the Participants and if the investment instructions of the Participants, are transmitted through one entity, the Program Administrator, to the Custodian.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, each party hereto agrees that all moneys, assets, securities and property now or hereafter acquired by the Trust (as hereinafter defined) shall be held and managed in trust by the Board of Trustees (as hereinafter defined) for the equal and proportionate benefit of the Participants, without privilege, priority or distinction among the Participants, and subject to the terms, covenants, conditions, purpose and provisions hereof as follows:

ARTICLE I

THE TRUST AND DEFINITIONS

1.1 The Trust.

(a) The name of the Trust created by this Agreement shall be "Texas Cooperative Liquid Assets Securities System Trust" or "Texas CLASS." The Board of Trustees retains all rights to the use of the names "Texas CLASS" and "Texas Cooperative Liquid Assets Securities System Trust" and neither the Program Administrator nor the Custodian shall use the name without express consent of the Board of Trustees as reflected in the minutes of the Board of Trustees or another written document approved by the Board of Trustees. Any and all reports, information, data, statistics, forms, plans, procedures, studies and any other communications or form of knowledge prepared or assembled by the Program Administrator for the specific and exclusive benefit of the Board of Trustees or Texas CLASS shall become the property of the Board of Trustees and shall not be made available to any individual, Company, or organization without the prior written approval of the Board of Trustees or except as required by law. So far as may be practicable and pursuant to the provisions of this Trust Agreement, the Custodian and the Board of Trustees shall conduct the Trust's activities, execute all documents and sue or be sued under either of the foregoing names.

(b) The purpose of the Trust is to establish one or more investment pools for the Participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, through which a Participant may pool any of its funds or funds under its control, with the same such funds of any other Participant in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield in accordance with the Public Funds Investment Act (the "Act"), Section 2256.001, et seq., Texas Government Code or other laws of the State of Texas, from time to time in effect, governing the investment of funds of a Participant or funds under its control.

(c) The Trust shall maintain an office of record in the State of Texas and may maintain such other offices or places of business as the Board of Trustees may from time to time determine. The initial office of record of the Trust shall be: c/o Bracewell LLP, Attention: Julie M. Partain, Esq., 1445 Ross Avenue, Ste 3800 Dallas, Texas 75202. The office of record may be changed from time to time by resolution of the Board of Trustees, and notice of such change of the office of record shall be given to each Participant, the Custodian and the Program Administrator.

(d) (i) The Trust shall be a trust organized and existing under the laws of the State of Texas. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company or joint stock company. The Participants shall be beneficiaries of the Trust, and their relationship to the Board of Trustees shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(ii) This Agreement is an agreement creating one or more investment pools within the meaning of the Act.

(e) The Board may authorize the creation of one or more different portfolios or pools, provided however, that each such portfolio or pool shall conform in all respects to the requirements of this Agreement.

(f) The Board may authorize the use of the names "Texas Cooperative Liquid Assets Securities Systems Trust" and "Texas CLASS") in conjunction with other products, portfolios, pools and services which provide investment, financial or other cash management services to Participants and for purposes of this Agreement, such name shall include any pools or portfolios established pursuant to this Agreement. The Program Administrator may identify a name for any additional pools or portfolios established pursuant to this Agreement, subject to Board approval.

1.2 Definitions.

"Account(s)" shall have the meaning set forth in Section 5.3 (a) hereof.

"Act" shall have the meaning set forth in Section 1.1(b) hereof.

"Affiliate" means, with respect to any Person, another Person directly or indirectly in control of, controlled by or under common control with such Person, or any officer, director, partner or employee of such Persons.

"Agreement" means this Seventh Amended and Restated Trust Agreement dated as of August 5, 2016, as amended, by and among Public Trust Advisors, LLC, as Program Administrator, Wells Fargo Bank, N.A., as Custodian, and the Participants.

"Balance(s)" for each Participant means the amounts initially equal to zero that are adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant in each pool or portfolio established pursuant to this Agreement, within the Trust, cash payments to such Participant, a pro rata distribution of income from the earnings of each pool or portfolio established pursuant to this Agreement, in which each Participant has invested funds, investment results and expenses and fees for each pool or portfolio established pursuant to this Agreement, in which the Participant has invested.

"Board of Trustees" means the board of the Trustees established pursuant to Article III hereof.

"Business Day" means a day on which banks are not required or authorized by law to close in the State of Texas.

"Conflicting Provisions" shall have the meaning set forth in Section 10.3 hereof.

"Custodian" means Wells Fargo Bank, N.A., as custodian, or any Person or Persons appointed, employed or contracted with by the Trust pursuant to Article V hereof.

"Effective Date" means the first day that execution copies of this Agreement have been executed by the Program Administrator, the Custodian, and the Chairman and Secretary of the Board of Trustees.

“Good Standing” means a Participant that has funded an account with Texas CLASS.

“Investment Advisor” shall mean any person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article III hereof or by the Program Administrator pursuant to Article IV hereof.

“Investment Funds” means immediately available funds delivered by each Participant to the Custodian for investment in one or more pools or portfolios established pursuant to this Agreement but only if (i) the Representative appointed by such Participant is authorized pursuant to the laws of the State of Texas to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of Texas to authorize the delivery and investment of such funds.

“Investment Policy” means that investment policy or policies containing procedures and criteria for the investment of funds in Texas CLASS and its sub-accounts, or in any other pool or portfolio established pursuant to this Trust Agreement as adopted annually by the Board of Trustees of Texas CLASS and incorporated herein by reference.

“Investment Procedures” means the procedures for making investments in the Investment Property set forth in Exhibit A attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

“Investment Property” means any and all securities, cash and other personal property, tangible or intangible, which is transferred, conveyed or paid to the Account(s) pursuant to Section 2.1 hereof or otherwise and all proceeds, income, profits and gains therefrom that have not been distributed to a Participant pursuant to Section 2.2 hereof, used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Notwithstanding anything to the contrary, the Custodian shall not be required to hold, purchase, sell or invest in interests in real property under this Agreement, and the Participants shall not attempt to transfer such interests to the Custodian. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date, and any such securities may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

“Investment Property Liability” means any liability (whether known, unknown, actual, contingent or otherwise) incurred in connection with the Investment Property pursuant to this Agreement that is not specified in Section 6.1 hereof as being paid by the Program Administrator or specified in this Agreement as being paid directly by a Participant.

“Investment Property Value” means the value of the Investment Property net of the amount of the Investment Property Liabilities as determined pursuant to Section 4.5 hereof and the Valuation Procedures. Such value shall be determined separately for each pool or portfolio established pursuant to this Trust Agreement.

“Meeting of the Board of Trustees” means a duly called meeting of the Board of Trustees.

"Participants" means any municipality, county, school district or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities (i) to which Chapter 2256 is applicable; (ii) that has taken the actions required by Section 2256.016 of the Act; (iii) that has executed either this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof; and (iv) that is in Good Standing.

"Participation Certificate" means a certificate entered into pursuant to Section 2.3 hereof.

"Payment Procedures" means the procedures for requesting payments out of the Investment Property set forth in Exhibit B attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

"Person" means any municipality, county, school district or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities, corporation, national association, natural person, firm, joint venture, partnership, trust, unincorporated organization or group.

"Program Administrator" means Public Trust Advisors, LLC. or any Person or Persons appointed, employed or contracted with by the Trust pursuant to Article IV hereof.

"Representatives" means those persons who have been designated as Representatives by the Participants pursuant to Section 2.6 hereof.

"Trust" means the Texas trust created as set forth in Section 1.1 of this Agreement.

"Trustee" means any Representative selected pursuant to Article III hereof:

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit C attached hereto, as the same may be amended from time to time (notwithstanding Section 9.1(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

ARTICLE II

PARTICIPANTS

2.1 Investments.

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance. A Participant that wishes to make such an investment shall notify the Program Administrator acting on behalf of the Board of Trustees and follow the Investment Procedures set forth in Exhibit A. Upon such investment in accordance with Exhibit A, the Participant shall have an undivided beneficial interest in the Investment Property.

(b) The Balance of a Participant shall be increased upon the investment of Investment Funds by an amount equal to the amount of such Investment Funds.

(c) No later than the next Business Day after a Participant has made an investment of Investment Funds, the Custodian shall deliver a confirmation to the Program Administrator. The Program Administrator shall retain a copy of the confirmation in its records.

(d) Any funds that the Program Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Program Administrator and such Participant shall bear all of the costs and liabilities associated with the return of such funds.

(e) There is no maximum or minimum amount that must be invested pursuant to this Agreement nor are there any maximum or minimum limitations on the aggregate amount of Investment Funds that any Participant may have invested at one time.

(f) The execution of a certificate for participation, in substantially the form attached as Exhibit D, shall constitute the express written authorization to deposit, withdraw, invest, transfer and manage funds of the Participant required by Section 2256.005(f) of the Act.

2.2 Payments.

(a) Each Participant shall have the right from time to time to request, in accordance with the Payment Procedures set forth in Exhibit B hereto, that the Program Administrator notify the Custodian to pay to the Participant (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian), or on its behalf, any amount (rounded to the nearest whole cent) that is less than or equal to the Participant's Balance at the time that payment is made pursuant to such request. Except as provided in Exhibit B, there shall be no limitation on the period of time that Investment Funds must be invested through the Trust prior to such payment.

(b) Upon the receipt of any payment request, the Program Administrator shall notify the Custodian, in writing or orally to be followed by written confirmation, of the payment request from the Participant, and the requested amount (rounded to the nearest whole cent) shall

be paid (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian) by the Custodian to, or on behalf of, such Participant as provided in Exhibit B.

(c) Whenever any payment is made to, or on behalf of, any Participant pursuant to Section 2.2 (b) hereof, such Participant's Balance shall be reduced by the Program Administrator by the amount of such payment.

(d) Each Participant agrees that, without prior notice, the right to payments may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in fixed income securities generally in any national trading market shall have been suspended or minimum prices or maximum daily charges shall have been established on such market, (ii) a general banking moratorium shall have been declared by federal or Texas state authorities or (iii) there shall have occurred any outbreak, or material escalation, of hostilities, or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses which might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures set forth in Exhibit C from time to time. The Custodian and each Participant shall be notified as soon as practicable orally or in writing by the Program Administrator in the event that such a suspension or postponement is commenced. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance. Such a suspension or postponement shall take effect at such time as is determined by the Program Administrator, and thereafter there shall be no right to request or receive payment until the first to occur of: (a) in the case of (i) or (ii) above, the time at which the Program Administrator declares the suspension or postponement at an end, which declaration shall occur on the first day on which the period specified in clause (i) or (ii) above shall have expired; and (b) in the case of (iii) above, the end of the first day on which the period specified in clause (iii) above is no longer continuing as determined by the Program Administrator. Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement. Notwithstanding anything contained in this Section 2.2(d) to the contrary, if during a suspension or postponement period, a Participant demands in writing the right to receive a payment and it is not impossible to accommodate such demand, the Program Administrator shall make all reasonable efforts to effectuate such payment demand.

2.3 Additional Participants After Initial Execution.

(a) Any local government or state agency as defined in the Act of the State of Texas that has the authority to pool any of its money pursuant to Section 2256.016 of the Act that wishes to become a party to this Agreement after the Effective Date may do so by taking the actions required by Section 2256.016 of the Act and by executing either a counterpart to this Agreement or a Participation Certificate attached hereto as Exhibit D and delivering the counterpart or the original executed Participation Certificate to the Program Administrator. The Program Administrator shall provide written notification monthly to the Board of Trustees and the Custodian of the admission of a new Participant. Any entity that becomes a Participant pursuant to this Section 2.3 shall have the same rights and obligations hereunder as the other Participants.

2.4 Termination of Participation.

(a) Any Participant may withdraw from this Agreement at any time upon written notice to the Program Administrator, who shall notify the Custodian and the Board of Trustees upon receipt of such notice of withdrawal. Upon its withdrawal from this Agreement, a Participant shall cease to have any rights or obligations under this Agreement except for any obligations arising on or before the date of withdrawal. A notice of withdrawal shall be deemed to constitute (i) a request under the Payment Procedures that an amount equal to the requesting Participant's entire Balance(s) as of the date of such notice be paid to such Participant and (ii) a termination of the Board of Trustees' trust relationship hereunder with the Participant. No withdrawal shall become effective until such Participant's Balance(s) is equal to zero, and until such time, such Participant shall continue to possess all of the rights, and to be subject to all of the obligations, arising from this Agreement.

(b) Any Participant that breaches any material covenant contained in Article VIII hereof or for which any of the representations contained in Article VII hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.4(a) hereof immediately upon such breach or cessation, but shall not be deemed to have requested the payment of its Balance(s) unless and until it either makes an actual payment request or the Program Administrator determines that such a breach or cessation has occurred.

2.5 Receipt of Statements and Reports; Requests.

(a) The Program Administrator, on behalf of the Board of Trustees, shall provide to each Participant a copy of the statements prepared pursuant to Section 4.2 hereof and of the reports prepared pursuant to Section 4.3 hereof applicable to such Participant.

(b) In addition, each Participant may direct the Program Administrator to provide a statement of the value of the Participant's Balance(s) as of the date of the request, provided such request is received by the Program Administrator by 4:00 p.m. CST on a given day.. The Program Administrator shall provide such statement, subject only to account activity as of such date.

(c) On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that records the Participant's Balance(s) as one or more subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds. The Program Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and the total value by subaccount of all investments or portions thereof belonging to each such Participant.

(d) No Participant shall be entitled to any reports or statements applicable solely to another Participant.

2.6 Representatives.

(a) Each Participant shall designate a Representative to act for the Participant hereunder (the "Representative") for all purposes, including, without limitation, to give consents

on behalf of the Participant and to receive notices on behalf of the Participant. Pursuant to Section 2256.005 (f) of the Act, such Representative shall be the investment officer that is empowered by the charter, ordinances or other rules or regulations of the Participant to direct the investment of such Participant's Investment Funds. The Representatives, in their capacity as Representatives shall not be required to devote their entire time to duties under the Agreement. To the extent permitted by law, each Representative may designate additional persons who may act on behalf of the Representative to transmit the Representative's instructions to the Program Administrator, the Custodian or the Board of Trustees.

(b) Each Representative shall be the official responsible for the investment of Investment Funds into the Trust and all payments made from the Trust for the Participant represented by such Representative. In making such investments and payment requests, each Representative shall use judgment and care to achieve the following objectives in the indicated order: (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

2.7 Liability.

No Representative shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than liability arising from the bad faith, willful misfeasance, gross negligence or reckless disregard of duty by such Representative of a Participant. No Representative of a Participant who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

ARTICLE III

TRUSTEES AND THE BOARD OF TRUSTEES

3.1 Selection of Trustees.

(a) Each calendar year, the Program Administrator shall call, upon at least fifteen days' written notice to the Participants, a meeting of the Participants for the purpose of selecting Trustees for the Trust. If the Program Administrator shall fail to call such a meeting, any two Participants may call such a meeting by providing at least fifteen days' written notice to the other Participants. At such meeting, the Participants may nominate persons to serve as Trustees of the Trust. In order to qualify to be nominated as a Trustee, a candidate must be a Representative. The number of Trustees to be selected shall be determined by the Participants at such meeting, provided that the number of Trustees shall be an odd number of three (3) or more. In order to be elected as a Trustee, a candidate must receive a majority of the votes of the Participants present and voting at such meeting. A quorum for such meeting shall be the lesser of (i) fifteen Participants or (ii) ten percent of the total number of Participants determined at the time the notice of the meeting is sent. If a quorum is not present, the meeting may be adjourned to a future time and place set at such meeting. Each Participant shall be entitled to one vote regardless of the amount of funds invested in the Trust. To the extent permitted by law, each Representative may designate a person who may act on behalf of the Representative at a meeting of Participants.

(b) The Program Administrator shall send written notice to the Participants and the Custodian listing the names of the Trustees elected at each annual meeting.

3.2 Board of Trustees.

The Board of Trustees shall be made up of all of the Trustees elected by the Participants or designated pursuant to Section 3.5 hereof. The Board of Trustees shall supervise the Trust and the affairs of the Trust and shall act as the liaison between the Participants and the Custodian and the Program Administrator. The Board of Trustees shall appoint an advisory board to advise the Trust, as required by the Act. The Board of Trustees shall have the power to administer the affairs of the Trust and to enter into contracts and agreements on behalf of the Trust in order to effectuate the terms of this Agreement. The Board of Trustees shall have the power to select all of the Trust's consultants, including, without limitation, the Program Administrator and the Custodian, subject to the terms of this Agreement. The Trustees shall select by majority vote a chairman of the Board of Trustees, and may select such other officers of the Board of Trustees, including, without limitation, a vice chairman and a secretary, as the Trustees deem appropriate. In the absence of the chairman, the vice chairman, if any, shall have the power to act in place of the chairman hereunder.

3.3 General Powers.

Subject to the rights of the Participants as provided herein, the Board shall have, without other or further authorization, power to administer the Trust and the affairs of the Trust. The Board may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust Property, but shall invest with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital

3.4 Legal Title.

Title to all of the Trust Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Trust shall have full and complete power to cause legal title to any Trust property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other person as nominee, on such terms, in such manner, and with such powers as the Board may determine, so long as in its judgment the interest of the Trust is adequately protected.

3.5 Power to Contract, Appoint, Retain and Employ.

(a) The Board is responsible for the investments of the Trust consistent with the investment policies established in this Trust Agreement and for the general administration of the business and affairs of the Trust conducted by officers, agents, employees, administrators, investment advisors, distributors or independent contractors of the Trust. However, members of the Board are not required to devote their entire time to the business and affairs of the Trust or to personally conduct the routine business of the Trust. Consistent with their responsibilities, the Board may appoint, employ, retain or contract on behalf of the Trust with any persons the Board

may deem necessary or desirable for the transaction of the affairs of the Trust, and the expenses relating to such persons shall be Investment Property Liabilities. The Board may appoint, employ, retain or contract on behalf of the Trust with such persons for the purpose of :

- (i) Serving as Investment Advisor to the Trust;
- (ii) Serving as Program Administrator of the Trust;
- (iii) Serving as Custodian for the Trust;
- (iv) Furnishing reports to the Trust and provide research, economic, and statistical data in connection with the Trust's investments;
- (v) Acting as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers or insurance agents, or in any other capacity deemed by the Board to be necessary or desirable;
- (vi) Acting as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting, or other enforcement of any lien or security securing investment; or
- (vii) Assisting in the performance of such other functions necessary in the management of the Trust.

(b) The same person may serve simultaneously as the Program Administrator and as the Investment Advisor, but no person serving as the Program Administrator or the Investment Advisor may serve as the Custodian.

3.6 Meetings.

Meetings of the Board of Trustees may be called by the Program Administrator at any time, and shall be called by the Program Administrator upon the request of at least two Trustees, on at least seventy-two hours' notice to each Trustee and shall be held at the time and place and for the purposes stated in the call of the meeting. There shall be at least one meeting of the Board of Trustees in each calendar year.

3.7 Delegation; Committees; Bylaws; Policies; Procedures.

The Board shall have full and complete power to delegate from time to time to one or more of their number (who may be designated as constituting a Committee of the Board) or to officers, employees or agents of the Trust (including without limitation, the Program Administrator, the Custodian, or the Investment Advisor) the doing of such acts and things and the execution of such instruments as the Board may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust. The Board may adopt and, from time to time, amend or repeal by-laws, policies or procedures for the conduct of the business of the Trust. Such by-laws, policies or procedures, may, among other things, define the duties of the respective officers, agents, employees and representatives of the Trust.

3.8 Term.

The term of office for Trustees elected pursuant to Section 3.1(a) hereof shall commence thirty days after the notice specified in Section 3.1(c) is sent to the Participants and the Custodian. The term of office for Trustees selected pursuant to Section 3.5 hereof shall commence immediately upon such selection. Each Trustee shall hold office until the first to occur of: (a) the Trustee's resigning, (b) the Trustee ceasing to be a Representative of a Participant, (c) the Trustee's death, (d) the Trustee's being adjudicated incompetent or otherwise losing the capacity to discharge the duties of the office of a Trustee and (e) the term of office of the Trustee's successor having begun pursuant to this Section 3.8.

3.9 Vacancies.

If any Trustee resigns or is removed or otherwise ceases to serve, the remaining Trustees may designate a qualified successor to fill such vacancy until the next annual meeting of Participants.

3.10 Costs.

The expenses of each Representative to attend the annual meeting shall be borne by each Participant. The reasonable out-of-pocket expenses of the Trustees incurred in the performance of their duties hereunder and of attending a meeting of the Board of Trustees shall be Investment Property Liabilities.

3.11 Investment Officer.

The chairman of the Board of Trustees, ex officio (or in the absence of the chairman, the vice chairman, if any), shall be the investment officer for the Trust as required by Section 2256.005 (f) of the Act.

3.12 Public Proceedings.

Notwithstanding anything contained in this Agreement, the Board of Trustees shall comply with the applicable provisions of Chapter 552 of the Texas Government Code.

3.13 Telephone Participation.

Upon the occurrence of an emergency or unforeseeable circumstances requiring immediate action, a Representative may participate in a meeting of Participants and a Trustee may participate in a meeting of the Board of Trustees through the use of a conference telephone, provided that such Representative or Trustee is able to hear the deliberations of the other Representatives or Trustees, respectively, and the other Representatives or Trustees are able to hear such Representative or Trustee, respectively, simultaneously.

3.14 Liability.

No Trustee or officer of the Board shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than

liability arising from the bad faith, willful misfeasance, gross negligence or reckless disregard of duty by such Trustee or officer; and all persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of the Board. No member or officer of the Board who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.Insurance.

The Board shall have full and complete power to purchase and pay for, entirely out of Trust property, insurance policies insuring the Trust, the Trustees, officers, employees and agents of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position, or by reason of any action alleged to have been taken or omitted by the Trust or any such person, officer, employee and agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability. The Board may instruct the Program Administrator to obtain such insurance on behalf of the Board in such amount as the Board and the Program Administrator shall deem adequate to cover all foreseeable liabilities to the extent available at reasonable rates.

ARTICLE IV

PROGRAM ADMINISTRATOR

4.1 Appointment: General Provisions.

(a) The Participants hereby appoint Public Trust Advisors, LLC as the Program Administrator under this Agreement, subject to the overall supervision of the Board of Trustees, for the period and on the terms set forth in this Agreement.

(b) Public Trust Advisors, LLC accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(c) The Participants and the Board of Trustees agree that the Program Administrator shall invest the Investment Property in investments meeting the criteria set forth in Exhibit E and in the Investment Policy applicable to each pool or portfolio established pursuant to this Trust Agreement, and in a manner that maintains the AAA or equivalent rating of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement. The Program Administrator is directed to cause Investment Property of each Participant to be invested in investments meeting the criteria set forth in Exhibit E and in the Investment Policy applicable to each pool or portfolio established pursuant to this Trust Agreement and in a manner that maintains the AAA or equivalent rating of any pool or portfolio established pursuant to this Agreement. The Board and the Participants delegate no investment discretion to the Program Administrator hereunder to invest in investments not meeting the criteria set forth in Exhibit E and the Program Administrator expressly refuses to accept any delegation of such discretion. The decision concerning which criteria shall be contained on Exhibit E shall remain at all times under the control of the Board of Trustees. The Board of Trustees shall ensure that the criteria set forth on Exhibit E are permitted by, and consistent with the standards and the duty of care set forth in, the Act.

(d) Each Participant directs the Custodian to act, and the Custodian agrees to act, in accordance with the instructions of the Program Administrator who shall act in a manner consistent with this Agreement. The Program Administrator shall at no time have custody of, possession of, or physical control over, any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Program Administrator instead of to the Custodian, the Program Administrator shall immediately transfer such Investment Funds to the Custodian. The Program Administrator shall not be liable for any act or omission of the Custodian, but shall be liable for the Program Administrator's acts and omissions as provided herein. Under no circumstance shall the Program Administrator be authorized or permitted to withdraw, or instruct the Custodian to withdraw, Investment Property maintained with the Custodian unless acting upon the request of a Participant pursuant to Section 2.2(a).

4.2 Monthly Statements.

(a) Within 15 days subsequent to the end of each month, the Program Administrator shall, on behalf of the Board of Trustees, prepare and submit to each Participant which was a Participant during such month a statement setting forth the information required by Section 2256.016(c)(2) of the Act.

(b) The Program Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance(s) as of the date of such request, subject only to account activity as of such date provided that such request is received by the Program Administrator by 5:00 p.m. CST on a given date.

4.3 Reports.

(a) The Program Administrator shall prepare or cause to be prepared:

(i) at least annually a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and

(ii) at least annually an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Program Administrator with respect to the Investment Property, performed in accordance with generally accepted auditing standards. A copy of such signed report of operations and accountant's opinion shall be filed with the Board of Trustees and the Participants within ninety (90) days after the close of the period covered thereby.

(b) The Program Administrator shall provide to the Board, on an annual basis, the Certification substantially as set forth in Exhibit H.

(c) The Program Administrator shall provide to the Board, the Securities and Exchange Commission form ADV filing of Public Trust Advisors, LLC within ninety (90) days of such filing.

(d) The Program Administrator shall provide to the Board, on an annual basis, Public Trust Advisors, LLC's disaster/contingency plan for the protection of the assets of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement.

4.4 Investment Activities and Powers.

Subject to the supervision of the Board of Trustees, and consistent with Section 4.1(c), the investment criteria set forth in Exhibit E and in the Investment Policies, the Program Administrator shall perform the following services:

(a) advise the Board of Trustees concerning investments which appear to the Program Administrator to be advantageous to the Participants within the investment criteria set forth in Exhibit E and within all applicable law, provided, however, the Board of Trustees shall have the duty to inform the Program Administrator of any changes to the Act;

(b) implement or cause to be implemented securities transactions for the Trust on behalf of the Board of Trustees and the Participants as permitted by the investment criteria set forth in Exhibit E (including, without limitation, by executing or causing to be executed on behalf of and as an agent of the Trust agreements and other documents containing representations, warranties and covenants that are common or standard for such agreements and documents within the investment industry) or, despite the intention of the parties hereto to always have the Investment Property fully invested, cause the Custodian to hold the Investment Property uninvested in a custodial account maintained for the benefit of the Trust;

(c) from time to time, review the permitted investments and the investment criteria set forth in Exhibit E and, if circumstances and applicable law permit, recommend changes in such permitted investments and such investment criteria;

(d) provide such advice and information to the Participants and the Board of Trustees on matters related to investments as the Participants or the Board of Trustees may reasonably request, including, without limitation, research and statistical data concerning the Investment Property and other matters within the scope of the permitted investments and investment criteria set forth in Exhibit E;

(e) advise whether and in what manner all rights conferred by the Investment Property should be exercised;

(f) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the Balances and the preparation of any and all records and reports required by this Agreement or applicable laws; and

(g) employ, consult with, obtain advice from and exercise any of the Program Administrator's rights or powers under this Agreement through the use of agents, including investment advisors, brokers, dealers, auditors and legal counsel (who may be counsel to the Program Administrator or the Board of Trustees) or other advisors. Notwithstanding Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants to such agents.

4.5 Daily Calculation of Program Value and Rate of Return.

(a) The Program Administrator shall calculate the Investment Property Value once on each Business Day at the time and in the manner provided in the Valuation Procedures.

(b) Upon performing the valuation specified in Section 4.5(a) hereof, the Program Administrator shall calculate (rounding off to the nearest whole cent) the Balance of each Participant and each Balance of each of the Participants shall be adjusted proportionately so that the total Balances of all the Participants equals the Investment Property Value.

(c) For purposes of calculating the Investment Property Value, the amount of any uncertain or contingent Investment Property Liability shall be deemed to be equal to the amount of the reserve, if any, against such Investment Property Liability that has been approved from time to time by the Program Administrator.

(d) For purposes of calculating the Investment Property Value, if the value of any part of the Investment Property is uncertain or contingent, the value of such part of the Investment Property shall be deemed to be equal to the amount determined from time to time by the Program Administrator.

(e) The Program Administrator shall calculate daily the rate of return earned on the Investment Property.

4.6 Administration of Program.

The Program Administrator shall perform the following administrative functions on behalf of the Board of Trustees in connection with the implementation of this Agreement:

(a) collect and maintain for such time period as may be required under any applicable federal or Texas law written records of all transactions affecting the Investment Property or the Balances, including, but not limited to (a) investments by and payments to or on behalf of each Participant; (b) acquisitions and dispositions of Investment Property; (c) pledges and releases of collateral securing the Investment Property; (d) determinations of the Investment Property Value; (e) adjustments to the Participants' Balances; and (f) the current Balance and the Balances at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that subdivides the Participant's Balance into subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds;

(b) assist in the organization of the annual meeting required by Section 3.1(a) hereof and of Meetings of the Board of Trustees, including preparation and distribution of the notices and agendas therefor;

(c) respond to all inquiries and other communications of Participants, if any, which are directed to the Program Administrator, or, if any such inquiry or communication is more properly addressed by an officer of the Custodian, referring such inquiry or communication to such person and coordinating his response thereto;

(d) pay all Investment Property Liabilities in accordance with this Agreement from the Investment Property; and

(e) engage in marketing activities to promote participation of Texas governmental entities in the Trust.

4.7 Resignation and Removal.

(a) The Program Administrator may resign as Program Administrator upon the giving of at least sixty (60) days' prior written notice of such resignation to the Board of Trustees and the Custodian.

(b) A majority of the Board of Trustees may remove the Program Administrator upon the giving of at least sixty (60) days' prior written notice to the Program Administrator and the Custodian.

(c) In the event that the Program Administrator shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Program Administrator, a majority of the Board of Trustees shall appoint a successor.

(d) Upon notification of the removal or resignation of the Program Administrator, the Program Administrator shall deliver to the Board all data and records pertaining to Texas CLASS and its Participants within 60 days of the notification of removal or resignation, provided, however, that the Program Administrator may retain copies of any such data and records required to be retained by it by law or in compliance with the requirements of its corporate records retention policy. The Program Administrator shall continue to administer Texas CLASS until a successor program administrator is appointed by the Board under the terms of this Agreement.

(e) If a new program administrator is not appointed by the Board within 60 days of a notification of removal or resignation of the Program Administrator, the Program Administrator shall continue to administer Texas CLASS until a successor program administrator is selected, but shall be compensated for such administration pursuant to an agreement to be negotiated between the Program Administrator and the Board.

4.8 Liability.

(a) Each Participant agrees that the Program Administrator and its officers, directors, agents and employees shall not be liable for any action performed or omitted to be performed or for any errors of judgment made in good faith in connection with any matters to which this Agreement relates, provided that such disclaimer shall not relieve any of them for liability arising from negligence, malfeasance, material breach of this Agreement by the Program Administrator or violation of applicable law by any of them ("Program Administrator Liabilities"). Nothing herein shall constitute a waiver or limitation of any rights which the Participants may have under any federal or state securities laws.

(b) Each Participant, the Board of Trustees and the Custodian understand that in performing its services hereunder the Program Administrator will rely on information

provided by others and agree that the Program Administrator is not responsible for the accuracy of such information.

4.9 Power to Receive Investment Advice.

The Program Administrator shall have the right, at its own cost, to receive investment advice concerning the Investment Property from any other third party. Notwithstanding the provisions of Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants such other third parties in order to obtain such investment advice. The Program Administrator shall notify the Board of Trustees if any third parties are retained, pursuant to this Section 4.9 within 45 days of such retention.

4.10 Advice to Other Clients.

It is understood that the Program Administrator performs investment advisory services for various clients. The Participants agree that the Program Administrator may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Investment Property; provided that the policy and practice of the Program Administrator is not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical, such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing herein contained shall be construed so as to prevent the Program Administrator or any of its directors, officers, employees, shareholders or affiliates in any way from purchasing or selling any securities for its or their own accounts prior to, simultaneously with or subsequent to any recommendation or actions taken with respect to the Investment Property or impose upon the Program Administrator any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security which the Program Administrator or any of its shareholders, directors, officers, employees or affiliates may purchase or sell for its or their own accounts or for the account of any other client, advisory or otherwise; provided always, however, that the Program Administrator shall use its best efforts to maximize the gains for the Investment Property in a manner consistent with the investment criteria set forth in Exhibit E hereof.

4.11 Special Sub-accounts.

Notwithstanding anything in this Agreement to the contrary, the Program Administrator from time to time may propose to the Participants that the Participants establish specially designated subaccounts with investment, payment procedures, fees or other characteristics different from those set forth in this Agreement. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments or certain other conditions to be met for payments, such as possible payment penalties, or additional fees for administering such specially designated subaccounts. A Participant in its sole discretion may create any such special subaccount using the same procedures for establishing other subaccounts set forth in this Agreement. The establishment of such special subaccounts shall not be deemed an amendment of this Agreement. Any special subaccount that is created pursuant to this Section 4.11 shall be subject to the terms set forth in the proposal of the Program Administrator until the terms governing such special subaccount are amended pursuant to this

Agreement. The Program Administrator may calculate the return realized by such special subaccounts separate and apart from the returns realized by other subaccounts maintained for each Participant.

4.12 Intellectual Property.

(a) The Trust will own all Intellectual Property related to the name "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS." For purposes of this section, "Intellectual Property" shall mean all of the rights, relating to the names, "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS" including copyrights, trademark and service mark rights, trade dress rights, rights of publicity, web site and the internet domain rights. Public Trust Advisors, LLC makes no representation or warranty that it owns any Intellectual Property rights in those names, or that there are no third parties who may claim rights to intellectual property rights in or associated with the names.

(b) Public Trust Advisors, LLC hereby assigns all Intellectual Property rights that it has or may have that are not otherwise conveyed by other instrument or party, to the Trust. Public Trust Advisors, LLC represents and warrants to the Board that it has the right and authority to transfer to the Trust all Intellectual Property that it has or may have, in each case to the extent such Intellectual Property is reasonably necessary for the Trust's ownership, operating and full enjoyment of the name "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS". The Board assigns to Public Trust Advisors, LLC an irrevocable license during the term of Public Trust Advisors, LLC's tenure as Program Administrator to use all Intellectual Property rights described herein in connection with the administration of the Trust.

ARTICLE V

THE CUSTODIAN

5.1 Appointment and Acceptance; Sub-Custodians.

(a) Wells Fargo Bank, N.A., as Custodian, is appointed by each of the Participants to be the Custodian for the collective interests of the Participants under this Agreement for the period and on the terms set forth herein. The Participants hereby delegate to the Custodian the authority to hold legal title to investments purchased with their funds pursuant to Section 2256.016(d) of the Act. Wells Fargo Bank, N.A., as Custodian, accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(b) The Custodian may employ other banks and trust companies as sub-custodians, including without limitation, affiliates of the Custodian. The appointment of a sub-custodian under this Section shall not relieve the Custodian of any of its obligations under this Agreement.

(c) No Investment Funds or Investment Property received or held by the Custodian pursuant to this Agreement shall be accounted for in any manner which might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

5.2 Resignation and Removal: Successors.

(a) The Custodian may resign upon the giving of at least sixty (60) days prior written notice to the Board of Trustees and the Program Administrator. A majority of the Board of Trustees may remove the Custodian upon at least sixty (60) days prior written notice to the Custodian and the Program Administrator. Notwithstanding the foregoing, the resignation or removal of the Custodian shall not be deemed effective unless a successor shall have been chosen pursuant to Section 5.2(b) hereof. In the event that assets remain in the possession of the Custodian due to the failure of the Board of Trustees to appoint a successor custodian, the Custodian shall be entitled to compensation for its services during such period, and the provisions of this Agreement relating to the duties and obligations of the Custodian shall remain in full force and effect. Alternatively, the Custodian shall have the right to commence an action in the nature of an interpleader and seek to deposit the assets in a court of competent jurisdiction.

(b) In the event that the Custodian shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Custodian, a majority of the Board of Trustees shall appoint a successor provided, however, that so long as the Program Administrator is required to pay the fees of the Custodian pursuant to Article VI hereof, the appointment of such successor Custodian shall require the prior written consent of the Program Administrator.

5.3 Powers.

(a) (i) The Custodian is authorized and directed to open and maintain, and the Custodian shall open and maintain, one or more custody accounts for the benefit of the Trust (the "Account") in the name of "[Name of Custodian] as Custodian for the Benefit of Texas CLASS" (and/or the name of such other pool or portfolio as established pursuant to this Trust Agreement) and will accept for safekeeping and for credit to the Accounts, in accordance with the terms hereof, all securities representing the investment of Investment Funds pursuant to Section 2.1 hereof, and the income or earnings derived therefrom. The Custodian may accept funds hereunder for the purchase of securities to be held by the Custodian and shall not be required to make an independent determination whether such funds are Investment Funds.

(ii) Except as provided in Section 5.3(c)(iii), all securities and other noncash Investment Property held in each Account shall be physically segregated from other securities in the possession of the Custodian and from other pools or portfolios established pursuant to this Trust Agreement and shall be identified as subject to this Agreement.

(b) In accordance with instructions of the Program Administrator who shall act in a manner consistent with this Agreement, the Custodian shall, for the account and benefit and burden of the Participants:

(i) receive and deliver Investment Funds and all other Investment Property in accordance with the requests of Participants pursuant to Article II and Exhibits A and B hereof;

(ii) exchange securities in temporary or bearer form for securities in definitive or registered form; and surrender securities at maturity or earlier when advised of a call for redemption;

(iii) make, execute, acknowledge and deliver as Custodian, any and all documents or instruments (including but not limited to all declarations, affidavits and certificates of ownership) that may be necessary or appropriate to carry out the powers granted herein;

(iv) make any payments incidental to or in connection with this Section 5.3(b);

(v) sell, exchange or otherwise dispose of any and all Investment Property free and clear of any and all interests of the Trust and any and all Participants, at public or private sale, with or without advertisement; and execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection therewith;

(vi) with respect to enforcing rights in connection with the Investment Property: (a) collect, sue for, receive and receipt for all sums of money or other personal property due; (b) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (c) engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Investment Property; (d) foreclose on any personal property, security or instrument securing any investments, notes, bills, bonds, obligations or contracts that are part of or relate to the Investment Property; (e) exercise any power of sale, and convey good title thereunder free of any and all interests of any and all Participants, and in connection with any such foreclosure or sale, purchase or otherwise acquire title to any personal property; (f) be a party to the reorganization of any Person and transfer to and deposit with any corporation, committee, voting trustee or other Person any securities, investments or obligations of any Person which form a part of the Investment Property, for the purpose of such reorganization or otherwise; (g) participate in any arrangement for enforcing or protecting the interests of the holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (h) extend the time (with or without security) for the payment or delivery of any debts or personal property and to execute and enter into releases, agreements and other instruments; (i) pay or satisfy any debt or claims; and (j) file any financing statements concerning the Investment Property with the appropriate authorities to protect the Investment Property from any potential claim of any creditors of any of the Participants; and

(vii) exercise all other rights and powers and to take any action in carrying out the purposes of this Agreement.

(c) (i) with respect to Investment Property held by the Custodian hereunder, the Custodian shall collect all income or other payments, release and deliver such Investment Property, and take any other action as directed by the Program Administrator, with respect to dividends, splits, distributions, spinoffs, puts, calls, conversions, redemptions, tenders, exchanges, mergers, reorganizations, rights, warrants or any other similar activity relating to the Investment Property held in the Account. The Custodian shall request direction of the Program Administrator upon receipt of actual notice of any such activity. For purposes of this paragraph, the Custodian shall be deemed to have actual notice if the Program Administrator informs the Custodian of such activity or if information concerning any such activity is published in one or more of the following publications: J.J. Kenny's Munibase System, Financial Card Service, Xcitek, Inc., Standard & Poors' Called Bond Listing, Depository Trust Reorganization Notices, and The Wall Street Journal. If the Custodian does not have actual notice of such activity, any such activity will be handled by the Custodian on a "best efforts" basis.

The Custodian shall not be under any obligation or duty to take action to effect collection of any amount, if the assets on which such amount is payable are in default and payment is refused after due demand or presentation. The Custodian will, however, promptly notify the Program Administrator in writing of such default and refusal to pay.

The Custodian is not authorized and shall not disclose the name, address or security positions of the Participants in response to requests concerning shareholder communications under Section 14 of the Securities Exchange Act of 1934, the rules and regulations thereunder, and any similar statute, regulation, or rule in effect from time to time;

(ii) the Custodian shall promptly deliver or mail to the Program Administrator all forms of proxies and all notices of meetings received by the Custodian relating to Investment Property held under this Agreement and, upon receipt of instructions from the Program Administrator, shall execute and deliver such proxies or other authorizations as may be required. Neither the Custodian nor its nominee shall vote any Investment Property or execute any proxy to vote the same or give any consent to take any other action with respect thereto (except as otherwise herein provided) unless directed to do so by Program Administrator upon receipt of instructions;

(iii) the Custodian shall hold the Investment Property (a) in its vaults physically segregated and held separate and apart from other property of the Custodian; (b) in its account at The Depository Trust Company or other depository, sub-custodian or clearing corporation; or (c) in a book entry account with the Federal Reserve Bank, in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times. The Investment Property held by any such depository, sub-custodian, clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees, provided, however, that the custodial relationship and the interests of the Trust or the Participants regarding such Investment Property shall be noted on the records kept by the Program Administrator and the custodial relationship on

behalf of the Trust or the Participants shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of Trust or the Participants to be noted on the records of such depository, sub-custodian, clearing corporation or Federal Reserve Bank. The Custodian shall not be obligated or liable for costs, expenses, damages, liabilities or claims (including attorneys' or accountants' fees) which are sustained or incurred by reason of any action or inaction of the Federal Reserve Bank book-entry system, The Depository Trust Company or any other central depository or clearing agency which it is or may become standard market practice to use for the comparison and settlement of securities trades, provided, however, that nothing in this sentence shall relieve the Custodian of its obligations set forth in Section 5.1(b) hereof regarding banks or trust companies selected as sub-custodians; and

(iv) the Custodian shall hold and physically segregate for each Account all Investment Property owned by each Account other than Investment Property held pursuant to 5.3(c)(iii)(b) and (c) above. Investment Property physically held by the Custodian (other than bearer securities) may be registered in the name of any nominee of Custodian, provided that the records of the Custodian provide that such Investment Property is held in a custodial capacity and that such Investment Property is not an asset of the Custodian or such nominee. All Investment Property accepted by Custodian under the terms of this Agreement shall be in negotiable form.

5.4 Custodial Relationship; Custodian Records.

(a) The Custodian shall hold the Investment Property in its capacity as custodian for the benefit of the Trust. The Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian. Each Participant has an undivided beneficial interest in the Investment Property to the extent of such Participant's Balance.

(b) The Custodian shall maintain its own internal records concerning the Account(s) and the transactions contemplated by this Agreement, and the Custodian shall cause all of such records to reflect the custodial relationship created by this Agreement and the fact that the Investment Property in each Account belongs to the Trust for the collective benefit of the Participants in each pool or portfolio established pursuant to this Trust Agreement, respectively. Notwithstanding the foregoing, the Program Administrator shall maintain all records regarding each Participant's beneficial interest in such Investment Property, and such records shall conclusively determine the beneficial interests of each Participant in the Investment Property segregated between the pools or portfolios in which such Investment Property is held. The records maintained by such Program Administrator shall be conclusively determinative of the beneficial interests of the Participants in each pool or portfolio established pursuant to this Trust Agreement; it being understood that the Custodian shall not be obligated to maintain records concerning the beneficial interest of individual Participants in the Investment Property.

5.5 Reliance on Instructions.

(a) The Custodian is authorized to accept and shall be fully protected if it relies upon the instructions given by any authorized officer, employee or agent of the Program Administrator, including any oral instructions which the individual receiving such instructions on behalf of the Custodian believes in good faith to have been given by an authorized officer, employee or agent of the Program Administrator, and all authorizations shall remain in full force and effect until canceled or superseded by subsequent instructions received by the appropriate account officer of the Custodian. The authorized officers, employees or agents of the Program Administrator shall be only such persons as are designated in writing to the Custodian by the Program Administrator. The Custodian may rely on instructions received by telephone, tested telex, TWX, facsimile transmission or by bank wire which the Custodian believes in good faith to have been given by an authorized person. The Custodian may also rely on instructions transmitted electronically through a customer data entry system or any similar electronic instruction system acceptable to the Custodian. Any instructions delivered to the Custodian by telephone shall promptly thereafter be confirmed in writing by an authorized person, but the Custodian will incur no liability for the Program Administrator's failure to send such confirmation in writing. Instructions are deemed given to the Custodian when actually received by the Custodian.

(b) In the absence of bad faith or negligence on its part, the Custodian may conclusively rely, as to the truth and correctness of the statements expressed in notices, certificates or documents submitted to it, and the Custodian need not investigate any fact or matter stated in any such notice, certificate or document submitted to it or verify the accuracy of the contents thereof.

5.6 Degree of Care.

(a) The Custodian shall hold the Investment Property in the Account(s) with the same degree of care and protection with which it holds its own property. The Custodian agrees that it shall be responsible for any loss of Investment Property caused solely by the negligence or bad faith of the Custodian or its agents or any material breach of this Agreement by the Custodian. The Custodian is hereby released from liability except for liability arising from the negligence or bad faith of the Custodian or its agents or from any material breach of this Agreement by the Custodian. In the event of any such loss of Investment Property, the Custodian shall promptly replace the Investment Property or the value thereof and the value of any such loss of rights or privileges resulting from such loss. The Custodian shall not be responsible for the acts or omissions or solvency of any broker or agent selected by the Program Administrator to effect any transactions for the Account(s).

(b) The Custodian shall not be liable for any error of judgment made in good faith by an employee, officer or agent of the Custodian, unless it was proved that the Custodian was negligent in ascertaining the pertinent facts.

(c) Except as provided in Section 5.6(a), the Custodian shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of

any of its duties hereunder or in the exercise of any of its rights or powers unless it receives indemnity satisfactory to it for repayment of such funds or against such risk of liability.

(d) The Custodian shall have no discretion whatsoever with respect to the management, disposition or investment of Investment Property and is not a fiduciary to the Program Administrator or the Participants. During the term of this Agreement, the Custodian may, with respect to questions of law and construction of this Agreement, apply for and obtain, at the cost of the Custodian, the advice and opinion of counsel of its choice and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice or opinion. The Custodian shall have no duties except those that are specifically set forth in this Agreement. The Custodian shall only be responsible for custody hereunder of Investment Property delivered to it and then only while such Investment Property is held in the Account.

5.7 Subrogation.

At the election of a majority of the Board of Trustees, the Trust shall be entitled to be subrogated to the rights of the Custodian, with respect to any claim against any other Person or institution which the Custodian may have, as a consequence of any loss or damage to the Investment Property. In such event, the Board of Trustees shall consult with the Custodian concerning selection of counsel and management of any litigation to recover for such loss.

5.8 Insurance.

(a) The Custodian shall maintain insurance coverage the following types and amounts with limits agreed to be the Board of Trustees:

(b) Financial Institution Bond - \$100,000,000

(c) Professional Liability - \$100,000,000

5.9 Setoff.

The Custodian shall not have, and shall not seek to enforce, any right of setoff, recoupment or similar rights against the Investment Property for any amounts owed to the Custodian pursuant to this Agreement.

ARTICLE VI

TRUST EXPENSES

6.1 Expenses.

(a) In consideration of the performance of its obligations hereunder, the Program Administrator shall receive a fee from the Trust as set forth on Exhibit F, which fee shall be paid from the earnings of the Trust. The Program Administrator's fee shall be an Investment Property Liability. The Program Administrator shall submit a monthly bill to the chairman of the Board of Trustees for approval stating the amount of the fee for the previous month and providing sufficient information to demonstrate that the fee was calculated in

accordance with Exhibit F. The chairman of the Board of Trustees is hereby given the authority to approve or disapprove the bills submitted by the Program Administrator. After receiving the approval of the chairman of the Board of Trustees of such bills, the Program Administrator shall submit such bills to the Custodian for payment and the Custodian shall pay such bills from the earnings of the Trust. If the chairman of the Board of Trustees does not approve the bills submitted by the Program Administrator within 60 days of their submittal, the Program Administrator may present the bills to the Board of Trustees for review and approval.

(b) From its fee, the Program Administrator shall pay the following costs and expenses:

- (1) the Custodian's fee as set forth in Exhibit I;
- (2) all custodial and securities clearance transaction charges;
- (3) the costs of third parties retained by the Program Administrator to render investment advice pursuant to Section 4.9;
- (4) all Investment Property record-keeping expenses;
- (5) the costs of preparing monthly and annual reports;
- (6) the costs related to sales, marketing and client service (including website maintenance and certain conference sponsorships);
- (7) the cost of valuing the Investment Property;
- (8) outgoing wire charges of the Custodian and the costs of Participant communications, including Participant surveys and mailings;
- (9) the costs of the Trust's auditors and legal counsel;
- (10) the costs of meetings of the Participant or the Board of Trustees;
- (11) outgoing wire charges of the Custodian and the cost of obtaining a rating, if any;
- (12) expenses for Board and Participant meetings, including Board travel and education expenses; and
- (13) the costs of Insurance for the Board and the Trust.

The Program Administrator and the Board of Trustees shall annually establish a budget for the Board's expenses, including, without limitation, the expenses of the Board and committee meetings, the Participant meeting(s), Board travel and education expenses, legal fees, audit fees and insurance the Program Administrator shall facilitate the payment of these expenses on behalf of the Board from its fee.

(c) Any expenses not paid by Public Trust Advisors, LLC above shall be as mutually agreed upon by the Program Administrator and the Board of Trustees.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Each Participant.

Each Participant hereby represents and warrants that:

(a) the Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions, including, without limitation, as required by Section 2256.016(a) of the Act in order to execute and deliver this Agreement and to perform its obligations hereunder, including, without limitation, the appointment of the Trustees as Trustees, the appointment of the Custodian as Custodian and the appointment of the Program Administrator as Program Administrator; and

(b) the execution, delivery and performance of this Agreement by the Participant are within the power and authority of the Participant and do not violate the laws of the State of Texas applicable to the Participant itself and not to the other parties hereto or the Participant's charter or its organizational statute, instrument or documents or any other applicable local ordinance, resolution, rule or regulation; and

(c) the execution, delivery and performance of this Agreement has been duly authorized and this Agreement is the legal, valid and binding obligation of the Participant enforceable against the Participant in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization, and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(d) the certificates delivered heretofore or hereafter by the Participant pursuant to this Agreement, as of the date specified therein, are true and complete and contain no material misstatements of fact or omissions that render them misleading; and

(e) the execution, delivery and performance of this Agreement do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default or an event with notice or lapse of time or both would constitute a default or an event of default under the terms of any contract or permit to which the Participant is a party or by which the Participant or its properties are bound; and

(f) the proposed investment strategies of the Trust are consistent with, and are contemplated by the investment strategy adopted by the Participant pursuant to Section 2256.005(d) of the Act.

7.2 Representations and Warranties of the Custodian.

The Custodian hereby represents and warrants that:

(a) the Custodian is a duly organized and validly existing national banking organization, organized under the laws of the United States with an office in Dallas, Texas and is duly qualified to conduct business in the State of Texas; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Custodian and this Agreement is the legal, valid and binding obligation of the Custodian enforceable against the Custodian in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Custodian of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Texas applicable to the Custodian itself and not to the other parties hereto.

7.3 Representations and Warranties of the Program Administrator.

The Program Administrator hereby represents and warrants that:

(a) the Program Administrator is a duly organized and validly existing Colorado limited liability company, and is an investment advisor duly registered under the Investment Advisers Act of 1940; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Program Administrator and this Agreement is the legal, valid and binding obligation of the Program Administrator, enforceable against the Program Administrator, in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Program Administrator of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Texas applicable to the Program Administrator itself and not to the other parties hereto.

ARTICLE VIII

COVENANTS

8.1 Source of Investments.

Each Participant hereby covenants that it will invest pursuant to Section 2.2 only Investment Funds that are permitted to be invested by it pursuant to the laws of the State of Texas and any charter, instrument, organizational document or organizational statute applicable to such Participant and any state or local ordinance, resolution, rule or regulation applicable to such Participant, and that it will perform all actions required by the laws of the State of Texas and any charter, instrument, organizational document or organizational statute applicable to such

Participant and any state or local ordinance, resolution, rule or regulation applicable to such Participant to be done prior to such investment.

8.2 Truth of Representations and Warranties.

Each party to this Agreement hereby covenants that it shall withdraw from this Agreement prior to the time any of the representations and warranties made by it in Article VII hereof ceases to be true.

ARTICLE IX

AMENDMENT AND TERMINATION

9.1 Amendment.

(a) Unless explicitly set forth otherwise herein, this Agreement may be amended only by a writing consented to by the Program Administrator, the Custodian and the Trust, acting through the Board of Trustees.

(b) Any amendment executed pursuant to Section 9.1(a) hereof will be effective thirty (30) days after notice is mailed to the Participants setting forth such amendment and stating that the last consent required by Section 9.1(a) hereof has been obtained.

(c) Notwithstanding the foregoing, Exhibit E may be amended by a writing consented to by a majority of the Board of Trustees. Any such amendment shall become effective thirty (30) days after notice is mailed to the Program Administrator, the Custodian and the Participants setting forth such amendment and stating that such amendment has been consented to by a majority of the Board of Trustees.

(d) Notwithstanding the foregoing, Exhibits A, B and C may be amended by the Program Administrator. Any such amendment shall become effective thirty (30) days after notice is mailed to the Participants and the Custodian setting forth such amendment.

(e) Notwithstanding the foregoing, Exhibit G may be amended by an amendment consented to by the Program Administrator and the Custodian. Any such amendment shall become effective upon the obtaining of such consents.

(f) All Participants that remain Participants after any amendment becomes effective shall be deemed to have consented to the amendment.

9.2 Termination.

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 9.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto. This Agreement shall terminate automatically if this Agreement is not amended to name a new Custodian or Program Administrator on or before the day that is immediately prior to the date on which the resignation, withdrawal or removal of the Custodian or Program Administrator would otherwise become effective.

(b) Upon the termination of this Agreement pursuant to this Section 9.2:

(i) The Custodian, the Board of Trustees, the Trust and the Program Administrator shall carry on no business in connection with the Investment Property except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) The Custodian, the Board of Trustees, the Trust and the Program Administrator shall proceed to wind up their affairs in connection with the Investment Property, and all of the powers of the Custodian, the Board of Trustees, the Trust and the Program Administrator under this Agreement shall continue until the affairs of the Custodian, the Board of Trustees, the Trust and the Program Administrator in connection with the Investment Property shall have been wound up, including, but not limited to, the power to collect amounts owed, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay Investment Property Liabilities, and do all other acts appropriate to liquidate their affairs in connection with the Investment Property; and

(iii) After paying or adequately providing for the payment of all Investment Property Liabilities, and upon receipt of such releases, indemnities and refunding agreements as each of the Custodian, the Board of Trustees, the Trust and the Program Administrator deem necessary for their protection, the Program Administrator shall direct the Custodian to distribute the remaining Investment Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate Balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the Program Administrator shall execute and lodge among the records maintained in connection with this Agreement an instrument in writing setting forth the fact of such termination, and the Program Administrator, the Custodian, the Board of Trustees and the Participants shall thereupon be discharged from all further liabilities and duties hereunder, the Trust shall cease, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged; provided that Sections 4.6(a), 4.8 and 5.6 hereof shall survive any resignation or termination of the Program Administrator or the Custodian or any termination of this Agreement.

(d) If this Agreement is terminated pursuant to Section 9.2 (a) hereof because of the resignation and/or removal of the Program Administrator, such resignation and/or removal shall be postponed until the instrument contemplated by Section 9.2(c) hereof has been executed and lodged among the records maintained in connection with this Agreement.

(e) Notwithstanding the above, one or more separate pools or portfolios established pursuant to this Trust Agreement may be terminated and its assets distributed to the Participants of that pool or portfolio. The dissolution of a pool or portfolio established pursuant

to this Trust Agreement does not affect any other pool or portfolio established pursuant to this Trust Agreement. No pool or portfolio established pursuant to this Agreement shall have any right to or claim on the assets of any other pool or portfolio established pursuant to this Agreement.

ARTICLE X

MISCELLANEOUS

10.1 Governing Law.

This Agreement is executed by the Participants and delivered in the State of Texas and with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State of Texas.

10.2 Counterparts.

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

10.3 Severability.

The provisions of this Agreement are severable, and if any one or more of such provisions (the "Conflicting Provisions") are in conflict with any applicable laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Agreement and this Agreement may be amended pursuant to Section 9.1 hereof to remove the Conflicting Provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the Conflicting Provisions.

10.4 Pools Separately Managed.

Separate pools or portfolios established and operated pursuant to the Trust Agreement shall be managed and operated separately and independently by the Program Administrator. There shall be no co-mingling of funds between pools or portfolios and Participants in one pool or portfolio established pursuant to this Trust Agreement shall have no claim on the funds or assets of another pool or portfolio established pursuant to this Trust Agreement, and investment earnings shall remain in the pool or portfolio in which they are realized.

10.5 Gender; Section Headings and Table of Contents.

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any-headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

10.6 No Assignment.

No party hereto may sell, assign, pledge or otherwise transfer any of its rights or benefits under this Agreement to any other Person, and any purported sale, assignment, pledge or other transfer shall be null and void.

10.7 No Partnership.

Other than the creation of the Trust by the Participants hereunder, no provision of this Agreement shall create or constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

10.8 Notice.

Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, telegraph, telex or computer hookup; or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Program Administrator;

(c) shall be deemed to have been given on the day of such mailing, transmission or deposit; and

(d) any of the methods specified in Section 10.7(b) shall be sufficient to deliver any notice required hereunder, notwithstanding that one or more of such methods may not be specifically listed in the sections hereunder requiring such notice.

10.9 Entire Agreement.

Except with respect to the letter described in Exhibit G between the Custodian and the Program Administrator, this Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

10.10 Confidentiality.

(a) All information and recommendations furnished by the Program Administrator to the Participants or the Board of Trustees that is marked confidential and all information and directions furnished by the Program Administrator to the Custodian shall be regarded as confidential by each such Person to the extent permitted by law. The Program Administrator and the Custodian shall regard as confidential all information concerning the Investment Property and the affairs of the Trust and Participants. Nothing in this paragraph shall prevent any party from divulging information as required by law or from divulging to civil, criminal, bank or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply or to prevent the Program Administrator from distributing copies of this Agreement or the aggregate value of the Trust to third parties, provided, however, confidential information shall not include (i) information that is independently developed or obtained by a party without the use of information provided by any other party; or (ii) information that is otherwise available to the public.

(b) In the event that on-line terminals or similar electronic devices are used for communication from the Program Administrator to the Custodian, or from the Participants to either the Program Administrator or the Custodian, the Program Administrator and the Participants agree to safeguard and maintain the confidentiality of all passwords or numbers and to disclose them only to such of its employees and agents as reasonably require access to the information concerning the Investment Property. The Custodian agrees to safeguard and maintain the confidentiality of all passwords or numbers and to limit access to this information for the purpose of acting pursuant to this Agreement. The Custodian and the Program Administrator may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Account or transactions pursuant to this Agreement.

10.11 Disputes.

In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation or alternative dispute resolution provided in writing at least 10 days before commencing legal action.

10.12 Majority of Participants.

Whenever any provision hereof refers to a majority of the Participants, such majority shall be determined based upon the number of Participants at that time and shall not be determined by a reference to the Balance of each Participant.

10.13 Writings.

Whenever this Agreement requires a notice, instruction or confirmation to be in writing or a written report to be made or a written records to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photo static, photographic or micrographic data storage method such as microfiche as well as on paper.

10.14 Effective Date.

This Agreement shall become effective on the Effective Date.

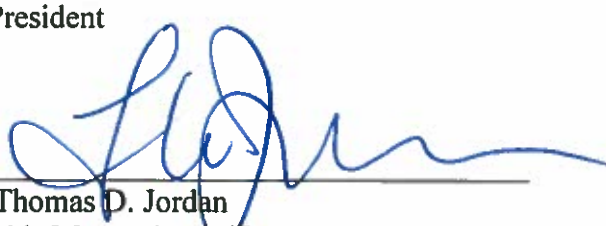
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in its name and on its behalf as of the date first written above.

PUBLIC TRUST ADVISORS, LLC

By: 

Name: Gregory S. Wright

Title: President

By: 

Name: Thomas D. Jordan

Title: Chief Executive Officer

WELLS FARGO BANK, N.A.
as Custodian

By: _____
Name: _____
Title: _____

THE PARTICIPANTS IN THE TRUST THAT HAVE
ENTERED INTO THIS AGREEMENT

By:  _____
Chair, Board of Trustees of the Trust

By:  _____
Secretary, Board of Trustees of the Trust

WELLS FARGO BANK, N.A.
as Custodian

By: 
Name: Andrea Stallish
Title: Vice President

THE PARTICIPANTS IN THE TRUST THAT HAVE
ENTERED INTO THIS AGREEMENT

By: _____
Chair, Board of Trustees of the Trust

By: _____
Secretary, Board of Trustees of the Trust

EXHIBIT A

INVESTMENT PROCEDURES

1) A Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be invested, and if more than one fund or account with Texas CLASS has been established by the Program Administrator, into which fund or account such amount shall be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire Investment Funds to the corresponding account at the Custodian.

2) Receipt of the Program Administrator prior to the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn interest on the same Business Day.

3) Receipt by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn Interest on the next Business Day.

4) If Investment Funds for which notification of deposit has been given, are not received (except if the Participant can show the contribution procedures have been followed) by the end of the Business Day on which such notification is given, the Program Administrator shall deduct the value of such Investment Funds from the Participant's Balance if previously credited.

If the Participant fails to instruct its bank depository to wire Investment Funds before the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.com>, on the day notice of the deposit is provided the Program Administrator, the Participant's Balance shall be charged interest equal to any interest earned on such failed deposit for each day the Participant's Balance was credited with the deposit before the date the deposit was received. If the Participant can show the contribution procedures have been followed, and, notwithstanding, the Investment Funds are not received, then the Program Administrator shall seek to obtain such Investment Funds from the party responsible for failure of delivery.

5) Participants are prohibited from withdrawing Investment Funds credited to their Balance(s) pursuant to (2) or (3) above, until such Investment Funds are received by the Custodian.

6) These Investment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

EXHIBIT B

PAYMENT PROCEDURES

- 1) The Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be withdrawn, and if more than one fund or account within Texas CLASS has been established, from which fund or account such amount shall be withdrawn.
- 2) The Participant shall indicate the payee and include wire or ACH instructions.
- 3) Requests for withdrawals received by the Program Administrator by the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.org> will be processed to permit payment on the Business Day.
- 4) Requests for withdrawals received by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at <http://www.texasclass.org>, will be processed the following Business Day.
- 5) Participants may only request withdrawals from an account of an amount not to exceed their Balance in such account at the time payment is made pursuant to such request.
- 6) Requests for withdrawals received in accordance with (3) above by the Program Administrator shall be wired or processed through ACH in accordance with the Participant's instructions after noon on such Business Day and the funds so wired or processed through ACH shall be immediately available funds.
- 7) These Payment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

EXHIBIT C
VALUATION PROCEDURES

1. Portfolio Valuation.

A. Amortized Cost Valuation

On a daily basis, normally at 3:00 p.m. Eastern time, the Investment Property Value shall be determined using the amortized cost valuation method. The amortized cost valuation method involves initially valuing a security at its cost and thereafter accreting to maturity any discount or amortizing to maturity any premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

B. Mark to Market

At least daily, the Investment Property Value shall be determined on a mark to market basis as follows:

The Program Administrator shall determine the market value of the specific investment holdings for the Texas CLASS pool or portfolio. The market values shall be obtained from one or more sources the Program Administrator believes to be reliable for providing such information. A credible pricing source will be used by the Program Administrator to price the underlying securities on a daily basis.

The market value of the collateral supporting repurchase agreements which are "delivery versus payment" shall be determined by the portfolio manager for each portfolio using the current bid price of the collateral securities obtained from Bloomberg L.P.

The market value of the collateral supporting tri-party repurchase agreements shall be determined by the tri-party custodian. The tri-party custodian forward a collateral report to the Texas CLASS operations team every business day.

2. Amendment. These Valuation Procedures may be amended from time to time pursuant to Section 9.1(d) hereof.

EXHIBIT D

PARTICIPATION CERTIFICATE

The undersigned _____ does hereby request that it be admitted as a Participant pursuant to Section 2.3 of the Seventh Amended and Restated Trust Agreement (the "Agreement") dated as of August 16, 2013 by and between the Participants, Wells Fargo Bank, N.A., as Custodian, and Public Trust Advisors, LLC. By executing this Participation Certificate, the undersigned agrees that, upon the execution hereof by the Program Administrator, it will become subject to the same obligations and shall have the same rights as if it had executed the Agreement.

The undersigned hereby certifies that _____ is the duly designated Representative of the undersigned as required by the Agreement.

The undersigned hereby certifies that its governing body has taken all actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, in order for it to participate in the Trust created by the Agreement.

(Name of Participant)

PARTICIPANT EXECUTION DATE

By: _____

Name: _____

Title: _____

Accepted:

Public Trust Advisors, LLC.

By: _____

Name: _____

Title: _____

EXHIBIT E

INVESTMENT CRITERIA

1. General Objectives

- a. Legality: invest only in investments legally permissible under Texas law.
- b. Safety: minimize risk by managing portfolio investments so as to preserve principal and maintain a stable asset value. The Trust shall be managed so that the Trust shall receive the highest rating for a local government investment pool from a nationally recognized statistical rating organization for so long as such a rating is required by Texas law.
- c. Liquidity: manage portfolio investments to ensure that cash will be available as required to finance Participants' operations.
- d. Yield: maximize current income to the degree consistent with legality, safety and liquidity.

2. General Standard

All investments made on behalf of the Trust shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives in order of priority:

1. preservation of safety of principal;
2. liquidity; and
3. yield.

3. Investments

Investment Funds may be invested in any or all of the legal investments specified in Sections 2256.009 through 2256.016, Public Funds Investment Act, Texas Government Code, as the same may be hereafter amended, or in any successor statute, but only to the extent that such investments would be permitted by Rule 2a-7, as amended from time to time, promulgated by the United States Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended (the "Rule") if the Rule were applicable to the Trust. The investment criteria for any additional pools or portfolios established pursuant to the Agreement may provide for a more limited investment criteria or investment in only certain investments specified in the Public Funds Investment Act.

4. Amendments

These Investment Criteria may be amended from time to time pursuant to Section 9.1(c) hereof.

EXHIBIT F

PROGRAM ADMINISTRATOR'S FEE

For the performance of its obligations under this Agreement, the Program Administrator will charge a fee from the Investment Property Value (the "Daily Fee") for each pool or portfolio established pursuant to this Agreement. This Daily Fee will accrue on a daily basis and be paid monthly in arrears and prorated for any portion of the month in which this Agreement is in effect.

The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day's shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees.

The Applicable Fee Rate shall be determined monthly on the first business day of each month for each pool or portfolio established pursuant to this Agreement, and shall be calculated according to the schedule below which is applicable to each pool or portfolio established pursuant to this Agreement:

	<u>Cumulative Balance</u>	<u>Fee %</u>
First	\$1,000,000,000	.120%
Next	\$1,000,000,000	.110%
Next	\$1,000,000,000	.100%
Next	Over \$3,000,000,000	.090%

Fees may be waived or abated at any time, or from time to time, at the sole discretion of the Program Administrator. Any such waived fees may be restored by the written agreement of the Board of Trustees in its sole discretion.

In the event that the Investment Property Value for each pool or portfolio established pursuant to this Agreement declines at any time to a level that would cause the Program Administrator's fee to equal an amount equal to or in excess of the remaining Investment Property Value, the fee shall be reduced to zero.

The blended fee shall never be greater than the yield to the Participants in the corresponding pool or portfolio.

EXHIBIT G
CUSTODIAN'S FEE

Rate Schedule

The Program Administrator shall pay to the Custodian the costs and fees specified in the Fee Schedule effective April 1, 2013 from the Custodian to the Program Administrator, as amended from time to time by the Program Administrator and the Custodian pursuant to Section 9.1(e) hereof.

TEXAS COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM TRUST INVESTMENT POLICY

This Investment Policy (the “Policy”) is adopted by the Board of Trustees of Texas Cooperative Liquid Assets Securities System Trust (“Texas CLASS”), its pools, portfolios and sub-accounts, a public funds investment pool established and created pursuant to Chapter 2256 of the Texas Government Code, as amended, and an Amended and Restated Trust Agreement dated as of August 5, 2016 (as amended from time to time, the “Trust Agreement”) among certain Texas Participants, as defined in the Trust Agreement, Wells Fargo Bank, National Association, as Custodian (the “Custodian”), and Public Trust Advisors, LLC, as Program Administrator (the “Program Administrator”).

ARTICLE I **PURPOSE**

Section 1.01. Purpose.

This Policy with respect to investments of Texas CLASS has been adopted to establish the principles and criteria by which the funds of Texas CLASS should be invested and secured and to comply with the provisions of the Trust Agreement and with various provisions of Texas law relating to the investment and security of funds of public funds investment pools (the “Investment Laws”). As of the date of the adoption of this Policy, the following laws are applicable to the investment of Texas CLASS’ funds: Chapter 2256, Texas Government Code; Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code; and Chapter 404.101 et seq., Texas Government Code. The Investment Laws generally provide the minimum criteria for the authorized investment and security of funds of Texas CLASS and require Texas CLASS to adopt rules to ensure the investment of funds of Texas CLASS in accordance with such laws. This Policy will specify the scope of authority of Texas CLASS Officials who are responsible for the investment of funds of Texas CLASS.

Section 1.02. Policy Application to Sub-Accounts and Additional Pools or Portfolios.

This Policy shall apply to all sub-accounts of Texas CLASS, including Texas CLASS PLUS any other sub-accounts that are invested and managed separately from Texas CLASS, whether such sub-accounts contain one or multiple Participants. This Policy shall also apply to any additional pools or portfolios established pursuant to the Trust Agreement.

ARTICLE II **DEFINITIONS**

Section 2.01. Definitions.

Unless the context requires otherwise, the following terms and phrases used in this Policy shall mean the following:

- a) The term “Authorized Collateral” means any means or method of securing the deposit of funds of Texas CLASS authorized by Chapter 2257, Texas Government Code.
- b) The term “Authorized Investment” means any security which Texas CLASS is authorized to invest in under Chapter 2256, Texas Government Code.
- c) The term “Board” means the Board of Trustees of Texas CLASS.
- d) The term “Collateral” means any means or method of securing the deposit of funds of Texas CLASS under Article V hereof.
- e) The term “Collateral Act” means Chapter 2257, Texas Government Code, as amended from time to time.
- f) The term “Trustee” means a person elected or appointed to serve on the Board of Trustees of Texas CLASS.
- g) The term “Employee” means any person employed by Texas CLASS, but does not include independent contractors or professionals hired by Texas CLASS as outside consultants, such as the Program Administrator or the Custodian for Texas CLASS.
- h) The term “Investment Act” means Chapter 2256, Texas Government Code, as amended from time to time.
- i) The term “Investment Officer” means the Trustee of Texas CLASS designated by the Trust Agreement to invest and reinvest the funds of Texas CLASS held in its various accounts.

- j) The term “Texas CLASS” , for purposes of this Policy, means all pools or portfolios established pursuant to the Trust Indenture
- k) The term “Texas CLASS Officials” means the Investment Officer, Trustees, officers, employees, and persons and business entities engaged in handling the investment of funds of Texas CLASS, including, without limitation, the Program Administrator and the Custodian.

ARTICLE III **INVESTMENT OFFICER**

Section 3.01. Investment Officer.

The Trust Agreement designates the Chairman of the Board, ex officio, or in the absence of the Chairman, the Vice Chairman, if any, to serve as Investment Officer to handle the investment of funds of Texas CLASS. The Investment Officer shall be responsible for investing funds of Texas CLASS in accordance with this Policy. The Investment Officer shall invest funds of Texas CLASS, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the following objectives in order of priority: (a) preservation and safety of principal; (b) liquidity; and (c) yield.

Section 3.02. Training.

The Investment Officer shall complete any and all training sessions that may be required by law relating to his or her responsibilities under the Investment Act as the Investment Officer for the Participant represented by the Investment Officer.

Section 3.03. Reporting by the Program Administrator.

Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer and Texas CLASS Officials shall cause the Program Administrator to prepare and submit to the Board a written report of the investment transactions for all funds of Texas CLASS for the preceding reporting period. The report must (1) describe in detail the investment positions of Texas CLASS on the date of the report, (2) be signed by the Program Administrator, (3) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested and by pool or portfolio, (4) state the maturity date of each separately invested asset that has a maturity date, and (5) state the compliance of each investment portfolio as they relate to this Policy and the Investment Act.

Section 3.04. Assistance with Certain Duties of the Investment Officer.

The Board hereby authorizes and directs the Program Administrator and any other Texas CLASS Officials requested by the Investment Officer to assist the Investment Officer with any of his duties, including but not limited to the following:

1. Presenting a copy of the Policy to any person or business organization seeking to sell an investment to Texas CLASS, and obtaining the necessary written certification from such seller referred to in Section 4.03;
2. Handling investment transactions;
3. Preparing and submitting to the Board the written report of all investment transactions for Texas CLASS, as required by this Article;
4. Researching investment options and opportunities;
5. Obtaining written depository pledge agreements as required herein;
6. Obtaining safekeeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and
7. Reviewing the market value of investments of Texas CLASS, including each pool or portfolio established pursuant to the Trust Agreement and of the Collateral pledged to secure funds of Texas CLASS.

ARTICLE IV **PROCEDURES FOR INVESTMENT OF TEXAS CLASS MONIES**

Section 4.01. Qualified Broker/Dealers

The list of qualified broker/dealers with whom Texas CLASS may engage in investment transactions is listed in The Qualified Broker/Dealer List attached to this Policy as Exhibit B. The Qualified Broker/Dealer List to the Policy may be amended and updated by the Board separate from or as a part of this Policy.

Section 4.02. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with Texas CLASS.

The Investment Officer and Texas CLASS Officials shall disclose in writing (a) any “personal business relationship” with a business organization offering to engage in an investment transaction with Texas CLASS, and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to Texas CLASS, as required by the Investment Act. The existence of a “personal business relationship” shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and the Texas Ethics Commission.

Section 4.03. Certifications from Sellers of Investments.

The Investment Officer or Texas CLASS Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with Texas CLASS and obtain the certificate that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to Texas CLASS and shall state that the potential seller has received and reviewed the Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with Texas CLASS that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolios of Texas CLASS or requires an interpretation of subjective investment standards. Neither the Investment Officer nor Texas CLASS Officials shall purchase or make any investment from a potential seller that has not delivered to Texas CLASS this required certification. A form of certificate acceptable to Texas CLASS is attached hereto as Exhibit A.

Section 4.04. Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.

Section 4.05. Settlement Basis.

All purchases of investments, except investment in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all Texas CLASS investments and for all Collateral pledged to secure funds of Texas CLASS shall be one approved by the Investment Officer or the Program Administrator.

Section 4.06. Monitoring of the Market Value of Investments and Collateral.

The Program Administrator, on behalf of the Investment Officer, with the help of such Texas CLASS Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of funds of Texas CLASS at the times required and in the manner provided in the Trust Agreement and the Investment Act.

ARTICLE V

PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Funds.

- A. All funds of Texas CLASS shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by the Trust Agreement or by resolutions of the Board and applicable state law or federal tax law, including the Investment Laws.
- B. The Program Administrator may withdraw or transfer funds from and to accounts of Texas CLASS only in compliance with this Policy.

Section 5.02. Policy of Securing Deposits of Funds of Texas CLASS -- Applicable to All Deposited Funds of Texas CLASS.

- A. Texas CLASS recognizes that FDIC (or its successor) insurance is available for funds of Texas CLASS deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of \$250,000 (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders. It is the policy of Texas CLASS that all deposited funds in Texas CLASS shall be insured by the FDIC, or its successor, and to the extent not insured, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.
- B. If it is necessary for depositories of Texas CLASS to pledge Collateral to secure Texas CLASS' deposits, (1) the Collateral pledge agreement must be in writing, (2) the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide the Investment Officer or Texas CLASS Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to Texas CLASS. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such

approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any funds of Texas CLASS in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Texas CLASS Officials to proceed diligently to have such agreement approved and documented to assure protection of funds of Texas CLASS. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Program Administrator shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

- C. Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Program Administrator shall obtain safe-keeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this Policy and in the amount required was pledged to Texas CLASS. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for Texas CLASS' deposits. It shall be acceptable for the Program Administrator to periodically receive interest on deposits to be deposited to the credit of Texas CLASS if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Texas CLASS Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Program Administrator shall monitor the pledged Collateral to assure that it is pledged only to Texas CLASS, review the fair market value of the Collateral to ensure that Texas CLASS' funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.
- D. Texas CLASS' funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured in any manner authorized by law for Texas CLASS as such law is currently written or as amended in the future.

Section 5.03. Diversification.

The pool shall at all times diversify its assets in such a way as to maintain its AAAM rating status with at least one nationally recognized statistical rating organization. The diversification criteria set by the rating organization shall be reviewed with the Board at

least annually. The diversification criteria and the diversification of the pool's assets shall at all times be in compliance with the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code.

ARTICLE VI **AUTHORIZED INVESTMENTS**

Section 6.01. Authorized Investments – Texas CLASS.

Unless specifically prohibited by law or elsewhere by this Policy, monies of Texas CLASS may be invested and reinvested only in investments authorized by Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities with a maximum maturity of 397 days, except that certain permitted variable rate securities may be purchased with final maturities greater than 397 days, as described in Paragraph 12 (d) below.
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
5. Certificates of deposit or share certificates if the certificate is issued by a depository institution that has its main office or a branch office in this state and is: (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations that are described by Section 2256.009(a) of Chapter 2256, Texas Government Code as amended, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b), Texas Government Code, as amended; or (3) secured in any other manner and amount provided by law for deposits of the investing entity. In addition, an

investment in certificates of deposit is authorized if (1) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in Texas and is selected from a list adopted by the investing entity, or (B) a depository institution that has its main office or a branch office in Texas and that is selected by the investing entity, (2) the broker or depository institution selected by the investing entity under (1) above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity, (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (4) the investing entity appoints the depository institution selected by the investing entity under (1) above, an entity described by Section 2257.041(d) or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rules 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity, .

6. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.

7. A securities lending program where:

- 1) the value of securities loaned under the program is not less than 100 percent collateralized, including accrued income;
- 2) a loan made under the program allows for termination at any time;
- 3) a loan made under the program is secured by: (A) pledged securities described subsection (I) below; (B) pledged irrevocable letters of credit issued by a bank that is: (i) organized and existing under the laws of the United States or any other state; and (ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or (C) cash invested in:

(I) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of this state or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and

interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and (6) bonds issued, assumed, or guaranteed by the State of Israel.

(II) Commercial Paper pursuant to Number Nine below.

(III) Mutual Funds pursuant to Number 10 below; or

(IV) Investment Pools

- 4) the terms of a loan made under the program must require that the securities being held as collateral be: (A) pledged to the investing entity; (B) held in the investing entity's name; and (C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;
- 5) a loan made under the program must be placed through: (A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or (B) a financial institution doing business in Texas; and
- 6) an agreement to lend securities must have a term of one year or less.
8. Bankers' acceptances that comply with the Investment Act;
9. Commercial paper that complies with the Investment Act; provided that no more than 25% of the assets of Texas CLASS shall be invested in commercial paper of any one industry, except that the 25% limitation shall not apply to commercial paper of banking and financial institutions.
10. No-load money market mutual funds that comply with the Investment Act;
11. Guaranteed investment contracts that comply with the Investment Act;
12. The following other requirements shall also be met:

- a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.
 - b. The weighted average maturity of the fund will not exceed the lesser of the triple-A guidelines of a nationally recognized rating agency, or 90 days.
 - c. Securities with capped coupons are not permitted.
 - d. Variable rate instruments issued by United States agencies or instrumentalities with final maturities of greater than 397 days are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.
13. Bonds issued, assumed or guaranteed by the State of Israel that are also backed by the full faith and credit of the United States of America.

Section 6.02. Authorized Investments – Texas CLASS PLUS

Unless specifically prohibited by law or elsewhere by this Policy, monies of Texas CLASS PLUS may be invested and reinvested only in investments authorized by Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities with a maximum maturity of 7 years.
2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
5. Certificates of deposit or share certificates if the certificate is issued by a depository institution that has its main office or a branch office in this state and is: (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor

- or the National Credit Union Share Insurance Fund or its successor; (2) secured by obligations that are described by Section 2256.009(a) of Chapter 2256, Texas Government Code as amended, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section 2256.009(b), Texas Government Code, as amended; or (3) secured in any other manner and amount provided by law for deposits of the investing entity. In addition, an investment in certificates of deposit is authorized if (1) the funds are invested by an investing entity through (A) a broker that has its main office or a branch office in Texas and is selected from a list adopted by the investing entity, or (B) a depository institution that has its main office or a branch office in Texas and that is selected by the investing entity, (2) the broker or depository institution selected by the investing entity under (1) above arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity, (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (4) the investing entity appoints the depository institution selected by the investing entity under (1) above, an entity described by Section 2257.041(d) or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rules 15c3-3 (17 C.F.W. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity, .
6. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS PLUS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS PLUS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.
 7. A securities lending program where:
 - (1) the value of securities loaned under the program is not less than 100 percent collateralized, including accrued income;
 - (2) a loan made under the program allows for termination at any time;

- (3) a loan made under the program is secured by: (A) pledged securities described subsection (I) below; (B) pledged irrevocable letters of credit issued by a bank that is: (i) organized and existing under the laws of the United States or any other state; and (ii) continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or (C) cash invested in:
 - (I) (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities; (2) direct obligations of this state or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and (6) bonds issued, assumed, or guaranteed by the State of Israel.
 - (II) Commercial Paper pursuant to Number Nine below.
 - (III) Mutual Funds pursuant to Number 10 below; or
 - (IV) Investment Pools
- (4) the terms of a loan made under the program must require that the securities being held as collateral be: (A) pledged to the investing entity; (B) held in the investing entity's name; and (C) deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity;
- (5) a loan made under the program must be placed through: (A) a primary government securities dealer, as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003; or (B) a financial institution doing business in Texas; and
- (6) an agreement to lend securities must have a term of one year or less.

8. Bankers' acceptances that comply with the Investment Act;
9. Commercial paper that complies with the Investment Act; provided that no more than 25% of the assets of Texas CLASS PLUS shall be invested in commercial paper of any one industry, except that the 25% limitation shall not apply to commercial paper of banking and financial institutions.
10. No-load money market mutual funds that comply with the Investment Act;
11. Guaranteed investment contracts that comply with the Investment Act;
12. The following other requirements shall also be met:
 - a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.
 - b. Securities with capped coupons are not permitted.
 - c. Variable rate instruments issued by United States agencies or instrumentalities with final maturities of greater up to 7 years are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.
13. Bonds issued, assumed or guaranteed by the State of Israel that are also backed by the full faith and credit of the United States of America.

Section 6.04. Authorized Investments – Texas CLASS Government Only Pool or Portfolio

Monies of Texas CLASS GOVERNMENT FUND (or such other pool or portfolio as determined by the Board to be restricted to investments authorized pursuant to this section 6.04) may be invested and reinvested only in investments authorized by this policy and Chapter 2256, Texas Government Code, as amended, including the following types of investments:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities with a maximum maturity of 397 days, except that certain permitted variable rate securities may be purchased with final maturities greater than 397 days, as described in Paragraph 12 (d) below.

2. Repurchase agreements that comply with the Investment Act. No more than 25% of the portfolio of Texas CLASS shall be invested in term repurchase agreements and no more than 5% of the portfolio of Texas CLASS may be invested in term repurchase agreements with maturities exceeding 90 days. Repurchase agreements shall be 102% collateralized by obligations of the United States Treasury or its agencies and instrumentalities in accordance with the provisions of the Public Securities Association Master Agreement on file with the Program Administrator pertaining to repurchase agreement operating procedures.
3. Certificates of Deposit pursuant to Section 2256.010, Texas Government Code, as amended.
4. No-load money market mutual funds that comply with the Investment Act but that do not include commercial paper;
5. The following other requirements shall also be met:
 - a. No investments shall be made in securities denominated in a currency other than dollars of the United States of America.
 - b. The weighted average maturity of the fund will not exceed the lesser of the triple-A guidelines of a nationally recognized rating agency, or 120 days.
 - c. Securities with capped coupons are not permitted.
 - d. Variable rate instruments issued by the United States treasury or agencies or instrumentalities with final maturities of greater than 397 days are allowed if the rate resets at least annually and is calculated with reference to a single, established money market index and the instrument can reasonably be expected to reset to or maintain its par value at all reset dates.
 - e. The maximum maturity for variable rate securities issued by the United States treasury or agencies or instrumentalities is 762 days.

Section 6.03. Prohibited Investments.

Notwithstanding anything to the contrary stated herein, no funds of Texas CLASS may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).
5. Corporate bonds.

ARTICLE VII

INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to Texas CLASS.

The general investment strategy for Texas CLASS shall be to invest all monies so as to accomplish the following objectives, which are listed in the order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Participants in Texas CLASS;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

All monies shall be invested to meet the cash flow requirements of Texas CLASS as determined by the needs of the Participants. Monies in Texas CLASS shall not be invested for longer than 397 days or as specified in Section 6.01(12)(d) and 6.01(3)(d). Monies in Texas CLASS PLUS shall not be invested longer than 7 years.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Annual Review.

Texas CLASS shall review this Policy at least annually and adopt a resolution confirming the continuance of the Policy without amendment or adopt an Amended Policy.

Section 8.02. Superseding Clause.

This Policy supersedes any prior policies adopted by the Board of Trustees regarding investment or securitization of Funds of Texas CLASS.

Section 8.03. Open Meeting.

The Board officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at a place readily accessible and convenient to the public at the administrative office of Texas CLASS, at a place convenient to the public in the main office of the Secretary of State and on a bulletin board at a place convenient to the public in the county courthouse in Dallas County, for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

This document may be executed in one or more original counterparts, each of which shall constitute one and the same instrument and is effective as of the date specified below.

Adopted on March 1, 2017.

Exhibit A

CERTIFICATE OF COMPLIANCE FROM SELLERS OF INVESTMENTS AS REQUIRED BY THE PUBLIC FUNDS INVESTMENT ACT

To: Texas Cooperative Liquid Assets Securities System Trust, a public funds investment pool ("Texas CLASS")

From: _____

[Name of the person offering or the
"qualified representative of the business
organization" offering to engage in an
investment transaction with Texas CLASS]

[Office such person holds]

of _____ (the "Business Organization")
[name of financial institution, business organization or investment pool]

Date: _____

In accordance with the provisions of Chapter 2256 of the Texas Government Code, I hereby certify that:

1. I am an individual offering to enter into an investment transaction with Texas CLASS or any of its subaccounts, pools or portfolios, including Texas CLASS PLUS and [TEXAS CLASS GOVERNMENT ONLY] (referred to herein collectively as "Texas CLASS"), or I am a "qualified representative" of the Business Organization offering to enter an investment transaction with Texas CLASS, as applicable, as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code, and that I meet all requirements under such act to sign this Certificate.
2. I or the Business Organization, as applicable, anticipate selling to Texas CLASS investments that comply with Texas CLASS' Investment Policy and the Investment Act (collectively referred to herein as the "Investments"), as amended and effective as of the date hereof. (the "Investment Policy").
3. I or a registered investment professional that services Texas CLASS' account, as applicable, have received and reviewed the Investment Policy, which Texas CLASS has represented is the complete Investment Policy of Texas CLASS now in full force and effect. Texas CLASS

has further acknowledged that I or the Business Organization, as applicable, may rely upon the Investment Policy until Texas CLASS provides me or the Business Organization, as applicable, with any amendments to or any newly adopted form of the Investment Policy.

4. I or the Business Organization, as applicable, have/has implemented reasonable procedures and controls in an effort to preclude investment transactions between Texas CLASS and me or the Business Organization, as applicable, that are not authorized by the Investment Policy, except to the extent that this authorization is dependent upon an analysis of Texas CLASS' entire portfolio or requires an interpretation of subjective investment standards.
5. I or the Business Organization, as applicable, have/has reviewed or will review prior to sale, the terms, conditions and characteristics of the investments to be sold to Texas CLASS and determined (i) that each of the Investments is an authorized investment for local governments under the Investment Act and (ii) each of the Investments is an authorized investment under the Investment Policy. The Business Organization makes no representation as to whether any limits on the amount of Texas CLASS' monies to be invested in the Investments exceeds or in any way violates the Investment Policy.
6. The Business Organization makes no representations or guarantees regarding the prudence, reasonableness or adequacy of the Investment Policy.
7. The Business Organization has attached hereto, for return to Texas CLASS, or will provide a prospectus or disclosure document for each of the Investments other than certificates of deposit and direct obligations of the United States.

By: _____

Name: _____

Title: _____

Investments other than certificates of deposit are not FDIC insured, are not deposits or other obligations of me, the Business Organization or any of its affiliates, and are subject to investment risks, including possible loss of the principal amount invested.

Return Receipt Acknowledged on _____, 20__.

By: _____

Title: _____

Exhibit B
QUALIFIED BROKER/DEALER LIST

A list of the qualified broker/dealers with whom Texas CLASS may engage in investment transactions is available from the Program Administrator and such list is approved periodically by resolution of the Board of Trustees.

#5407769.2

Texas CLASS Government

Principal Stability Fund Ratings Definitions

AAAm A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P Global Ratings

AAM A fund rated 'AAM' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

Am A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

BBBm A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

BBm A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Dm A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

Plus (+) or Minus (-)
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

About the Fund

Fund Rating

AAAm

Fund Type

Government & Agency

Investment Adviser

Public Trust Advisors, LLC

Portfolio Manager

Randy Palomba, CFA & Neil Waud, CFA

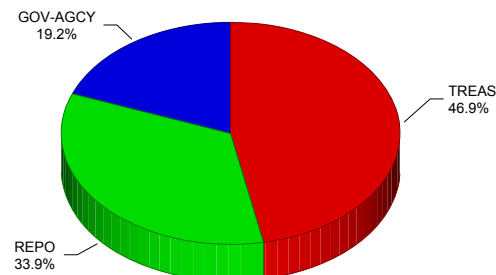
Fund Rated Since
Custodian

November 2016
Wells Fargo Bank N.A.

Distributor

Public Trust Advisors, LLC

Portfolio Composition as of September 26, 2017



TREAS - Treasury; REPO - Repurchase Agreement; GOV-AGCY - Agency and Government

Rationale

Texas CLASS Government is rated 'AAAm' by S&P Global Ratings. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). This is accomplished through conservative investment practices and strict internal controls. S&P Global monitors the portfolio on a weekly basis.

Overview

Texas CLASS is a local government investment pool created to meet the cash management and short-term investment needs of Texas governmental entities. Texas CLASS Government seeks to provide participants with a competitive market yield while maintaining daily liquidity and a stable net asset value. Fund management expects the fund to maintain a maximum dollar-weighted average maturity of 60 days or less, and all investments will have a maximum maturity of 397 days or less, except for variable rate securities issued by the U.S. treasury or agencies or instrumentalities, which carry a maximum maturity of 762 days. Eligible investments include securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities; and repurchase agreements.

Management

Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. The marketing and operation functions of the portfolio are also performed by Public Trust Advisors, LLC. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool.

Portfolio Assets

Portfolio Assets aim to comply with the Public Funds Investment Act, Texas Government Code (PFIA) guidelines and may include U.S. Treasuries, agencies, state and local government obligations and repurchase agreements (REPOs). These securities, at the time of purchase, are rated in the highest rating category by one or more nationally recognized statistical ratings organizations which regularly rate such obligations. The portfolio's weighted average maturity to reset (WAM(R)) is kept under 60 days, which further helps to enhance liquidity and limits market price exposure. Portfolio securities are priced to market on a weekly basis.

S&P Global Ratings Analyst: Peter Rizzo - (1) 212-438-5059

www.spratings.com

Investors should consider the investment objectives, risks and charges and expenses of the fund before investing. The prospectus which can be obtained from your broker-dealer, contains this and other information about the fund and should be read carefully before investing.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.

Principal Stability Rating Approach and Criteria

A S&P Global Ratings principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

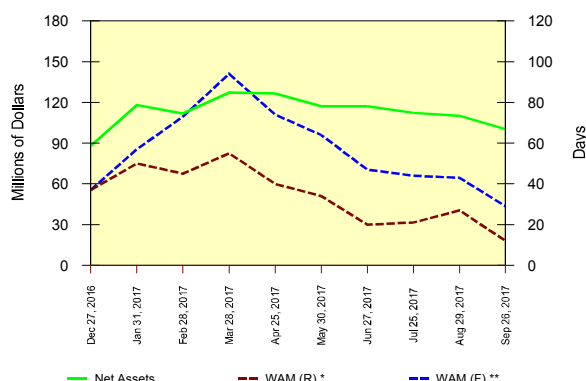
Texas CLASS Government

AAAm

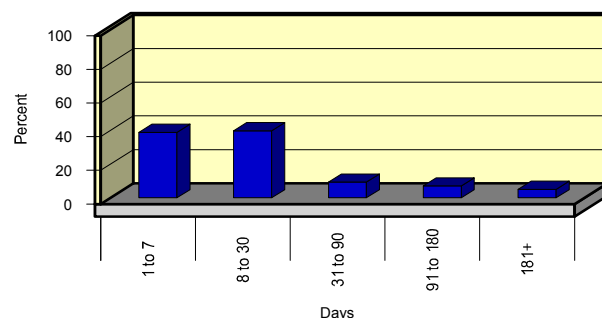
Data Bank as of September 26, 2017

Net Asset Value per Share.....	\$1.00002	Net Assets (millions).....	\$100.27	Inception Date.....	
WAM (R) *	12 days	WAM (F) **	29 days	7 Day Yield.....	1.07%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

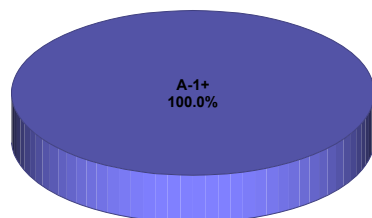
Net Assets, WAM (R) and WAM (F)



Portfolio Maturity Distribution as of September 26, 2017

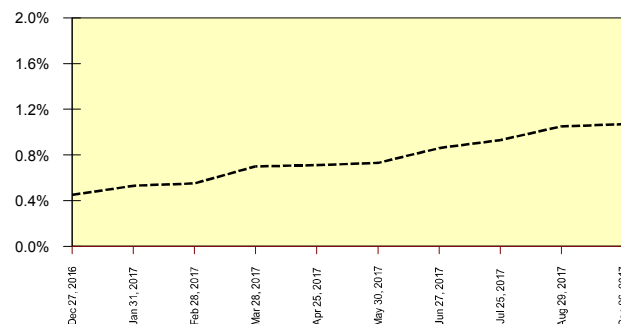


Portfolio Credit Quality as of September 26, 2017 *



*As assessed by S&P Global Ratings

Portfolio 7 Day Net-Yield



The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted. Performance data current to the most recent month-end may be available by calling the Fund at the phone number listed in the "About the Fund" section on page 1.

Fund portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior fund executives and public information.

S&P Global Ratings is neither associated nor affiliated with the fund.

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To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

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Texas Cooperative Liquid Assets Securities System

Principal Stability Fund Ratings Definitions

AAAm A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P Global Ratings

AAm A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

Am A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

BBBm A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

BBm A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

Dm A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

Plus (+) or Minus (-)
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

About the Pool

Pool Rating

AAAm

Pool Type

Stable NAV Government Investment Pool

Investment Adviser

Public Trust Advisors, LLC

Portfolio Manager

Randy Palomba, CFA & Neil Waud, CFA

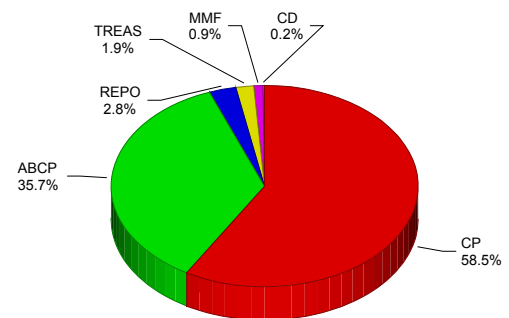
Pool Rated Since
Custodian

March 2009
Wells Fargo Bank N.A.

Distributor

Public Trust Advisors, LLC

Portfolio Composition as of September 26, 2017



CP - Commercial Paper; ABCP - Asset-backed commercial paper; REPO - Repurchase Agreement; TREAS - Treasury; MMF - Money Market Fund; CD - Certificate of Deposit

Rationale

Texas Cooperative Liquid Assets Securities System (Texas CLASS) is rated 'AAAm' by S&P Global. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). This is accomplished through conservative investment practices and strict internal controls. S&P Global monitors the portfolio on a weekly basis.

Overview

Texas CLASS was created specifically for the use of Texas local government entities and seeks to provide safety, liquidity, convenience, and competitive rates of return. The program is designed to meet the needs of Texas public sector investors. It purchases securities that are legally permissible under state statute and available for investment by Texas counties, cities, school districts, municipal utility districts, college districts, and other public agencies. Texas CLASS is a full-service cash management and investment program designed specifically to make the function of managing public funds safer and more simple while it provides competitive returns. Texas CLASS has operated since 1996.

Management

Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. The marketing and operation functions of the portfolio are also performed by Public Trust Advisors, LLC. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool.

Portfolio Assets

Portfolio Assets aim to comply with the Public Funds Investment Act, Texas Government Code (PFIA) guidelines and may include U.S. Treasuries, agencies, state and local government obligations, collateralized certificates of deposit, repurchase agreements (REPOs), and highly-rated commercial paper. These securities, at the time of purchase, are rated in the highest rating category by one or more nationally recognized statistical ratings organizations which regularly rate such obligations. The portfolio's weighted average maturity to reset (WAM(R)) is kept under 60 days, which further helps to enhance liquidity and limits market price exposure. Portfolio securities are priced to market on a weekly basis.

S&P Global Ratings Analyst: Peter Rizzo - (1) 212-438-5059

www.spratings.com

Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.

Principal Stability Rating Approach and Criteria

A S&P Global Ratings principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

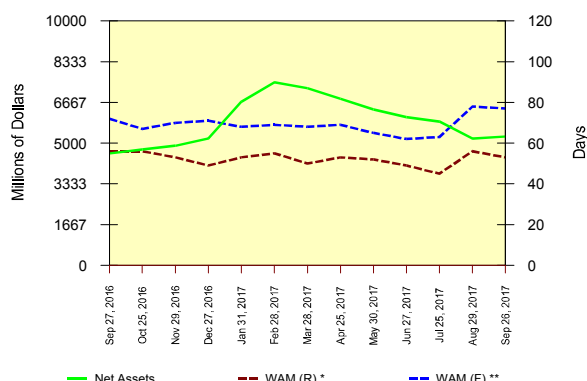
Texas Cooperative Liquid Assets Securities System

AAAm

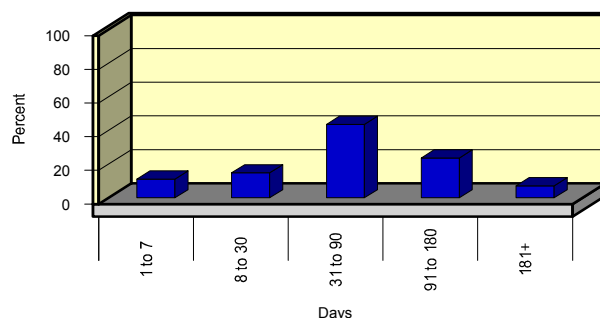
Data Bank as of September 26, 2017

Net Asset Value per Share.....	\$1.00007	Net Assets (millions).....	\$5,267.13	Inception Date.....	January 1996
WAM (R) *	53 days	WAM (F) **	77 days	7 Day Yield.....	1.25%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

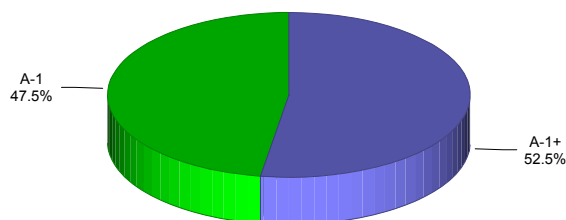
Net Assets, WAM (R) and WAM (F)



Portfolio Maturity Distribution as of September 26, 2017

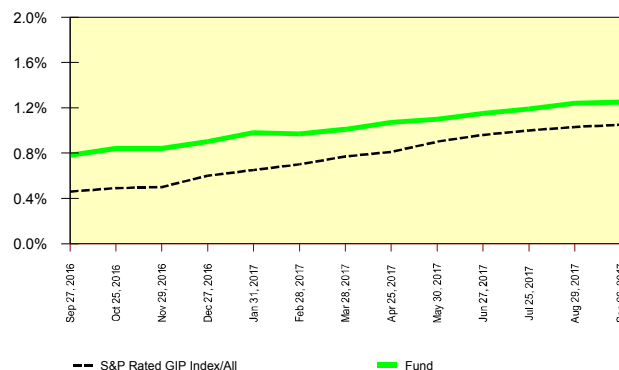


Portfolio Credit Quality as of September 26, 2017 *



*As assessed by S&P Global Ratings

Portfolio 7 Day Net-Yield Comparison *



*S&P 'AAAm' Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated LGIP Indices are calculated weekly by S&P Global Ratings and are comprised of 'AAAm' and 'AAm' government investment pools.

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

S&P Global Ratings is neither associated nor affiliated with the fund.

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Texas CLASS DFW Area Participant Listing

Allen ISD	City of Southlake	Irving ISD
Athens ISD	City of Weatherford	Johnson County
Atlanta Hospital Authority	Collin County	Kaufman ISD
Atlanta ISD	Coppell ISD	Keller ISD
Azle ISD	Corsicana ISD	Kemp ISD
Birdville ISD	Crowley ISD	Lake Dallas ISD
Burkburnett ISD	Dallas County Community	Lake Worth ISD
Carroll ISD	College District	Lovejoy ISD
Carson County	Dallas County Utility &	Mabank ISD
Cass County	Reclamation District	Mansfield ISD
City of Allen	Dallas ISD	Midwestern State University
City of Balch Springs	Denton County	Millsap ISD
City of Bedford	Denton Fresh Water Supply	Mt. Pleasant ISD
City of Cleburne	District No. 10	Palmer ISD
City of Coppell	DeSoto ISD	Rockwall County
City of Dallas	Duncanville ISD	Rockwall ISD
City of DeSoto	Ellis County	S & S CISD
City of Fate	Encanto Real U.D.	Scurry - Rosser ISD
City of Fort Worth	Ennis I.S.D.	Sherman ISD
City of Goliad	Everman ISD	Tarrant County
City of Granbury	Farmersville ISD	Town of Trophy Club
City of Greenville	Forney I.S.D.	Van Zandt County
City of Haltom City	Fort Worth I.S.D.	Venus ISD
City of Lancaster	Garland ISD	Weatherford ISD
City of McKinney	Grand Prairie ISD	
City of Mesquite	Greenville ISD	
City of Plano	Hurst Euless Bedford ISD	

Texas CLASS Participant List March 2018

Counties

Aransas County
Bastrop County
Bell County
Brazoria County
Brewster County
Burleson County
Burnet County
Caldwell County
Carson County
Cass County
Chambers County
Coke County
Collin County
Colorado County
County of Andrews
County of Karnes
County of Live Oak
County of Medina
County of Tyler
County of Zavala
Crane County
Denton County
Denton County District Clerk
Dimmit County
Ector County
El Paso County
Ellis County
Fort Bend County
Fort Bend County District Clerk
Fort Bend County, Office of County
Clerk
Franklin County
Gaines County
Galveston County

Gillespie County
Guadalupe County
Harris County
Harrison County
Hays County
Hidalgo County
Hill County
Hopkins County
Howard County
Jackson County
Jefferson County
Johnson County
Kleberg County
Lee County
Limestone County
McLennan County
Midland County
Montgomery County
Navarro County
Nueces County
Orange County
Polk County
Potter County
Randall County
Rockwall County
San Jacinto County
San Patricio County
Scurry County
Sherman County
Smith County
Tarrant County
Taylor County
Tom Green County
Tom Green County Clerk

Texas CLASS Participant List March 2018

Counties (cont.)

Travis County
Van Zandt County
Walker County
Waller County
Washington County

Webb County
Wharton County
Wheeler County
Willacy County
Wilson County

Municipalities

City of Allen
City of Alpine
City of Aransas Pass
City of Austin
City of Balch Springs
City of Bastrop
City of Bay City
City of Bedford
City of Belton
City of Boerne
City of Brownsville
City of Buda
City of Bulverde
City of Burleson
City of Burnet
City of Castle Hills
City of Cedar Hill
City of Cibolo
City of Cleburne
City of Columbus
City of Commerce
City of Conroe
City of Converse
City of Converse Econ. Dev. Corp.
City of Coppell
City of Cottonwood Shores

City of Dallas
City of Deer Park
City of Denver City
City of DeSoto
City of El Campo
City of El Paso
City of Fate
City of Floresville
City of Fort Worth
City of Friendswood
City of Fulshear
City of Garland
City of Goliad
City of Granbury
City of Greenville
City of Haltom City
City of Harker Heights
City of Highland Village
City of Hill Country Village
City of Huntsville
City of Jacksonville
City of Katy
City of Kerrville
City of Kingsville
City of La Feria
City of Lancaster

Texas CLASS Participant List March 2018

Municipalities (cont.)

City of Laredo	City of Portland
City of Leander	City of Rosenberg
City of Levelland	City of San Marcos
City of Lockhart	City of Schertz
City of Longview	City of Shavano Park
City of Lubbock	City of Sherman
City of Madisonville	City of Southlake
City of Mansfield	City of Taylor
City of Marble Falls	City of Taylor Lake Village
City of McKinney	City of Temple
City of Mercedes	City of Tomball
City of Mesquite	City of Troup
City of Missouri City	City of Victoria
City of Montgomery	City of Weatherford
City of Navasota	City of Webster
City of New Braunfels	City of White Oak
City of Pasadena	City of Whitehouse
City of Pearland	City of Woodcreek
City of Piney Point Village	Town of Trophy Club
City of Port Aransas	Village of Bee Cave
City of Port Arthur	

School Districts

Alamo Heights ISD	Athens ISD
Alice ISD	Atlanta ISD
Allen ISD	Austin ISD
Alpine ISD	Azle ISD
Alvin ISD	Beckville ISD
Amarillo ISD	Beeville ISD
Anahuac ISD	Belton ISD
Angleton Independent School	Birdville ISD
Aransas County ISD	Brenham ISD
Arlington ISD	Brownsville ISD

Texas CLASS Participant List March 2018School Districts (cont.)

Bryan ISD	Eagle Mountain-Saginaw ISD
Burkburnett ISD	Eanes ISD
Caldwell ISD	East Central ISD
Calhoun County ISD	Edcouch-Elsa ISD
Canutillo ISD	Edgewood ISD
Carroll ISD	Edinburg CISD
Celina ISD	El Paso ISD
Channelview ISD	Ennis ISD
Chapel Hill ISD	Everman ISD
China Springs ISD	Farmersville ISD
Clear Creek ISD	Forney ISD
Cleveland ISD	Fort Bend ISD
Columbia - Brazoria ISD	Fort Hancock ISD
Columbus ISD	Fort Sam Houston ISD
Comal ISD	Fort Worth ISD
Connally ISD	Frankston ISD
Conroe ISD	Fredericksburg ISD
Coppell ISD	Frenship ISD
Corpus Christi ISD	Friendswood ISD
Corsicana ISD	Galena Park ISD
Crane ISD	Galveston ISD
Crosbyton CISD	Garland ISD
Crowley ISD	George West ISD
Cypress-Fairbanks ISD	Georgetown ISD
Dallas County Schools	Glasscock County ISD
Dallas ISD	Goliad ISD
Deer Park ISD	Gonzales ISD
Del Valle ISD	Goose Creek Consolidated ISD
DeSoto ISD	Grand Prairie ISD
Devers ISD	Greenville ISD
Dickinson ISD	Groesbeck ISD
Dripping Springs ISD	Gunter ISD
Duncanville ISD	Hardin ISD

Texas CLASS Participant List March 2018School Districts (cont.)

Harlandale ISD	Little Elm ISD
Harlingen CISD	Lockhart ISD
Hays CISD	London ISD
Hereford ISD	Longview ISD
Hitchcock ISD	Lorenzo ISD
Hudson ISD	Lovejoy ISD
Huntsville ISD	Mabank ISD
Hurst Euleless Bedford ISD	Madisonville CISD
Hutto ISD	Magnolia ISD
Industrial ISD	Mansfield ISD
Iraan-Sheffield ISD	Marshall ISD
Irving ISD	McKinney ISD
Jacksonville ISD	Mercedes ISD
Katy ISD	Meyersville ISD
Kaufman ISD	Midland ISD
Keller ISD	Midway ISD
Kemp ISD	Millsap ISD
Kenedy ISD	Mission CISD
Kilgore ISD	Montgomery ISD
Killeen ISD	Mt. Pleasant ISD
Klein ISD	Nacogdoches ISD
La Porte ISD	New Braunfels ISD
La Vega ISD	North East ISD
La Vernia ISD	Northside ISD
Lake Dallas ISD	Overton ISD
Lake Travis ISD	Palestine ISD
Lake Worth ISD	Palmer ISD
Lamar CISD	Paris ISD
Lancaster ISD	Pasadena ISD
Leander ISD	Pearland ISD
Leveretts Chapel ISD	Pearsall ISD
Liberty ISD	Pettus ISD
Little Cypress-Mauriceville CISD	Pflugerville ISD

Texas CLASS Participant List March 2018School Districts (cont.)

Pharr-San Juan-Alamo ISD

Pine Tree ISD

Plainview ISD

Prosper ISD

Queen City ISD

Randolph Field ISD

Raymondville ISD

Red Oak ISD

Redwater ISD

Refugio ISD

Region 18 ESC

Region 19 ESC

Region One ESC

Region VI ESC

Rice CISD

Rio Grande City CISD

River Road ISD

Rockwall ISD

Rogers ISD

Roma ISD

Roosevelt ISD

S & S CISD

Sabine ISD

Salado ISD

San Angelo ISD

San Benito CISD

San Elizario ISD

San Felipe - Del Rio CISD

Santa Fe ISD

Schertz Cibolo Universal City ISD

Scurry - Rosser ISD

Sealy ISD

Seguin ISD

Sharyland ISD

Sherman ISD

Sinton ISD

Slaton ISD

South San Antonio ISD

Spring ISD

Stafford MSD

Stamford ISD

Stanton ISD

Sweeny ISD

Taft ISD

Tatum ISD

Taylor ISD

Temple ISD

Terrell ISD

Texarkana ISD

Texas School for the Blind ISD

Texas School for the Deaf

Thorndale ISD

Troup ISD

Tuloso - Midway ISD

United ISD

Venus ISD

Victoria ISD

Vidor ISD

Waco ISD

Wall ISD

Waller ISD

Waxahachie ISD

Weatherford ISD

Weslaco ISD

West ISD

White Oak ISD

Texas CLASS Participant List March 2018School Districts (cont.)

Whitesboro ISD

Wylie ISD

Yorktown ISD

Ysleta ISD

Zapata County ISD

Special Districts

Baker Road M.U.D.

Barker Cypress M.U.D.

Bauer Landing Water Control Improvement
District

Bay Colony M.U.D.

Baybrook M.U.D. No. 1

Beechnut M.U.D.

Bell County W.C.I.D. No. 6

Bell County W.C.I.D. No. 1

Bissonnet M.U.D.

Blue Ridge West M.U.D.

Brazoria County M.U.D. No. 2

Brazoria County M.U.D. No. 3

Brazoria County M.U.D. No. 6

Brazoria County M.U.D. No. 29

Brazoria County M.U.D. No. 61

Brookshire Municipal Water District

Caldwell County Appraisal District

Castlewood M.U.D.

Chambers County I.D. No. 2

Chelford One M.U.D.

Cimarron M.U.D.

Cinco M.U.D. No. 9

CNP U.D.

CPS Energy

Crystal Clear Special Utility District

Cypress Forest P.U.D.

Dallas County Utility & Reclamation District

Denton Fresh Water Supply Dist. No. 10

El Paso County 911 District

Encanto Real U.D.

First Colony Levee Improvement District

First Colony M.U.D. No. 9

Flamingo Isles M.U.D.

Fort Bend County M.U.D. No. 7

Fort Bend County M.U.D. No. 25

Fort Bend County M.U.D. No. 34

Fort Bend County M.U.D. No. 35

Fort Bend County M.U.D. No. 41

Fort Bend County M.U.D. No. 94

Fort Bend County M.U.D. No. 115

Fort Bend County M.U.D. No. 149

Fort Bend County M.U.D. No. 155

Fort Bend County M.U.D. No. 112

Fort Bend County M.U.D. No. 145

Fort Bend County M.U.D. No. 165

Fort Bend County M.U.D. No. 194

Fort Bend County M.U.D. No. 68

Fort Bend County M.U.D. No. 128

Fort Bend Emergency Services
District No. 2

Fort Bend M.U.D. No. 66

Fort Bend M.U.D. No. 142

Fort Bend Waller Counties M.U.D. No. 3

Texas CLASS Participant List March 2018Special Districts (cont.)

Galveston County M.U.D. No. 14
Galveston County M.U.D. No. 15
Generations Park MD
Grand Lakes M.U.D. No. 1
Grand Lakes M.U.D. No. 2
Grand Lakes M.U.D. No. 4
Grand Lakes W.C. & I.D.
Green Trails M.U.D.
Gulf Coast Rail District
Harris County E.S.D. No. 48
Harris County E.S.D. No. 9
Harris County E.S.D. No. 7
Harris County I.D. No. 18
Harris County M.U.D. No. 118
Harris County M.U.D. No. 148
Harris County M.U.D. No. 149
Harris County M.U.D. No. 150
Harris County M.U.D. No. 151
Harris County M.U.D. No. 153
Harris County M.U.D. No. 166
Harris County M.U.D. No. 180
Harris County M.U.D. No. 183
Harris County M.U.D. No. 200
Harris County M.U.D. No. 205
Harris County M.U.D. No. 238
Harris County M.U.D. No. 239
Harris County M.U.D. No. 249
Harris County M.U.D. No. 257
Harris County M.U.D. No. 264
Harris County M.U.D. No. 276
Harris County M.U.D. No. 278
Harris County M.U.D. No. 280
Harris County M.U.D. No. 281

Harris County M.U.D. No. 286
Harris County M.U.D. No. 290
Harris County M.U.D. No. 316
Harris County M.U.D. No. 341
Harris County M.U.D. No. 342
Harris County M.U.D. No. 344
Harris County M.U.D. No. 345
Harris County M.U.D. No. 36
Harris County M.U.D. No. 370
Harris County M.U.D. No. 373
Harris County M.U.D. No. 383
Harris County M.U.D. No. 389
Harris County M.U.D. No. 439
Harris County M.U.D. No. 46
Harris County M.U.D. No. 49
Harris County M.U.D. No. 70
Harris County M.U.D. No. 96
Harris County M.U.D. No. 215
Harris County M.U.D. No. 372
Harris County M.U.D. No. 53
Harris County M.U.D. No. 1
Harris County M.U.D. No. 109
Harris County M.U.D. No. 122
Harris County M.U.D. No. 167
Harris County M.U.D. No. 172
Harris County M.U.D. No. 282
Harris County M.U.D. No. 355
Harris County M.U.D. No. 359
Harris County M.U.D. No. 366
Harris County M.U.D. No. 367
Harris County M.U.D. No. 390
Harris County M.U.D. No. 399
Harris County M.U.D. No. 400

Texas CLASS Participant List March 2018

Special Districts (cont.)

Harris County M.U.D. No. 419	Montgomery County M.U.D. No. 36
Harris County M.U.D. No. 434	Montgomery County M.U.D. No. 40
Harris County M.U.D. No. 494	Montgomery County M.U.D. No. 46
Harris County M.U.D. No. 529	Montgomery County M.U.D. No. 47
Harris County M.U.D. No. 365	Montgomery County M.U.D. No. 6
Harris County M.U.D. No. 81	Montgomery County M.U.D. No. 60
Harris County M.U.D. No. 222	Montgomery County M.U.D. No. 67
Harris County U.D. No. 16	Montgomery County M.U.D. No. 7
Harris County U.D. No. 15	Montgomery County M.U.D. No. 105
Harris County U.D. No. 14	Montgomery County M.U.D. No. 139
Harris County U.D. No. 6	Montgomery County M.U.D. No. 83
Harris County W.C.I.D. Fondren Road	Montgomery County M.U.D. No. 84
Harris County W.C. & I.D. No. 89	Montgomery County M.U.D. No. 9
Harris County W.C.I.D. No. 132	Montgomery County M.U.D. No. 94
Harris County W.C.I.D. No. 119	Montgomery County M.U.D. No. 95
Harris County W.C.I.D. No. 157	Montgomery County M.U.D. No. 98
Harris County W.C.I.D. No. 159	Montrose Management District
Harris Fort Bend E.S.D. No. 100	Mount Houston Road M.U.D.
Harris Fort Bend M.U.D. No. 3	Newport Municipal Utility Authority
Harris Fort Bend M.U.D. No. 5	Northpointe W.C.I.D.
Harris-Waller Counties M.U.D. No. 2	Northwest Frwy M.U.D.
Hidalgo County Drainage District No. 1	Northwest Harris County M.U.D. No. 16
Hunters Glen M.U.D.	Northwest Harris County M.U.D. No. 21
International M.D.	Northwest Harris County M.U.D. No. 5
Jackrabbit P.U.D.	Northwest Harris County M.U.D. No. 10
Langham Creek U.D.	Northwest Park M.U.D.
Manor ISD	Northwood M.U.D. No. 1
Mission Bend M.U.D. No. 2	Nueces Water Supply Corporation
Montgomery County Emergency	Palmer Plantation M.U.D. No. 1
Communication District	Palmer Plantation M.U.D. No. 2
Montgomery County E.S.D. No. 2	Pecan Grove M.U.D.
Montgomery County E.S.D. No. 8	Plantation M.U.D.
Montgomery County M.U.D. No. 18	Port O'Connor I.D.

Texas CLASS Participant List March 2018

Special Districts (cont.)

Refugio County Appraisal District
Reid Road M.U.D. No. 2
Remington M.U.D. No. 1
Ricewood M.U.D.
Rockett S.U.D.
Sagemeadow U.D.
Sam Rayburn Municipal Power Agency
San Patricio County Drainage District
Sienna Plantation Levee Improvement
District
Sienna Plantation M.U.D. No. 1
Sienna Plantation M.U.D. No. 12
Sienna Plantation M.U.D. No. 2
Sienna Plantation M.U.D. No. 3

South Shore Harbour M.U.D. No. 7
Southwest MD
Spencer Road P.U.D.
Spring West M.U.D.
The Woodlands M.U.D. No. 2
Waller County Road Improvement District
No. 1
West Harris County M.U.D. No. 11
West Park M.U.D.
Westlake M.U.D.
Willow Fork Drainage District
Windfern Forest U.D.
Woodtrace M.U.D. No. 1

Other

Atlanta Hospital Authority
Bastrop Economic Development Corp
Blinn College
Bulverde Area Rural Library District
Canyon Lake Library District
Central Texas College
City of Levelland Economic Dev Corp
Coastal Bend College
Coastal Plains MHMR
Dallas County Community College District
Development Corporation of Mercedes Inc.
DeWitt Medical District
Floresville 4A Corporation
Gainsville Hospital District DBA
North Texas Medical Center
Greater Houston Tax Increment
Reinvestment Zone 24

Guadalupe Blanco River Authority
Gulf Coast Waste Disposal Authority
Harris County Department of Education
Harris County Redevelopment Authority
Marble Falls Economic Development
Corporation
Maverick County Hospital District
Midwestern State University
North Texas Tollway Authority
Nueces County Hospital District
OST/Almeda Redevelopment
Paris Economic Development Corporation
Permian Basin Regional Planning
Commission
Port of Houston Authority
Salado Public Library District
Sam Houston State University

Texas CLASS Participant List March 2018

Other (cont.)

Schertz/Seguin Local Govt Corporation
Seguin Economic Development Corporation
South Texas Water Authority
Stephen F. Austin State University
Temple Junior College
Texas State University System Office

The Harris Center for Mental
Health and IDD
Tropical Texas Behavioral Health
UMB Bank Omnibus for Corporate Trust
Wells Fargo Bank NA as TTEE for
Brownsville ISDS

Total: 641



Welcome to Texas CLASS

We believe you have made a sound financial decision in choosing the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS). We look forward to being your trusted provider and are excited to connect with you to make your investment process a positive, easy experience.

Texas CLASS is a short-term, highly liquid investment program designed specifically for public-sector funds. It provides the opportunity to invest funds on a cooperative basis in short-term investments that are carefully selected to provide maximum safety and liquidity while generating a competitive yield.

This packet contains all the materials necessary to set up your Texas CLASS account(s). If you have any questions about the registration process or about your Texas CLASS account(s), please do not hesitate to contact us. The Texas CLASS Client Service team can be reached any business day from 8:30 a.m. to 4:30 p.m. CST by phone at (800) 707-6242 or by email at clientservices@texasclass.com.

Thank you for choosing Texas CLASS!

Sincerely,

The Texas CLASS Board of Trustees

Registration Procedures

To join Texas CLASS, please complete the following:

- 1) Read the Trust Agreement (A copy can be found on www.texasclass.com).
- 2) Pass the resolution authorizing participation in Texas CLASS (page 3 and 4).
- 3) Adopt the Trust Agreement by signing Exhibit D (page 5).
- 4) Complete the Entity Registration (page 6).
- 5) Complete the Authorized Contacts Form (page 7/8).
- 6) Complete the Account to be Established Form; you may open as many accounts as you wish (page 9).
- 7) Keep the original forms for your records and send the completed packet to the Texas CLASS Client Service team by fax (855) 848-9910 or by email clientservices@texasclass.com

Questions? Please contact us; we would love to hear from you!

Texas CLASS Client Service Team
T (800) 707-6242
clientservices@texasclass.com

Resolution to Participate

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

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

WHEREAS, pursuant to the Policy and the Act, the Local Government has appointed _____ (the Investment Officer) to act as the investment officer of the Local Government; and

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

WHEREAS, the Local Government has received and reviewed the Information Statement, dated December 2016 (the Information Statement), of Texas Cooperative Liquid Assets Securities System, an investment pool administered by Public Trust Advisors, LLC (the Program) which sets forth the information required by Section 2256.016(b) of the Act; and

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

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

WHEREAS, the Local Government understands that the Program operates through the Seventh Amended and Restated Trust Agreement dated as of August 5, 2016 (the Trust Agreement), which provides the terms on which the Program will operate and the rights of the participants in the Program and sets forth the responsibilities of Public Trust Advisors, LLC as the administrator of the Program (the Administrator), and of Wells Fargo Bank as custodian (the Custodian);

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

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

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

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

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

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

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

Authorized Signature

Date

Printed Name

Authorized Signature

Date

Printed Name

Exhibit D – Participation Certificate

The undersigned _____ (the Local Government) does hereby request that it be admitted as a Participant pursuant to Section 2.3 of the Seventh Amended and Restated Trust Agreement (the Agreement) dated as of August 5, 2016, by and between the Participants, Wells Fargo Bank as Custodian, and Public Trust Advisors, LLC. By executing this Participation Certificate, the undersigned agrees that, upon the execution hereof by the Program Administrator, it will become subject to the same obligations and shall have the same rights as if it had executed the Agreement.

The undersigned hereby certifies that _____ (the Investment Officer) is the duly designated Representative of the undersigned as required by the Agreement.

The undersigned hereby certifies that its governing body has taken all actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, for it to participate in the Trust created by the Agreement.

Entity Name

Signature

Date

Title

Accepted by Administrator (to be completed by Texas CLASS):

Signature

Date

Title

Trust Registration

Entity Information

Entity Name (Participant) _____

Entity Type: ☐ City/Town ☐ County ☐ School District ☐ Special District
☐ Other (Specify) _____

Mailing Address _____

City _____ Zip _____ County _____

Tax ID _____ Fiscal Year (Month/Day) _____

The _____ (the Local Government) hereby wishes to invest in the following portfolio:

- ☐ Texas CLASS
☐ Texas CLASS Government
☐ Both

Texas CLASS is hereby authorized to honor any telephoned, faxed, or electronic request believed to be authentic for withdrawal of funds. The withdrawal proceeds can be sent only to the bank(s) indicated below unless changed by written instructions. Each local government is responsible for notifying Texas CLASS of any changes to its account.

Banking Information

Bank Name _____ Bank Routing Number (ABA) _____

Account Title _____ Account Number _____

Bank Contact _____ Contact's Phone Number _____

Additional Banking Information (Optional)

Bank Name _____ Bank Routing Number (ABA) _____

Account Title _____ Account Number _____

Bank Contact _____ Contact's Phone Number _____

Authorized Contacts

Representative and Authorized Signer

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
Signature Required	Phone
_____	_____
Email	Fax

Email Notifications

- ☐ Monthly Statements
☐ Transaction Confirmations

Online Account

- ☐ Online User Access

Additional Contact (Optional)

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
*(Signature Required if Authorized Signer)	Phone
_____	_____
Email	Fax

Permissions (must check one)

- ☐ Authorized Signer to Move Funds*
☐ Read-Only Access

Email Notifications

- ☐ Monthly Statements
☐ Transaction Confirmations

Online Account

- ☐ Online User Access

Additional Contact (Optional)

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
*(Signature Required if Authorized Signer)	Phone
_____	_____
Email	Fax

Permissions (must check one)

- ☐ Authorized Signer to Move Funds*
☐ Read-Only Access

Email Notifications

- ☐ Monthly Statements
☐ Transaction Confirmations

Online Account

- ☐ Online User Access

Authorized Contacts (cont.)

Additional Contact (Optional)

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
*(Signature Required if Authorized Signer)	Phone
_____	_____
Email	Fax

Permissions (must check one)

- ☐ Authorized Signer to Move Funds*
- ☐ Read-Only Access

Email Notifications

- ☐ Monthly Statements
- ☐ Transaction Confirmations

Online Account

- ☐ Online User Access

Additional Contact (Optional)

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
*(Signature Required if Authorized Signer)	Phone
_____	_____
Email	Fax

Permissions (must check one)

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Additional Contact (Optional)

☐ Mr. ☐ Ms. _____	_____
Print First and Last Name	Title
_____	_____
*(Signature Required if Authorized Signer)	Phone
_____	_____
Email	Fax

Permissions (must check one)

- ☐ Authorized Signer to Move Funds*
- ☐ Read-Only Access

Email Notifications

- ☐ Monthly Statements
- ☐ Transaction Confirmations

Online Account

- ☐ Online User Access



Accounts to be Established

Entity Name: _____

Texas CLASS Accounts

Desired Subaccount Name(s)*:
(To be completed by Participant)

Texas CLASS Government Accounts

Desired Subaccount Name(s)*:
(To be completed by Participant)

*Name must be limited to 30 characters.



City of Colleyville City Council Agenda Briefing

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

Agenda Number 6e

Agenda Date 05/15/2018

Number Resolution R-18-4263

Type Resolution

Department Finance

Title

Approval to participate in the Texas Short Term Asset Reserve Program (TexSTAR) and assigning authorized signers

Strategic Plan

2.4 Demonstrate stewardship of public resources

Explanation

Reading and Public Hearing

The Public Funds Investment Act (PFIA) and the city's investment policy include, as a permissible option, participation in local government investment pools that comply with the requirements of the PFIA. At this time, the only local government investment pool the City participates in is the Local Government Investment Cooperative (LOGIC). The majority of LOGIC's portfolio is commercial paper (more than 97% as of March 31, 2018).

In order to diversify the city's investments while maintaining liquidity and return on capital, staff recommends participating in the Texas Short Term Asset Reserve Program (TexSTAR).

TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the PFIA, Chapter 2256 of the Texas Government Code. The Pool seeks preserving principal, liquidity, and yield of capital investment consistent with the Texas PFIA. It invests only in instruments authorized under the PFIA and the attached TexSTAR investment policy to provide a safe, efficient and liquid investment option. Unlike LOGIC, TexPool does not invest in commercial paper.

TexSTAR is rated AAAm by Standard & Poor's, the highest rating a local government investment pool can achieve.

Ms. Mica Owens, Vice president, at TexSTAR, will be present to talk about TexSTAR and answer council's questions.

The intent to participate in government investment pools was presented to the audit committee on May 1, 2018. Staff recommends approval to participate in TexSTAR, to provide the city with new investment options emphasizing liquidity and safety, and

appointing the City Manager, the Chief Financial Officer, and the Accounting Manager as participant service representatives and authorized signers.

Financial Impact

Participation will diversify the City's investments while reserving principal and maintaining liquidity and yield on capital.

Recommendation

Approve

Attachments

1. TexSTAR - Program Fact Sheet
2. TexSTAR Information Statement
3. TexSTAR Investment Policy
4. TexSTAR Enrollment Packet



TexSTAR Program Facts

PROGRAM FACT SHEET

1. Program Features

TexSTAR provides a variety of benefits to Texas local governments:

- Conservatively managed investment pool providing daily liquidity & competitive yields.
- Created by local governments for local governments in full compliance with the Texas Public Funds Investment Act and rated AAAM by Standard & Poor's.
- Recognized Program Administrators with a proven track record in government investment pool management (FirstSouthwest and JPMorgan Investment Management, Inc.).
- User-friendly operating systems (including internet transaction systems) powered by leading-edge technology.
- Responsive Texas-based customer service staff.
- Late day transaction deadlines until 4 p.m. CST.

2. Objectives of TexSTAR

The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification, and yield.

3. Types of Investments Authorized and Prohibited for TexSTAR Cash Reserve Fund

Authorized Investments for the Cash Reserve Fund:

- A. Obligations of or guaranteed or insured by the United States Government or its agencies and instrumentalities.
- B. Fully collateralized repurchase agreements with a primary dealer and secured by any obligation of the United States or its agencies or instrumentalities.
- C. SEC registered, AAA rated no-load money market mutual funds which maintain a stable net asset value of \$1 per share and a weighted average maturity of 90 days or less.

Prohibited Investments for the Cash Reserve Fund:

- A. Derivatives (see TexSTAR investment policy for detailed definition).
- B. Commercial paper.
- C. Certificates of deposit.

4. Maximum Average Dollar-Weighted Maturity

The dollar weighted average maturity of the TexSTAR Cash Reserve Fund portfolio may not exceed sixty (60) days calculated in accordance with SEC Rule 2a-7 or ninety (90) days based on the stated maturity of Fund investments.

5. Maximum Stated Maturity Date

The maximum maturity for any individual security in the TexSTAR portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.

6. Program Oversight

TexSTAR Board of Directors:

Bill Chapman, Central Texas Regional Mobility Authority

Nell Lange, City of Frisco

Eric Cannon, City of Allen

David Medanich, FirstSouthwest/Hilltop Securities Inc.

Jennifer Novak, J.P. Morgan Asset Management

The TexSTAR Cash Reserve Fund is monitored on a weekly basis by Standard & Poor's to confirm compliance with the fund's AAAM rating requirements.

7. Custodian for TexSTAR

JPMorgan Chase Bank serves as custodian to TexSTAR.

8. Net Asset Value

The TexSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and is designed to be used by Participants for investment of funds that require daily liquidity availability.

9. Independent Auditor

TexSTAR is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. PricewaterhouseCoopers LLC has been retained to provide independent auditing services for TexSTAR.

10. Transaction Deadlines

TexSTAR will accept wire transactions until **4 p.m.** daily for same day settlement; ACH transactions until **4 p.m.** for next day settlement; and internal account transfers until **4 p.m.** for same day settlement.

11. Performance History

The performance history, including yield, weighted average maturity and average balance for the TexSTAR Cash Reserve Fund is available by calling 1.800.839.7827 or by accessing the program web site at www.texstar.org.

12. Management Fee

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR Co-Administrators at any time as provided for in the TexSTAR Information Statement. The current management fee assessed is 6 basis points.

13. Administrators/Investment Manager

FirstSouthwest and JPMorgan Investment Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR Board of Directors. JPMorgan Investment Management provides investment management, custody, fund accounting, and transfer agency services. FirstSouthwest provides administrative, participant and marketing services.

14. How to Join

- A. Submit the Resolution entitled "Application for Participation in TexSTAR" to the entity's governing body for approval.
- B. Complete a "Bank Information Sheet" for each individual account to be opened.
- C. Return the "Application for Participation" and "Bank Information Sheet" along with the most current investment policy for the entity to TexSTAR Participant Services, 1201 Elm Street, Suite 3500, Dallas, Texas 75270.

These enrollment documents can be obtained by contacting TexSTAR Participant Services (FirstSouthwest) at 1.800.839.7827 or from the TexSTAR web site at www.texstar.org.



**INFORMATION
STATEMENT
(CASH RESERVE FUND)**

The Premier Investment Service for Texas
Local Governments

Table of Contents

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No person or entity has been authorized to provide or communicate any information or to make any representations other than those contained in this Information Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by TEXSTAR, its Board of Directors, the program administrators or any agent of the foregoing. The attachments are part of this Information Statement. The information contained in this document is subject to change without prior notice.

The TEXSTAR Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, charges and expenses associated with this or any security prior to investing. Investments in TEXSTAR are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency and although TEXSTAR seeks to preserve the value of the investment at a fixed price, it is possible to lose money by investing in the fund. For further information, contact TEXSTAR Participant Services at (800) 839-7827.

TEXSTAR is distributed by Hilltop Securities Inc., a registered broker dealer, member FINRA/SIPC. If you have any questions regarding this material, please contact:

TEXSTAR Participant Services
c/o Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270
www.texstar.org

1-800-TEXSTAR (1-800-839-7827) • (214) 953-8890 • Fax (214) 953-8878
Email: texstar@hilltopsecurities.com

Organization and Structure

Texas Short Term Asset Reserve Program (“TEXSTAR”) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (the “PFIA”). These two acts provide for the creation of public funds investment pools (including TEXSTAR) and authorize eligible governmental entities (“Participants”) to invest their public funds and funds under their control through the investment pools. TexSTAR is governed by a board of directors (the “Board”).

The Board may establish separate Funds within TEXSTAR from time to time. Participants choose the Funds in which their deposits are invested. Participants’ assets in the Funds are represented by units of beneficial interest (“units”). The Board may issue an unlimited number of units in each Fund.

This Information Statement provides information relating to investments in the TexSTAR Cash Reserve Fund (the “Fund”).

Public Funds Investment Act Disclosure Items

Section 2256.016 of the PFIA requires investment pools to provide an information statement to the investment officer or other authorized representative of an investing entity. This section provides the required information for TEXSTAR.

1. **Objectives of TEXSTAR.** The primary objectives of TEXSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants’ needs, and yield. There is no sales charge and no investment minimum. TEXSTAR will invest only in instruments authorized under both the Public Funds Investment Act and the current TEXSTAR Investment Policy. See Item 2 of this section for a description of authorized TEXSTAR investments.

As a secondary objective to safety and liquidity, the Fund will be directed toward achieving a competitive rate of return for Participants. Efforts will be made to minimize market and credit risk through investment diversification.

2. **Types of Investments Authorized for TEXSTAR Cash Reserve Fund.** The investment policies and composition guidelines for the TEXSTAR Cash Reserve Fund are summarized below. The TEXSTAR Investment Policy restricts investment of the Fund portfolio as follows:

Authorized Investments:

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, and obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies or instrumentalities,

including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, except as prohibited by the PFIA;

- B. Fully collateralized repurchase agreements with a defined termination date not to exceed 95 calendar days and reverse repurchase agreements with a defined termination date not to exceed 90 days (unless the repurchase agreement has a put option that allows the fund to liquidate the position at principal plus accrued interest with no more than 7 days notice to the counterparty) and secured by cash or any obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks. The repurchase and reverse repurchase agreements must be placed with primary government securities dealers and/or financial institutions doing business in the State of Texas.
- C. No-load money market mutual funds which meet the requirements of the PFIA and which (1) are registered with and regulated by the United States Securities and Exchange Commission (SEC), (2) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (3) comply with SEC Rule 2a-7, (4) include in their investment objectives the maintenance of a stable net asset value of \$1 per share, and (5) invest only in obligations of the United States, its agencies and/or instrumentalities or repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities.

Prohibited Investments:

The TEXSTAR Cash Reserve Fund *will not* invest in:

- A. Derivatives, which include instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer or are not correlated on a one-on-one basis to the associated index or market.
- B. Commercial paper.
- C. Certificates of deposit.

Diversification Guidelines:

Specific Fund diversification limitations govern investments of the TEXSTAR Cash Reserve Fund portfolio, applied at the time of purchase.

- A. 100% of the Fund may be invested in obligations of, unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks.
- B. 100% of the Fund may be invested in repurchase agreements. Not more than 25% of the Fund may be invested in term repurchase agreements.

- C. Reverse repurchase agreements will be used primarily to enhance Fund return and may not total more than one-third (1/3) of the total Fund assets.
 - D. A maximum of 10% of the Fund may be invested in any one money market mutual fund, and the Fund's investment in any one money market mutual fund may not exceed 10% of the total assets of that money market mutual fund.
 - E. A maximum of 60 percent (60%) of the Fund may be invested in eligible variable rate notes.
3. **Maximum Average Dollar-Weighted Maturity.** The dollar weighted average maturity of the TEXSTAR Cash Reserve Fund portfolio may not exceed (1) sixty (60) days calculated utilizing the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, and may utilize the interest rate reset date for variable or floating rate securities; or (2) one hundred twenty (120) days calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made.
 4. **Maximum Stated Maturity Date.** The maximum stated maturity for any securities that are obligations of or guaranteed or insured by the United States, its agencies or instrumentalities in the TEXSTAR Cash Reserve Fund portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.
 5. **Size of the Pool.** The current size of the TexSTAR Cash Reserve Fund is provided in the TEXSTAR monthly newsletter on the TexSTAR website at www.texstar.org or by contacting TEXSTAR Participant Services. A copy of the most recent newsletter may be obtained in connection with and in addition to this Information Statement.
 6. **TEXSTAR Advisory Board.** Section 2256.016(g)(1) of the Public Funds Investment Act requires TEXSTAR to establish and maintain an advisory board composed of Participants in TEXSTAR and other persons who do not have a business relationship with TEXSTAR. Members are appointed and serve at the will of the Board. The names of the Advisory Board members are available on the TexSTAR website at www.texstar.org.
 7. **Custodian and Transfer Agent for TexSTAR.** JPMorgan Chase Bank, N.A. serves as custodian to TEXSTAR and Boston Financial Data Services, Inc. serves as transfer agent to TexSTAR. The transfer agent will receive and disburse all Participant deposits and withdrawals and the custodian will settle all Fund trades, safekeep securities, and collect all income or any other payments due in connection with purchased securities for TexSTAR.
 8. **Net Asset Value.** The TEXSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit (rounded to the nearest whole cent) and is designed to be used by Participants for investment of funds that require daily liquidity availability.

9. **Source of Payment.** The only source of payment to Participants is the market value of the assets of the TEXSTAR Fund in which they invest and the income and profits derived from those assets. There is no secondary source of payment such as insurance or guarantees.
10. **Independent Auditor.** TEXSTAR is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. PricewaterhouseCoopers LLP has been retained to provide independent auditing services for TEXSTAR. Its address is 1201 Louisiana Street, Suite 2900, Houston, Texas 77002.
11. **Operating Procedures.** Deposits and withdrawals may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. The requirements for TEXSTAR deposits and withdrawals, deadlines, and other operating procedures are summarized under the section entitled "Summary of Operating Procedures" later in this Information Statement.
12. **Performance History.** The performance history, including yield, weighted average maturity, expense ratios and average balance for the TEXSTAR Cash Reserve Fund are available on the TEXSTAR website at www.texstar.org.
13. **Policy on Holding Deposits in Cash.** To respond to unusual market conditions in a prudent manner, TexSTAR may be required to hold all or most of its total assets in cash, including for the purpose of assuring sufficient liquidity or due to the lack of eligible securities, among other circumstances. This may result in a lower yield and prevent the Fund portfolio from meeting all its investment objectives.
14. **Co-Administrators.** J.P. Morgan Investment Management Inc. (JPMIM) and Hilltop Securities Inc. ("HTS") serve as Co-Administrators for TexSTAR under a contract that may be extended periodically to a term of two years or less. JPMIM provides investment management services and HTS provides participant and marketing services for TexSTAR. JPMIM is an investment adviser registered under the Investment Advisers Act of 1940, as amended, and a subsidiary of JPMorgan Chase & Co. HTS is a registered broker dealer, member of the Financial Industry Regulatory Authority ("FINRA"), Municipal Securities Rulemaking Board ("MSRB") and Securities Investor Protection Corporation ("SIPC"). The parent company of HTS is Hilltop Holdings Inc.

The Co-Administrators may be replaced by the Board for cause and they may resign. Unless their replacements are affiliates, any replacements must be approved by Participants owning two-thirds of the units in TexSTAR.

Custodial, fund accounting and depository services for TexSTAR are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. JPMorgan Chase Bank, N.A. is the principal banking affiliate of JPMorgan Chase & Co. Transfer agency services are provided by DST Asset Manager Solutions, Inc. (DST). Each of JPMIM, HTS, DST, and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors or delegates.

Understanding the Risks Associated with Investing in TexSTAR

Unlike money market mutual funds which are registered with the Securities and Exchange Commission, TexSTAR operates in compliance with the PFIA and not with Rule 2a-7 of the Investment Company Act of 1940.

Before making an investment decision, each Participant should consider the applicable risks, including the following, in determining whether any investment, including TexSTAR, is appropriate:

- **Credit Risk.** Credit risk is the possibility that the issuer of a security will fail to make timely payments of interest or principal. In general, the lower the credit quality of a security, the higher the yield and the higher the element of credit risk, all other factors being equal. In an attempt to minimize credit risk, the TexSTAR investment policy allows investment of the TexSTAR Cash Reserve Fund only in the obligations described above.

The credit risk associated with investments in direct obligations of the United States is considered low by most authoritative sources. Obligations issued or guaranteed by many Federal agencies or government-sponsored enterprises are not direct obligations of the United States and offer more varied credit risk. Noting that the United States government is not obligated to provide support or guarantees to its instrumentalities, TexSTAR's investment manager will invest in obligations issued by an agency or instrumentality only after conducting appropriate credit risk analysis and believing that any credit risk with respect to the issuer is minimal.

TexSTAR's investment manager will also invest in repurchase agreements and reverse repurchase agreements documented by a Master Repurchase Agreement in form approved by The Securities Industry and Financial Market Association ("SIFMA") and collateralized by cash or obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States and its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation. Repurchase agreement and reverse repurchase agreement transactions will be placed with an approved primary government securities dealers or financial institutions doing business in the State of Texas, and proceeds received under reverse repurchase agreements will be reinvested in securities with the same maturity as the term of the reverse agreement.

TexSTAR will invest only in those money market mutual funds which limit their investments to obligations of the United States, its agencies and/or instrumentalities or repurchase agreements collateralized by such obligations. TexSTAR's investment manager will invest in money market mutual funds only after conducting appropriate credit risk analysis with respect to each issuer. To the extent TexSTAR invests in money market mutual funds, TexSTAR Participants will bear a proportionate share of both TexSTAR's fees and expenses and those of the money market mutual fund.

- **Market Risk.** Market risk is the potential for a decline in market value generally due to, but not limited exclusively to, rising interest rates. For example, a bond or other security issued or backed by the United States government is guaranteed only as to

the timely payment of interest and principal; its market price on any given day is not guaranteed and will fluctuate in value as market perceptions, market conditions and interest rates change. In general, the market value of a bond varies inversely with interest rates. If interest rates rise, then market values fall. If interest rates fall, then market values rise. Also, the volatility and related market values typically fluctuate more for longer-term securities than for shorter-term securities.

Restrictions on dollar weighted average maturity and maximum stated maturity for the Fund are used in an attempt to minimize certain market risks. TexSTAR's investment manager will maintain the dollar weighted average maturity of the Fund at sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies or instrumentalities in the TexSTAR Cash Reserve Fund portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR will seek to maintain a stable \$1.00 net asset value (NAV) per unit (rounded to the nearest whole cent). The Co-Administrators have policies and procedures in place to monitor the Fund's NAV. These limitations are designed to attempt to minimize market risk. It must be noted that the value of the TexSTAR Cash Reserve Fund portfolio is dependent on timely receipt of principal and interest payments from the issuers of the respective investment securities. Any delays or failures in receipt of payments can and will have detrimental effects on the value of the Fund's portfolio and may cause loss of principal and interest to any Participant.

Administration of TexSTAR

- **TexSTAR Board.** By executing and submitting an application to open an account, a Participant designates the Board as its agent for investing deposited funds. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR.

The business and affairs of TexSTAR are managed by the Board in accordance with its bylaws (the "Bylaws"). The Bylaws set forth procedures governing the selection of, and action taken by, the Board. Board oversight of TexSTAR is maintained through various reporting requirements.

The Bylaws provide for a five-member Board consisting of three representatives of Participants and one member employed by each co-administrator or an affiliate. Board members serve for staggered three-year terms. Replacement Board members (other than the co-administrator representatives) are appointed by the Board or may be elected by the Participants in accordance with the Bylaws. Board members serve without compensation but are entitled to reimbursement of reasonable out-of-pocket expenses incurred in the performance of Board duties. The names, terms, and affiliations of Board members are listed on the TexSTAR website.

- **Investment Management.** TexSTAR's Board has adopted (and will review and revise at least annually) a list of brokers that are authorized to engage in investment transactions with TexSTAR.

A qualified representative of TexSTAR's investment manager must certify that the investment manager has received and reviewed the TexSTAR Investment Policy and the investment manager has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the TexSTAR Investment Policy, except to the extent that this authorization requires interpretation of subjective investment standards.

The investment manager may dispose of securities without regard to the time they have been held when such actions, for defensive or other Fund management reasons, appear advisable. Investments may be sold by one Fund to another Fund at prevailing market prices.

All securities purchased on behalf of TexSTAR must be delivered versus payment to the custodian bank for TexSTAR. All book entry securities, whether purchased outright or under repurchase agreements, shall be held in a custodial account at the Federal Reserve Bank. All securities not held in book entry form shall be held by the Custodian or its agent. Third party institutions must issue original safekeeping receipts to the Custodian. The Custodian shall keep accurate records reflecting TexSTAR's ownership of the securities. Money market fund accounts must be in the name of TexSTAR.

- **Ratings.** In compliance with Section 2256.016(h) of the Public Funds Investment Act, TexSTAR will operate to maintain a AAA, AAA-m or equivalent rating for the Fund from at least one nationally recognized rating agency. As of the date hereof, the Fund was rated AAAM by Standard and Poor's Rating Service. An explanation of the significance of such rating may be obtained from Standard & Poor's at 1221 Avenue of the Americas, New York, New York 10020. Promptly upon notice, TexSTAR will post on its website any change to the Fund's rating.
- **Determination of Net Income and Net Asset Values.** The net interest income of the Fund shall be determined each business day, and consists of (i) the sum of (a) interest accrued, (b) discount earned (including both original issue and market discount), and (c) realized capital gains (amortized over a period not to exceed 30 days) less (ii) the sum of (a) amortization of premium, (b) the estimated expenses of the Fund applicable to that distribution period, and (c) realized capital losses (amortized over a period not to exceed 30 days). All net income of the Fund so determined is declared as earnings to Participants each day. Earnings accrue throughout the month and are distributed as of the close of business on the last business day of the month. On the first business day of the following month, the earnings are reinvested as additional Units at the current Net Asset Value (expected to be \$1.00), unless the Participant has elected to have them paid out. If the entire balance in an account is withdrawn during the month, the accrued distributions will be paid on or before the first business day of the following month.

The Net Asset Value per Unit of the Fund is calculated each business day by adding the amortized book value of the Fund's securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of Units outstanding. The result of this computation will be rounded to the nearest whole cent.

- **Valuation of TexSTAR Assets.** The objective of the TexSTAR Cash Reserve Fund is to maintain a stable value of \$1.00 per unit (rounded to the nearest whole cent).

Although all securities in the Fund are marked to market daily using the fair value method, amortized cost, which generally approximates the market value of securities, is utilized. The Board, in its discretion, may elect to cease utilizing amortized accounting and to commence utilizing the fair value method at any time. To the extent that the Board elects to utilize a net asset value per share determined by using available market quotations in lieu of amortized accounting, the Fund will reflect market fluctuations and any unrealized gains and losses resulting from those fluctuations on a daily basis.

If, upon a daily calculation, the investment manager finds that the deviation between the amortized cost and market-determined values or the deviation between market-determined values and \$1.00 per unit of the Fund's assets exceeds \$0.0030, it shall promptly notify the Board. In the event that the deviation of market-determined values from amortized cost or \$1.00 per unit exceeds \$0.0040, the Board shall direct the investment manager to take such action, if any, as it determines is necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing Participants. Notwithstanding the foregoing, absent contrary instructions from the Board, the investment manager shall cause the subject investments to be sold promptly to attempt to bring the deviation back within the desired value band. However, the \$1.00 per unit value is not guaranteed or insured by TexSTAR or the co-administrators. There can be no assurance that the Fund will maintain a stable net asset value of \$1.00.

- **Ethics and Conflicts of Interest.** Each Co-Administrator is required to maintain a code of ethics which requires its employees working with TexSTAR to place the interests of TexSTAR before their personal interests and to avoid any actual or potential conflicts of interest. Each Co-Administrator must promptly report any material non-compliance with such requirements to the Board.

JPMIM acts as a fiduciary when providing investment management services to TexSTAR. JPMIM may order the purchase of investments from either itself, HTS, or their affiliates only on terms and conditions approved by a majority of the Participant members of the Board.

JPMIM has provided the following disclosures concerning its practices:

JPMIM and/or its affiliates ("JPMorgan Chase") perform investment services, including rendering investment advice, to varied clients. JPMIM, JPMorgan Chase and its or their directors, officers, agents, and/or employees may render similar or differing investment advisory services to clients and may give advice or exercise investment responsibility and take such other action with respect to any of their other clients that differs from the advice given or the timing or nature of action taken with respect to another client or group of clients. It is JPMIM's policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of JPMIM's other client accounts may at any time hold, acquire, increase, decrease, dispose, or otherwise deal with positions in investments in which another client account may have an interest from time-to-time.

JPMIM, JPMorgan Chase, and any of its or their directors, partners, officers, agents or employees, may also buy, sell, or trade securities for their own accounts or the

proprietary accounts of JPMIM and/or JPMorgan Chase. JPMIM and/or JPMorgan Chase, within their discretion, may make different investment decisions and other actions with respect to their own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, JPMIM is not required to purchase or sell for any client account securities that it, JPMorgan Chase, and any of its or their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of JPMIM, or JPMorgan Chase or its clients.

JPMIM and its related persons may recommend securities to clients that JPMIM and its related persons may also purchase or sell. As a result, positions taken by JPMIM and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of JPMIM. As these situations may involve potential conflicts of interest, JPMIM has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding preclearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, JPMIM has implemented monitoring systems designed to ensure compliance with these policies and procedures.

- **Fees and Expenses.** In return for contracted service, TEXSTAR has agreed to pay service fees to the co-administrators and custodian totaling twelve (12) basis points per year, calculated daily on the total fund balances. The co-administrators may (but are not obligated to) waive all or a portion of their fees from time to time. The service fees cover all normal services provided to the Board by the co-administrators, the custodian and the transfer agent. Additional expenses required to attain TEXSTAR objectives and conduct on-going operations will be incurred by TEXSTAR. These include expenses for independent auditors, legal representation, liability insurance, board meeting attendance, and ratings.

The TEXSTAR service fee and other expenses are deducted from the gross interest earnings daily and charged monthly. There is no direct reduction to the Participant's principal account related to the payment of fees and expenses, but only the remaining net income after deduction of the applicable fees and expenses is credited to the Participant's account. All TEXSTAR rates are quoted net of fees and expenses. There are no hidden costs or additional reductions to Participants' accounts. In the event a Fund does not earn adequate interest income and profits to cover allocable expenses and fees for a given month or period, the deficit will be carried over to future months or periods when adequate income and profits have been received.

- **Liability.** TEXSTAR directors and officers will not be liable for (and TEXSTAR earnings may be applied to indemnify them against) loss and liability that may arise from or in connection with any of their acts or omissions, including acts and omissions caused by their negligence, to the extent permitted by law.

Participation in TexSTAR

Participation in TexSTAR is limited to eligible governmental entities that have authorized, executed, and submitted an application to participate in TexSTAR.

- **Eligibility to Invest.** Only eligible local governments and agencies of the State of Texas may become Participants. Eligible local governments include any municipality, school district, county, special district, junior college district, or other legally constituted political subdivision of the State or a combination of political subdivisions (e.g., a combination by means of an interlocal agreement). Eligible state agencies generally include any office, department, commission, board or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities.
- **Establishment of Accounts.** To participate in TexSTAR, an eligible local government or state agency must duly authorize, complete, execute, and submit an application for participation. By executing and submitting an application, a Participant agrees to the terms and conditions governing TexSTAR as well as its Bylaws, Investment Policy, and Operating Procedures. Application forms (including forms of authorizing resolutions) may be obtained from TexSTAR Participant Services. In their applications, Participants must designate authorized representatives who have authority to transfer funds for investment, to withdraw funds, to issue letters of instructions, and to take all other actions necessary or appropriate for the investment of funds in TexSTAR. A Participant must also provide a separate bank information sheet for each account and sub-account, signed by two authorized Participant representatives unless otherwise permitted by the Operating Procedures. The Operating Procedures describe in detail the procedures required for the establishment of account(s), deposits to and withdrawals from TexSTAR, and related information. A copy of the Operating Procedures may be obtained from TexSTAR Participant Services.
- **Amendments.** The Board may amend the TexSTAR terms and conditions, Bylaws, Investment Policy, and Operating Procedures. It must give Participants at least 30 days advance notice of each amendment. Participants are deemed to have accepted the amendments unless they withdraw from TexSTAR before the amendments are effective.

Summary of Operating Procedures

Deposits to and withdrawals from TexSTAR may be made by wire transfer or automated clearinghouse (ACH) transfer according to established operating procedures. Excerpts from the current Operating Procedures are provided below.

- **Wire Transfers.** Wire transfer requests will be executed on the same day as initiated if requested in accordance with the daily transaction deadlines for the pool. TexSTAR must be notified of any wire transaction requests by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative. All incoming wire deposits must be received

by **4:00 p.m. CST**, to earn interest for that day. In addition, any wire deposits received after **4:00 p.m. CST** will not be invested until the following business day. Outgoing wire transfers from TEXSTAR received by the transfer agent by 10:30 a.m. are typically sent for processing between 12:00 noon and 12:30 p.m. central time. Some delay may occur, depending on unforeseen circumstances, including, but not limited to, delays or failures unrelated to TEXSTAR.

TEXSTAR reserves the right to suspend the right of withdrawal or to postpone the date of payment in the event that the Federal Reserve is closed other than for customary weekend and holiday closings, in the event of a general suspension of trading in any securities market which affects TEXSTAR operations, or if, in the opinion of the Board, an emergency exists so that the disposal of TEXSTAR's securities or determination of its net asset value is not reasonably practical.

TEXSTAR will process deposits and withdrawal requests only on the days the Federal Reserve is open for business. TEXSTAR may also be closed or have limited trading hours on any Friday preceding or Monday following a weekend, which includes a national holiday provided that notice has been given to Participants at least 30 days prior to such a day, or whenever The Bond Market Association recommends that markets for fixed income securities close.

- **Automated Clearing House (“ACH”) Transfers.** ACH transaction requests will be executed on the business day following the date the transaction was initiated if requested in accordance with the daily transaction deadlines for the pool. TEXSTAR must be notified of any next day ACH transaction requests by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative for all ACH transfer activity, one day prior to the actual settlement of the funds. ACH transfer withdrawals are sent in accordance with the prearranged Participant information as provided on the bank information sheet corresponding to that specific TEXSTAR account or subaccount. In the event of an ACH rejection, TEXSTAR will contact the Participant to confirm the rejection. TEXSTAR will credit/debit the Participant's account accordingly.
- **Account to Account Transfers.** Funds may be transferred between TexSTAR accounts in the same Fund without transferring the money to the Participant's local bank. Transactions transferring funds between accounts will be executed as of the close of business on the same day as initiated, if received by the deadline. TexSTAR must be notified of any same day interaccount transaction activity by **4:00 p.m. CST** if using the pool's internet transaction system or by **3:30 p.m. CST** when contacting a Participant Services Representative.
- **Methods of Notification.** Participants may notify TEXSTAR of wire transfer or ACH activity by:
 - a. Internet access system; or
 - b. Verbal notification to a TEXSTAR Participant Services representative followed by a fax confirmation.
- **Reports.** A Participant's monthly statement will be mailed within the first five (5) business days of the respective succeeding month. The monthly statement will

include a detailed listing of the balance in the Participant's accounts as of the date of the statement; all account activity for the previous month, including deposits and withdrawals; daily and monthly yield information; and any special fees and expenses charged to the Participant. Additionally, copies of the Participant's reports will be maintained and made available for a minimum of three prior TEXSTAR fiscal years in either physical or electronic form.

A complete copy of the TEXSTAR Operating Procedures may be obtained by contacting TEXSTAR Participant Services.

March 2018



INVESTMENT POLICY

(CASH RESERVE FUND)

The Premier Investment Service for
Texas Local Governments

I. STATEMENT OF PURPOSE AND OBJECTIVE

ORGANIZATION

The Texas Short Term Asset Reserve Program ("*TexSTAR*") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "*PFIA*"). *TEXSTAR* was created in April 2002 by contract among its participating governmental units and is governed by a board of directors (the "*Board*").

J.P. Morgan Investment Management Inc. ("*JPMIM*" or the "investment manager") and Hilltop Securities Inc. ("*HTS*") serve as co-administrators for *TEXSTAR* under an agreement with the *TEXSTAR* board of directors (the "*Board*"). *JPMIM* provides investment management, and *HTS* provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investor Services Co. Transfer agency services are provided by DST Asset Manager Solutions, Inc. ("*DST*" or the "*Transfer Agent*"). Each of *JPMIM*, *HTS*, *DST* and JPMorgan Chase Bank, N.A. may provide certain services, including those described herein, through the use of subcontractors and/or delegates.

OBJECTIVE

The purpose of *TEXSTAR* is to offer a safe, efficient and liquid investment alternative to local governments in the State of Texas so that they may benefit from and realize a higher investment return by utilizing economies of scale and professional investment expertise. It is the policy of *TEXSTAR* to invest pooled assets in a manner which will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants. Specifically, the primary investment objectives of *TEXSTAR* in order of priority are:

- preservation of capital and protection of principal,
- maintenance of sufficient liquidity, and
- yield.

This Investment Policy establishes investment strategies, policies, and procedures intended to assure that these objectives are met.

FUNDS

The Board may establish separate Funds with separate investment portfolios within *TEXSTAR* from time to time. Initially, *TEXSTAR* will maintain a Cash Reserve Fund (also referred to as the "*Fund*"). Unless otherwise stated, this Investment Policy applies to the Cash Reserve Fund.

II. STANDARD OF CARE

The TexSTAR Cash Reserve Fund shall be designed and managed in accordance with the following prudent person standard of care:

Investments shall be made with the judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

This prudent person standard shall apply to the management of all TexSTAR Funds.

III. AUTHORIZED INVESTMENTS

The TexSTAR Cash Reserve Fund shall be invested only in the following:

GOVERNMENT SECURITIES

The Fund may be invested in obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks, and obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, *except* the following:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

REPURCHASE AGREEMENTS AND REVERSE REPURCHASE AGREEMENTS

The Fund may be invested in fully collateralized repurchase agreements having a defined termination date and secured by the delivery of cash or obligations, including letters of credit, of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks. TexSTAR may also borrow against its investments through a reverse repurchase agreement meeting the foregoing standards and the other conditions described herein. The repurchase and reverse repurchase agreement transactions shall

be placed only with primary government securities dealers, as recognized by the Federal Reserve or financial institutions doing business in the State of Texas. All such transactions must be governed by a master repurchase agreement in form approved by The Securities Industry and Financial Market Association ("SIFMA").

MONEY MARKET MUTUAL FUNDS

The Fund may be invested in no-load money market mutual funds which meet the requirements of the PFIA and which (1) are registered with and regulated by the United States Securities and Exchange Commission (SEC), (2) provide a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, (3) comply with SEC Rule 2a-7, (4) include in their investment objectives the maintenance of a stable net asset value of \$1 per share, and (5) invest only in obligations of the United States, its agencies and/or instrumentalities or repurchase agreements collateralized by obligations of the United States, its agencies and/or instrumentalities.

IV. PROHIBITED INVESTMENTS

The TexSTAR Cash Reserve Fund *may not* be invested in commercial paper.

The TexSTAR Cash Reserve Fund *may not* be invested in derivatives.

For the purposes of this Investment Policy, the definition of derivatives includes instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not correlated on a one-to-one basis to the associated index or market.

Prohibited derivatives *include* the following:

1. Arrangements in which an investor has swapped the natural cash flows or some portion of the natural cash flows of an instrument for a different set of cash flows (i.e., interest rate swaps).
2. Over-the-counter/exchange-traded options or futures (i.e., option contracts, futures contracts, etc.).
3. The following instruments: collateralized mortgage obligations, inverse floating rate notes, range index notes, non-money market index-based notes, dual index notes, index amortizing notes, inverse multi-index bonds, stepped inverse index bonds, and inverse index bonds.

Instruments that are *not* considered derivatives by the preceding definition and are authorized investments, if described in Part III, are as follows:

Treasury bills, Treasury notes, Treasury bonds, Treasury strips, repurchase agreements, agency notes with a defined maturity and fixed coupon rate, money market index variable rate notes (i.e., floating rate notes tied to money market indices such as three- or six-

month Treasury bills, one-, three-, and six-month London Interbank Offering Rate ("LIBOR"), federal funds, the one-year constant maturity Treasury rate, or a prime rate or a commercial paper composite rate) and step-up notes.

In addition to commercial paper and derivatives, the TEXSTAR Cash Reserve Fund may not invest in certificates of deposit or any other investments that are not authorized by Part III.

V. POLICY GUIDELINES AND STRATEGY

PORTFOLIO STRUCTURE AND COMPOSITION

The TexSTAR Cash Reserve Fund portfolio shall be designed and managed to ensure that it will meet all the requirements necessary to maintain a AAAm rating (or the equivalent) by a nationally recognized rating service. The weighted average maturity of the TexSTAR Cash Reserve Fund portfolio shall be limited to: (1) a maximum of sixty (60) days when calculated utilizing the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, and may utilize the interest rate reset date for variable rate notes (VRN) or floating rate securities; and (2) a maximum of one hundred twenty (120) days as calculated taking into account the period remaining until the date on which, in accordance with the terms of each security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made. Specific portfolio composition and maturity limitation guidelines shall be guided by the following general parameters.

Portfolio Composition:

The composition of the Fund shall be limited as follows. Limitations shall be applied by comparing the amortized cost of the Fund's investments at the time of purchase. Investments need not be sold to maintain continuing compliance with composition limits, unless required by TEXSTAR's general investment objectives.

US Government Securities, Agencies and Instrumentalities

The Fund portfolio may be comprised of one hundred percent (100%) obligations of, unconditionally guaranteed or insured by, or backed by the full faith and credit of the United States or its agencies or instrumentalities, including the Federal Home Loan Banks.

Repurchase Agreements

One hundred percent (100%) of the Fund may be invested in repurchase agreements.

Term Repurchase Agreements

Not more than twenty-five percent (25%) in aggregate of the total market value of the Fund may be invested in term repurchase agreements.

Reverse Repurchase Agreements

TEXSTAR is permitted to enter into reverse repurchase agreements for investments in the Fund totaling not more than one third (1/3) of the book value of the Fund's total assets. Reverse repurchase agreements will be used primarily to enhance Fund return.

Money Market Mutual Funds

A maximum of ten percent (10%) of the Fund may be invested in any one money market mutual fund, and the Fund's investment in any one money market mutual fund may not exceed ten percent (10%) of the total assets of that money market mutual fund.

Variable Rate Notes

A maximum of 60 percent (60%) of the Fund may be invested in eligible variable rate notes.

Maturity Limitations:

Government Securities, Agencies and Instrumentalities

The maximum final stated maturity for any securities that are obligations of or guaranteed or insured by the United States government, its agencies or instrumentalities shall be limited to 397 days for fixed rate securities and 24 months for variable rate notes.

Repurchase Agreements

The maturity of repurchase agreements shall not exceed ninety-five (95) days unless the repurchase agreements have a put option that allows the fund to liquidate the position at par (principal plus accrued interest) with no more than 7 days notice to the counterparty.

Reverse Repurchase Agreements

Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments. The authorized investments acquired must mature not later than the expiration date stated in the reverse repurchase agreement. The term of a reverse repurchase agreement may not exceed ninety (90) days.

PURCHASES

The broker-dealers used for TEXSTAR shall be those approved by the Board. All investments shall be purchased on a delivery versus payment (DVP) basis.

COLLATERALIZATION AND SAFEKEEPING

All repurchase agreements shall be fully collateralized as required by the PFIA. The market value of collateral shall be equal to at least one hundred and two percent (102%) of the total amount payable to TEXSTAR under the repurchase agreement, including accrued interest, and shall be checked daily.

All book entry securities, whether purchased outright or under repurchase agreements, shall be held in a custodial account at the Federal Reserve Bank. The Custodian or sub-custodian shall keep accurate records reflecting TEXSTAR's ownership of the securities.

All securities not held in book entry form shall be held by the Custodian or its agent. Third party institutions must issue original safekeeping receipts to the Custodian.

AUTHORIZED PERSONNEL

The investment manager must deliver to TExSTAR a written acknowledgment that the investment manager has received and reviewed the TExSTAR Cash Reserve Fund Investment Policy and has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the Investment Policy, except to the extent that this authorization requires interpretation of subjective investment standards. All investment manager personnel authorized to buy and sell investment instruments, send and receive securities, make fund transfers and other types of related investment transactions shall be directly supervised by senior management personnel of the investment manager.

DOCUMENTATION

Reasonable documentation and a thorough audit trail shall be maintained for all investment transactions consistent with the Board approved records management program.

DIVERSIFICATION AND SUITABILITY

The TExSTAR Cash Reserve Fund portfolio shall be designed with the protection of principal and maintenance of sufficient liquidity to all participants as the highest priority. After consideration of safety and liquidity, the portfolio shall be designed to achieve a competitive rate of return for participants. The Fund will use iMoneyNet Institutional Government Money Fund as a benchmark of performance. The risk-return relationship shall be maintained and controlled through this Investment Policy and the TExSTAR Operating Procedures. Adequate collateralization and delivery versus payment procedures shall be utilized at all times in an attempt to minimize risk.

Diversification by market sector and security types, as well as maturity, may be used in an attempt to protect the TExSTAR Cash Reserve Fund against market and credit risk as well as aiding in liquidity requirements.

TEMPORARY CASH HOLDINGS

To respond to unusual market conditions in a prudent manner, TExSTAR may be required to hold all or most of its total assets in cash, including for the purpose of assuring sufficient liquidity or due to the lack of eligible securities, among other circumstances. This may result in a lower yield and prevent the Fund portfolio from meeting all its investment objectives.

DETERMINATION OF NET INCOME AND NET ASSET VALUES

The net interest income of the Portfolio shall be determined each business day, and consists of (i) the sum of (a) interest accrued, (b) discount earned (including both original issue and market discount), and (c) realized capital gains (amortized over a period not to exceed 30 days) less (ii) the sum of (a) amortization of premium, (b) the estimated expenses of the Portfolio applicable to that distribution period, and (c) realized capital

losses (amortized over a period not to exceed 30 days). All net income of the Portfolio so determined is declared as earnings to Participants each day. Earnings accrue throughout the month and are distributed as of the close of business on the last business day of the month. On the first business day of the following month, the earnings are reinvested as additional Units at the current Net Asset Value (expected to be \$1.00), unless the Participant has elected to have them paid out. If the entire balance in an account is withdrawn during the month, the accrued distributions will be paid on or before the first business day of the following month.

The Net Asset Value per Unit of the Portfolio is calculated each business day by adding the amortized book value of the Portfolio securities and other assets, deducting accrued expenses and arrearages, and dividing by the number of Units outstanding. The result of this computation will be rounded to the nearest whole cent.

CONSTANT DOLLAR OBJECTIVE

The objective of the TexSTAR Cash Reserve Fund is to maintain a stable value of \$1.00 per unit (rounded to the nearest whole cent). Although all securities in the Fund shall be marked to market daily using the fair value method, amortized cost, which generally approximates the market value of securities, is utilized. The Board, in its discretion, may elect to cease utilizing amortized accounting and to commence utilizing the fair value method at any time. To the extent that the Board elects to utilize a net asset value per share determined by using available market quotations in lieu of amortized accounting, the Fund will reflect market fluctuations and any unrealized gains and losses resulting from those fluctuations on a daily basis.

If, upon a daily calculation, the investment manager finds that the deviation between the amortized cost and market-determined values or the deviation between market-determined values and \$1.00 per unit of the Portfolio's assets exceeds \$0.0030, it shall promptly notify the Board. In the event that the deviation of market-determined values from amortized cost or \$1.00 per unit exceeds \$0.0040, the Board shall direct the investment manager to take such action, if any, as it determines is necessary to eliminate or reduce to the extent reasonably practicable any dilution or unfair result to existing participants. Notwithstanding the foregoing, absent contrary instructions from the Board, the investment manager shall cause the subject investments to be sold promptly to attempt to bring the deviation back within the desired value band. However, the \$1.00 per unit value is not guaranteed or insured by TEXSTAR or the co-administrators. There can be no assurance that the Fund will maintain a stable net asset value of \$1.00.

MONITORING MARKET PRICE AND RATINGS

Through one or both of the co-administrators, TEXSTAR shall account for all Fund transactions and shall mark to market the Fund portfolio holdings of TEXSTAR on a daily basis through the use of independent or affiliated commercial pricing services or third party broker-dealers. The market prices shall be checked daily for current data and validity of information. In addition, a reasonability test shall be performed in order to determine if the prices received are within a set tolerance range. In the event that any of the prices fall outside of the set tolerance range, then these prices shall be investigated. The investment manager will periodically monitor the credit ratings of the investments in which the Fund invests and, to the extent required under the PFIA, shall take all prudent

measures to liquidate any investments of the Fund that fail to meet any minimum rating requirement for such investments set forth in the PFIA.

VI. ADMINISTRATIVE CONSIDERATIONS

PARTICIPATION AGREEMENTS

Each participant must have a fully executed application on file with TEXSTAR before investing in TEXSTAR.

DEPOSIT AND WITHDRAWAL DEADLINES

See separate TEXSTAR Operating Procedures for detailed deposit and withdrawal deadlines.

REPORTING AND DISCLOSURE

Each participant must obtain and should review the TEXSTAR Cash Reserve Fund Information Statement before investing. TEXSTAR will furnish investment confirmations and a monthly report disclosing certain information to participants in accordance with the Texas Public Funds Investment Act. Additional information is available on the TEXSTAR web site, www.textstar.org, or by calling TEXSTAR Participant Services at 1-800-TEXSTAR (1-800-839-7827).

TEXSTAR is audited annually by an independent auditor.

AUTHORIZED DEALERS

The investment manager shall maintain a list of primary dealers and brokers authorized to provide investment services to TEXSTAR.

ETHICS AND CONFLICTS OF INTEREST

Each co-administrator is required to maintain a code of ethics which requires its employees working with TexSTAR to place the interests of TexSTAR before their personal interests and to avoid any actual or potential conflicts of interest. Each co-administrator must promptly report any material non-compliance with such requirements to the Board.

JPMIM acts as a fiduciary when providing investment management services to TexSTAR. JPMIM may order the purchase of investments from either itself, HTS or their affiliates only on terms and conditions approved by a majority of the Participant members of the Board.

JPMIM has provided the following disclosures concerning its practices:

JPMIM and/or its affiliates ("JPMorgan Chase") perform investment services, including rendering investment advice, to varied clients. JPMIM, JPMorgan Chase and its or their directors, officers, agents, and/or employees may render similar or differing investment

advisory services to clients and may give advice or exercise investment responsibility and take such other action with respect to any of their other clients that differs from the advice given or the timing or nature of action taken with respect to another client or group of clients. It is JPMIM's policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of JPMIM's other client accounts may at any time hold, acquire, increase, decrease, dispose, or otherwise deal with positions in investments in which another client account may have an interest from time-to-time.

JPMIM, JPMorgan Chase, and any of its or their directors, partners, officers, agents or employees, may also buy, sell, or trade securities for their own accounts or the proprietary accounts of JPMIM and/or JPMorgan Chase. JPMIM and/or JPMorgan Chase, within their discretion, may make different investment decisions and other actions with respect to their own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, JPMIM is not required to purchase or sell for any client account securities that it, JPMorgan Chase, and any of its or their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of JPMIM, or JPMorgan Chase or its clients.

JPMIM and its related persons may recommend securities to clients that JPMIM and its related persons may also purchase or sell. As a result, positions taken by JPMIM and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of JPMIM. As these situations may involve potential conflicts of interest, JPMIM has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding preclearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, JPMIM has implemented monitoring systems designed to ensure compliance with these policies and procedures.

March 2018



TexSTAR ENROLLMENT STEPS

In order for a governmental entity to enroll in TEXSTAR, the following procedures should be performed.

1. Submit the *Resolution* in the form entitled ***Application for Participation in TEXSTAR*** to the entity's governing body for approval.
2. Complete the ***Application for Participation in TEXSTAR***.
3. Complete a ***Bank Instruction Form*** for each account to be opened.
4. Send all completed documentation with original signatures and ***an approved investment policy of the enrolling entity*** to:

TEXSTAR Participant Services
1201 Elm Street, Suite 3500
Dallas, Texas, 75270

5. Enrollment documentation will ordinarily be processed within five (5) business days of receipt.

SAMPLE AGENDA LANGUAGE

Short versions:

(1) Approval of TexSTAR Investment Pool as an Authorized Investment

(2) Approval of Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR)

Or

Longer versions:

(1)Recommendation to Approve an Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR).

Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted.

(2)Recommendation to Approve an Application for Participation in the Texas Short Term Asset Reserve Program (TexSTAR).

Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted to provide the district with an additional investment option emphasizing safety and liquidity.



APPLICATION FOR PARTICIPATION IN TexSTAR

The undersigned local government (Applicant) applies and agrees to become a Participant in the Texas Short Term Asset Reserve Program (TexSTAR).

1. **Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on _____, 20__:

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas local governments in the Texas Short Term Asset Reserve Program (TexSTAR) in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in TexSTAR and to enter into the participation agreement authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in TexSTAR attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the TexSTAR Board.

SECTION 3. Terms used in this resolution have the meanings given to them by the application."

2. **Agreement.** Applicant agrees with other TexSTAR Participants and the TexSTAR Board to the Terms and Conditions of Participation in TexSTAR, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Terms and Conditions of Participation.

3. **Taxpayer Identification Number.** Applicant's taxpayer identification number is _____

4. **Contact Information.**

Applicant primary mailing address: _____

Applicant physical address (if different): _____

Applicant main phone number: _____

Applicants main fax number: _____

5. **Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the Board in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

1. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

2. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

3. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

4. Name: _____ Title: _____

Signature: _____ Phone: _____

Email: _____

{REQUIRED} PRIMARY CONTACT: List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all TexSTAR correspondence including transaction confirmations and monthly statements

Name: _____

{OPTIONAL} INQUIRY ONLY CONTACT: In addition, the following additional Participant representative (**not listed above**) is designated as an ***Inquiry Only*** Representative authorized to obtain account information:

Name: _____ Title _____

Signature: _____ Phone: _____

Email: _____

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

DATED _____

REQUIRED
PLACE OFFICIAL SEAL OF ENTITY HERE

(NAME OF ENTITY/APPLICANT)

SIGNED BY:

(Signature of official)

(Printed name and title)

ATTESTED BY:

(Signature of official)

(Printed name and title)

FOR INTERNAL USE ONLY

APPROVED AND ACCEPTED: TEXAS SHORT TERM ASSET RESERVE FUND

.....
AUTHORIZED SIGNER

V082011

BANK INSTRUCTION FORM



PLEASE SELECT ONE OF THE FOLLOWING:

- ☐ NEW ACCOUNT: NAME _____
- ☐ CHANGE EXISTING ACCT: _____
- ☐ APPLY CHANGE TO ALL ACCOUNTS

EFFECTIVE DATE: _____

PARTICIPANT NAME: _____

ACCOUNT NUMBER: _____

Add Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE ☐ PRIMARY BANK INSTRUCTION OR ☐ ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING ☐ WIRE AND ACH ☐ WIRE ONLY ☐ ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

Delete Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE ☐ PRIMARY BANK INSTRUCTION OR ☐ ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING ☐ WIRE AND ACH ☐ WIRE ONLY ☐ ACH ONLY

Bank Name: _____ City: _____

Bank ABA Number (9 digits): _____ Bank ABA for ACH (if different) (9 digits): _____

Bank Account Number: _____ Bank Account Name: _____

Correspondent Bank Name (if any): _____

Correspondent Bank ABA Number: _____ Account Number: _____

** If ACH availability is selected, I hereby authorize JPMorgan Chase Bank, N.A. to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to TexSTAR Participant Services. I understand that TexSTAR reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JPMorgan Chase Bank, N.A. to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. I authorize JPMorgan Chase Bank, N.A. to credit all amounts withdrawn in error to Designated Account.*

NOTE: This authorization must be executed by two current Authorized Representatives of the Participant on file with TexSTAR. As a current Authorized Representative, I certify that the above information is both true and correct.

Authorized Representative Signature

Printed Name

Title

Date

Authorized Representative Signature

Printed Name

Title

Date

Please complete this form either all typed or all handwritten. Forms with alterations (i.e. white out, mark out, etc.) will **NOT** be accepted.

TexSTAR Participant Services * 1201 Elm Street, Suite 3500 * Dallas, Texas 75270 * 800.839.7827 * Fax 214.953.8878

Document with original signatures is required.

DEPOSITORY PLEDGE AGREEMENT

751159664

City of Colleyville ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of **Texas** law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and fifteen percent (115%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions

taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. Custodian's Obligations. (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such

advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

6. Custodian's Reliance on Pricing Services. The Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide market values hereunder, and Bank and Depositor agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. Compliance with Texas Government Code Section 2270.002. As required by Section 2270.002 of the Texas Government Code, Bank and Custodian each hereby verifies that subject to and except as otherwise required by federal law, including, without limitation, 50 U.S.C. Section 4607, it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to

penalize, inflict economic harm on, or limit commercial relations specifically with Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

13. Compliance with Texas Government Code Section 2252.152. Pursuant to Section 2252.152 of the Texas Government Code, Bank and Custodian each hereby verifies that it is not engaged in active business operations with Sudan or Iran in violation of U.S. law, or a foreign terrorist organization. For purposes of this Agreement, the phrase "foreign terrorist organization" means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

14. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: _____, 20_____.

DEPOSITOR: City of Colleyville

CUSTODIAN: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Signature: _____
Print
Name: _____
Title: _____
Address: _____

Signature: _____
Print
Name: _____
Title: _____
Address: C/O The Bank of New York Mellon
101 Barclay Street, 4th Floor
New York, NY 10286
Attn: Markets- Collateral Manager

BANK: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

Signature: _____
Print
Name: Sheila Lynch
Title: Vice President
333 Market Street St.15th Floor,
MAC: A0109-150
Address: San Francisco, CA 94105

ADDENDUM "A"
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

1.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	

2.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	

3.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	

4.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	

DEPOSITORY PLEDGE AGREEMENT

751159664

City of Colleyville ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of **Texas** law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and fifteen percent (115%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions

taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. Custodian's Obligations. (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such

advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

6. Custodian's Reliance on Pricing Services. The Custodian is authorized to utilize one or more generally recognized pricing information services (including brokers and dealers of securities) in order to provide market values hereunder, and Bank and Depositor agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. Compliance with Texas Government Code Section 2270.002. As required by Section 2270.002 of the Texas Government Code, Bank and Custodian each hereby verifies that subject to and except as otherwise required by federal law, including, without limitation, 50 U.S.C. Section 4607, it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to

penalize, inflict economic harm on, or limit commercial relations specifically with Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

13. Compliance with Texas Government Code Section 2252.152. Pursuant to Section 2252.152 of the Texas Government Code, Bank and Custodian each hereby verifies that it is not engaged in active business operations with Sudan or Iran in violation of U.S. law, or a foreign terrorist organization. For purposes of this Agreement, the phrase "foreign terrorist organization" means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

14. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: _____, 20_____.

DEPOSITOR: City of Colleyville

CUSTODIAN: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Signature: _____
Print
Name: _____
Title: _____
Address: _____

Signature: _____
Print
Name: _____
Title: _____
Address: C/O The Bank of New York Mellon
101 Barclay Street, 4th Floor
New York, NY 10286
Attn: Markets- Collateral Manager

BANK: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

Signature: _____
Print
Name: Sheila Lynch
Title: Vice President
333 Market Street St.15th Floor,
MAC: A0109-150
Address: San Francisco, CA 94105

ADDENDUM "A"
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

1.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
2.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
3.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
4.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	

DEPOSITORY PLEDGE AGREEMENT

751159664

City of Colleyville ("Depositor") has selected **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("Bank") as a depository for certain of its funds and Bank has agreed to act as the depository for those funds in accordance with applicable laws, which require that Bank secure the deposited funds, to the extent not insured by the Federal Deposit Insurance Corporation ("FDIC"), by pledging securities ("Eligible Securities") of any type (including, without limitation, surety bonds and investment securities) permitted by the applicable provisions of **Texas** law in effect from time to time (the "Governing Statutes"). **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** ("Custodian") has agreed to hold the pledged securities in safekeeping pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants in this Agreement, Depositor, Bank and Custodian agree as follows:

1. Grant of Security Interest; Instructions Regarding Collateral. (a) Bank hereby grants to Depositor a security interest in all Eligible Securities transferred to a collateral account (the "Collateral Account") established pursuant to this agreement (the "Collateral"). Custodian agrees to serve as collateral agent for Depositor, pursuant to the terms of this Agreement. For the avoidance of doubt, Custodian acknowledges and agrees that it does not have and will not acquire or assert at any time in the future, and hereby expressly waives, any lien upon, security interest in, setoff right or other right to charge the Collateral held in the collateral account for any obligation owed to Custodian by Bank or Depositor. Until Depositor has the right to compel sale of the Collateral under Section 7 hereof, Custodian may act in accordance with the instructions of Bank, including, without limitation, the right of Bank to unilaterally substitute Eligible Securities for the Collateral in accordance with Section 3 hereof. Addendum "A" contains the names and specimen signatures of individuals authorized to act on behalf of Depositor, and Addendum "B" contains the names and specimen signatures of individuals authorized to act on behalf of Bank. Either Depositor or Bank may add or remove authorized representatives without the consent of the other at any time by providing Custodian with a replacement addendum, duly executed by an authorized individual. In no event shall the Custodian be responsible for determining whether the pledged securities are "Eligible Securities".

(b) Bank, Depositor and Custodian agree that all Collateral delivered to or received by Custodian for deposit in the Collateral Account may be in the form of credits to the accounts of Custodian at a Securities Depository or by delivery to Custodian of physical certificates in a form suitable for transfer to Custodian or with an assignment in blank. Bank and Depositor hereby authorize Custodian to utilize such Securities Depositories and to hold such physical securities or any combination thereof in connection with its performance hereunder. Collateral credited to the Collateral Account and deposited in the Securities Depositories will be held, by book-entry notation, in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to accounts in which assets are held in a fiduciary, agency or representative capacity. Collateral that is not held in the Securities Depositories will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian. As used herein, the term "Securities Depository" or "Securities Depositories" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York for receiving and delivering securities, The Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the Uniform Commercial Code, as in effect from time to time.

2. Amount of Collateral. The aggregate market value of Collateral held by Custodian at all times during the term of this Agreement must be in an amount not less than **one hundred and fifteen percent (115%)** of (a) the amount of the collected funds on deposit, increased by (b) the amount of accrued but uncredited interest, (c) reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter called the "Required Collateral Value". In no event shall the Custodian be responsible for determining whether the Collateral Account contains the Required Collateral Value.

3. Substitutions and Withdrawals of Collateral. If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, Bank may unilaterally withdraw any excess Collateral by providing Custodian with a withdrawal notice signed by an authorized representative of Bank, provided that after the withdrawal of any such excess Collateral, the remaining Collateral equals or exceeds the Required Collateral Value. Additionally, Bank may unilaterally substitute Eligible Securities for any of the Collateral held by Custodian at any time by providing Custodian with a substitution notice signed by an authorized representative of Bank, provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. If Bank elects to require Depositor's written consent on a notice in connection with any withdrawal or substitution which complies with this Section 3, Depositor agrees to provide it promptly upon Bank's request. Custodian shall be entitled to rely on, and Bank and Depositor agree to hold Custodian harmless from, any actions

taken pursuant to, and consistent with, the instructions given in a withdrawal or substitution notice under this Section 3, whether unilateral or not.

4. Bank's Obligations. Bank shall perform all of the duties and obligations required of a depository under applicable law with respect to collateralization of the funds of Depositor on deposit with Bank, including the duties and obligations required under the Governing Statutes. At the expiration of the term of this Agreement, Bank shall turn over to any successor depository designated by Depositor all funds held by Bank as depository. Bank will furnish to Depositor a monthly statement listing a description of the Collateral. The statement will specify the par value, market value, and maturity date of each component of the Collateral. Upon request, Bank shall provide to Depositor a copy of Bank's most recent publicly available quarterly or annual financial statement.

5. Custodian's Obligations. (a) Custodian shall perform the duties and obligations required of Custodian hereunder, in accordance with the provisions of the Governing Statutes. Upon transfer by Custodian of Eligible Securities to the Collateral Account, including Eligible Securities substituted for other Collateral, Custodian shall promptly identify such Eligible Securities on its books and records as being Collateral held pursuant to this Agreement, and shall promptly issue and deliver to each of Bank and Depositor a duplicate receipt for such Collateral. For the avoidance of doubt, it is understood and agreed that such receipts may be combined to identify more than one transaction on any one business day and Custodian shall not be required to issue more than one such receipt to Bank and Depositor on any business day. Bank and Depositor agree that they shall promptly review all receipts delivered to them by Custodian and shall promptly advise Custodian of any error, omission or inaccuracy in such receipts. In the event that Custodian receives such an advice, Custodian shall promptly undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred and shall notify Bank and Depositor of its action concerning each such error, failure, or omission.

(b) Depositor agrees that, with respect to all securities held in the Collateral Account, Custodian by itself, or through the use of the appropriate Securities Depository, shall, unless otherwise instructed to the contrary by Bank or as provided in Section 7 hereof: (i) collect all payments reflecting interest and principal on the securities in the Collateral Account; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of securities which, in the opinion of Custodian, is intended for the beneficial owner of the securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any securities held by Custodian hereunder; and (v) upon receipt of written instructions from Bank, Custodian will exchange securities held hereunder for other securities and/or cash in connection with (A) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (B) any exercise, subscription, purchase or other similar rights; provided, however, such exchanged securities shall continue to be held by Custodian hereunder for the benefit of Depositor if such exchanged securities constitute Collateral. Upon receipt of payments reflecting principal and interest or dividends on the securities in the Collateral Account, Custodian shall transfer to Bank such principal and interest or dividend payments (either by credit to Bank's custody account at Custodian or otherwise).

(c) Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss or damage arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by any Securities Depository, provided, however, that such loss or damage is not caused by the negligence or willful misconduct of Custodian. In no event shall Custodian be liable to Depositor, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Both Depositor, to the extent permitted by law, and Bank agree to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur with respect to any third party claim or which may be asserted by a third party against Custodian by reason of or as a result of any action taken or omitted by Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Depositor and Bank notwithstanding the termination of this Agreement.

(d) Custodian may, with respect to questions of law specifically regarding the Collateral Account, obtain the advice of reputable legal counsel and shall be fully protected with respect to anything done or omitted by it reasonably and in good faith and without negligence, willful misconduct, bad faith or fraud in conformity with such

advice, provided, however, that nothing contained in this paragraph (d) shall be deemed to relieve Custodian of any of its obligations pursuant to any other provision of this Agreement.

(e) Custodian shall not be responsible for, or considered to be custodian of, any securities received by it for deposit in the Collateral Account until Custodian actually receives and collects such securities directly or by the final crediting of Custodian's account on the books of the appropriate Securities Depository. Custodian will be entitled to reverse any provisional credits to the Collateral Account that were made in anticipation of the receipt of securities or cash which were not subsequently received by Custodian.

(f) Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

(g) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties whenever and on such terms and conditions as it deems necessary or appropriate and which are consistent with applicable law. If any of such subcontracts, agreements, or understandings with third parties are for the deposit of Eligible Collateral for the benefit of Depositor, (i) such third party will qualify as a "permitted institution" pursuant to the Texas Public Funds Collateral Act, (ii) Custodian shall cause such third party to provide records to Custodian evidencing the deposit of Eligible Collateral with such third party, and (iii) records of the third party relating to such Eligible Collateral will at all times state the name of Custodian. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

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7. Default and Remedies. If Bank defaults in performing its obligations under Section 4 above, or if Bank is declared insolvent, or if a receiver is appointed for Bank, Depositor may, after providing Bank at least three (3) business days prior written notice and opportunity to cure the default, and, if Bank fails to cure the default within such (3) business day period, instruct Custodian to transfer the Collateral or any part thereof to a broker-dealer for disposition in accordance with Depositor's instructions at a public or private sale. The proceeds of any such sale shall be applied to satisfy any indebtedness owed by Bank to Depositor, and any excess proceeds shall be returned to Bank. Depositor will also have any other remedies available under applicable law. The Custodian shall be entitled to rely on and shall be held harmless from acts taken in accordance with such instructions from Depositor.

8. Termination of Agreement. Any party to this Agreement may terminate this Agreement by giving thirty (30) days prior written notice of termination to the other parties.

9. Applicable Law; Other Agreements. This Agreement is governed by the laws of the **State of Texas**. All deposit accounts of Depositor will be subject to Bank's Commercial Account Agreement, Business Account Agreement, or other applicable deposit account agreement, as in effect from time to time.

10. Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

11. Jury Trial Waiver. EACH OF BANK, DEPOSITOR AND CUSTODIAN HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

12. Compliance with Texas Government Code Section 2270.002. As required by Section 2270.002 of the Texas Government Code, Bank and Custodian each hereby verifies that subject to and except as otherwise required by federal law, including, without limitation, 50 U.S.C. Section 4607, it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the phrase "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to

penalize, inflict economic harm on, or limit commercial relations specifically with Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

13. Compliance with Texas Government Code Section 2252.152. Pursuant to Section 2252.152 of the Texas Government Code, Bank and Custodian each hereby verifies that it is not engaged in active business operations with Sudan or Iran in violation of U.S. law, or a foreign terrorist organization. For purposes of this Agreement, the phrase "foreign terrorist organization" means an organization designated as a foreign terrorist organization by the United States secretary of state as authorized by 8 U.S.C. Section 1189.

14. Miscellaneous. The headings in this agreement are for convenience of reference only and should not be used in interpreting this Agreement. If any provision of this agreement is illegal or unenforceable under applicable law, that provision should be deemed reformed so as to be enforceable to the extent permitted by applicable law, or if that is not possible, then this Agreement should be read as if that provision was never a part of it, and the remainder of the Agreement will be enforceable. THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO ORAL AGREEMENTS OF THE PARTIES. Notices given under this Agreement must be addressed as set forth below the signature of each party, and will be effective upon actual receipt by the addressee or upon refusal of delivery during the normal business hours of the addressee. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees, to the extent permitted by law, not to claim, and it hereby waives, such immunity in connection with this Agreement.

Date of Agreement: _____, 20_____.

DEPOSITOR: City of Colleyville

CUSTODIAN: **THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

Signature: _____
Print
Name: _____
Title: _____
Address: _____

Signature: _____
Print
Name: _____
Title: _____
Address: C/O The Bank of New York Mellon
101 Barclay Street, 4th Floor
New York, NY 10286
Attn: Markets- Collateral Manager

BANK: **WELLS FARGO BANK, NATIONAL ASSOCIATION**

Signature: _____
Print
Name: Sheila Lynch
Title: Vice President
333 Market Street St.15th Floor,
MAC: A0109-150
Address: San Francisco, CA 94105

ADDENDUM “A”
(Authorized Officers of Depositor)

One signature of any of the following authorized officers of Depositor is required to authorize actions to be taken pursuant to the foregoing Depository Pledge Agreement. **Individual who signs page 4 must also sign below.**

1.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
2.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
3.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	
4.	Print Name:		Signature:	
	Email:		Phone:	
			Fax:	



City of Colleyville City Council Agenda Briefing

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

Agenda Number 6g

Agenda Date 05/15/2018

Number Resolution R-18-4263

Type Resolution

Department Parks and Recreation

Title

Approval of a Professional Services Agreement with MESA Design Associates, Inc. for landscape architectural services for State Highway 26 (SH26) corridor landscape and hardscape improvements, and authorizing the city manager to execute the agreement

Strategic Plan

5.1 Create and sustain an identifiable Colleyville brand

Explanation

Reading and Public Hearing

At the April 3 Worksession, City Council approved moving forward with seeking a consultant to redesign the medians and right-of-ways to achieve an exceptional design for the SH26 corridor, allowing Colleyville to stand out in the region. The new design will set the tone for visitors' and citizens' experience, while traveling the main sales tax generating corridor.

The City of Colleyville requested statements of qualifications from qualified consultants, to provide landscape architecture/design services for the public plaza in front of City Hall. From the twelve (12) firms that submitted statements of qualifications, four (4) firms were contacted and asked to submit plans, pictures, etc., that would show a similar size and scope of their design skills on similar projects of medians and right-of-ways. From the four (4) firms that submitted their information, MESA Design Associates, Inc. was selected by a committee of staff for their outstanding design quality. MESA's attention to detail fits the Colleyville need for exceptional design and finished product.

The staff committee contacted resources in the industry to seek information on MESA's work, of which they received rave reviews. They are an award-winning design firm.

MESA was contacted and asked to submit construction cost estimates for a project of this magnitude with exceptional design. The original SH26 landscape plans were sent to them. They provided a ballpark construction cost for top-of-the-line design, after reviewing the documents from TXDOT.

MESA has provided a detailed timeline with specified deliverables for this project. Stage One will provide three conceptual design alternatives for the corridor at different cost levels for review. They will meet with Council, as well as have citizen

input, to develop what Colleyville wants the corridor to look like. They will adjust the designs, according to the desired outcome.

Once a design is selected, MESA will create the cost projections, as well as the construction and design documents. Staff will coordinate with MESA to use the construction documents in compliance with the City's purchasing practices to properly bid the scope of work. They will manage the construction and meet with City Staff, Council, TXDOT and contractors to ensure the design intent is carried out to the fullest. They will monitor work, ensure proper construction practices are met, and document the process from start to finish.

The City also applied for a Green Ribbon Grant in April. If awarded the grant, MESA will provide all monitoring and documentation required by TXDOT to receive grant reimbursement funds.

The services by stage are:

Stage 1 – Concept Design, Visioning & Budgeting: Not-to-Exceed \$79,600

Stage 2 – Construction Documents: Not-to-Exceed Five Percent (5%) of Total Approved Construction Budget

Stage 3 – Detailed Design Coordination & Construction Observation: Not-to-Exceed \$167,000

Financial Impact

TIF funding is available for improvements related to the SH26 project.

Recommendation

Approve

Attachments

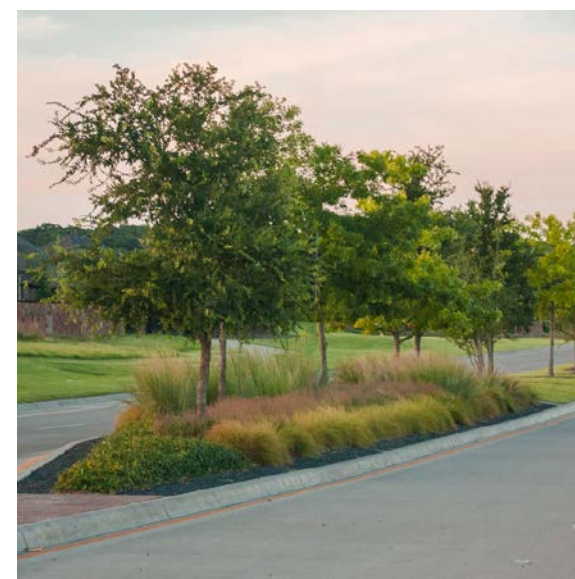
1. SH26 Landscape and Hardscape presentation
2. Agreement for Professional Services (MESA Design Associates Inc.)
3. Design Process and Schedule

SH26 Corridor Landscape & Hardscape Improvements

MESA Design Associates, Inc.

City Council Meeting
May 15, 2018

- Stage 1: Concept Design, Visioning & Budgeting
 - Not-to-Exceed \$79,600
 - Prepare 3 initial conceptual design alternatives for the corridor and an opinion of probable cost for each
- Stage 2: Construction Documents
 - Not-to-Exceed Five Percent (5%) of Total Construction Budget
 - Finalize selected conceptual design and prepare construction documents
- Stage 3: Detailed Design Coordination & Construction Observation
 - Not-to-Exceed \$167,000
 - Schematic design model, coordination with TxDOT, assistance in project bidding, and construction observation to confirm conformance of work to design



CITY OF COLLEYVILLE
SH26 LANDSCAPE IMPROVEMENTS
MAY 15, 2018



ABOUT MESA

- Landscape Architecture, Planning, and Urban Design
- Established 1981
- Office located in Dallas' Historic West End District
- Principals with 20-30 years experience directly involved in design process
- Staff of 25 Professionals

ABOUT MESA

DIVERSITY OF EXPERIENCE



CAMPUS



COMMUNITIES



CORPORATE



ENVIRONMENTAL
EDUCATION



HEALTHCARE &
SENIOR LIVING



HOSPITALITY



MASTER PLANNING



MIXED-USE



PARKS



RESIDENTIAL



RETAIL



URBAN LIVING

ABOUT MESA DESIGN TEAM



Stan Cowan
Principal

- 30 years of experience locally and internationally
- Licensed Landscape Architect
- Consistently provide clients with innovative design methods, a creative use of materials, and follow-through from pre-development to construction.



Aaron Duncan
Principal

- 16 years of experience locally and internationally
- Licensed Landscape Architect
- Seasoned Land Planner with experience in feasibility assessments, neighborhood design, and community branding.



David Newman
Associate | Project Manager

- 10 years of experience
- Licensed Landscape Architect
- Portfolio includes a diverse range of project types including urban streetscapes, community development, and parks.

ABOUT MESA

AWARDS

MESA’s work in landscape architecture, planning and urban design has been recognized **locally, nationally and internationally** for its quality of work and innovative design excellence. We have garnered numerous awards throughout the years that showcase excellence in design, planning, historic preservation, and environmentally sustainable sites.

RECENT AWARDS

2018	
Apex Centre	TRAPS, Recreation Facility Design Award
Furst Ranch Master Plan	Texas ASLA, Merit Award, Planning and Analysis
Mt. Lebanon Camp Vision Plan	Texas ASLA, Honor Award, Planning and Analysis
Shadywood Residence	Texas ASLA, Merit Award, Constructed Projects - Residential
T Boone Pickens Hospice & Palliative Care Center	Environments for Aging, Merit Award, Built Projects
2017	
Apex Centre	TRAPS North Region, Recreation Facility Design Excellence Award
Ascent at CityCentre	USGBC, LEED Silver
Factory Six03 Market Plaza	Texas ASLA, Merit Award, Design Unrealized
Factory Six03 Market Plaza	Texas ASLA, Merit Award, Communication
Rockledge Park	Texas ASLA, Honor Award, Planning and Analysis
UNT Dallas Student Learning & Success Center	Texas ASLA, Merit Award, Communication

2016	
Farquhar Residence	Texas ASLA, Merit Award, Constructed Projects - Residential
Farquhar Residence	PaperCity Dallas, Residential Landscape Design, Pool
Heritage Farmstead Museum Vision Plan	Texas ASLA, Merit Award, Planning and Analysis
Inspiration	DBA, McSAM Award, Master Planned Community of the Year
Inspiration	DBA, McSAM Award, Best Community Entry Feature
Reverchon Park	TRAPS, Lone Star Legacy Park Award
T Boone Pickens Hospice & Palliative Care Center	Texas ASLA, Honor Award, Communication
2015	
Meadowmere Park	Texas ASLA, Honor Award, Planning and Analysis
Rockbrook Residence	PaperCity Dallas, Best Outdoor Living Space, Garden or Pool
Shadywood Residence	Texas ASLA, Honor Award, Constructed Projects - Residential
T Boone Pickens Hospice & Palliative Care Center	Texas ASLA, Honor Award, Design Unrealized - Commercial
T Boone Pickens Hospice & Palliative Care Center	Environments for Aging, Merit Award, Unbuilt Projects
T Boone Pickens Hospice & Palliative Care Center	AIA Design for Aging Review, Merit Award

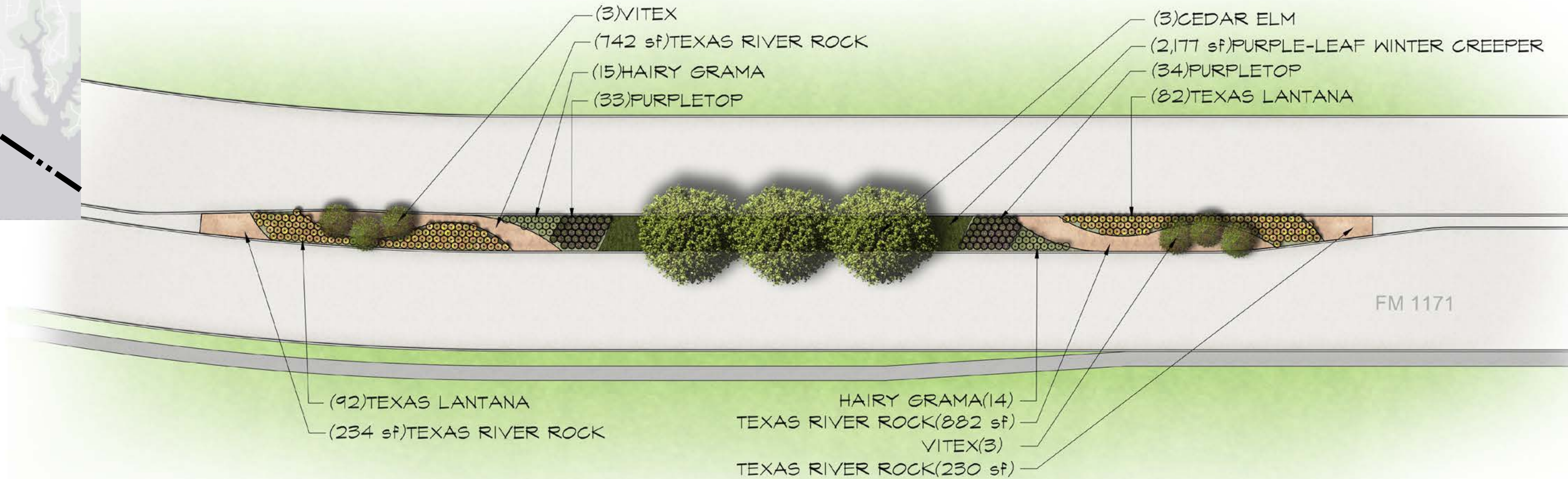
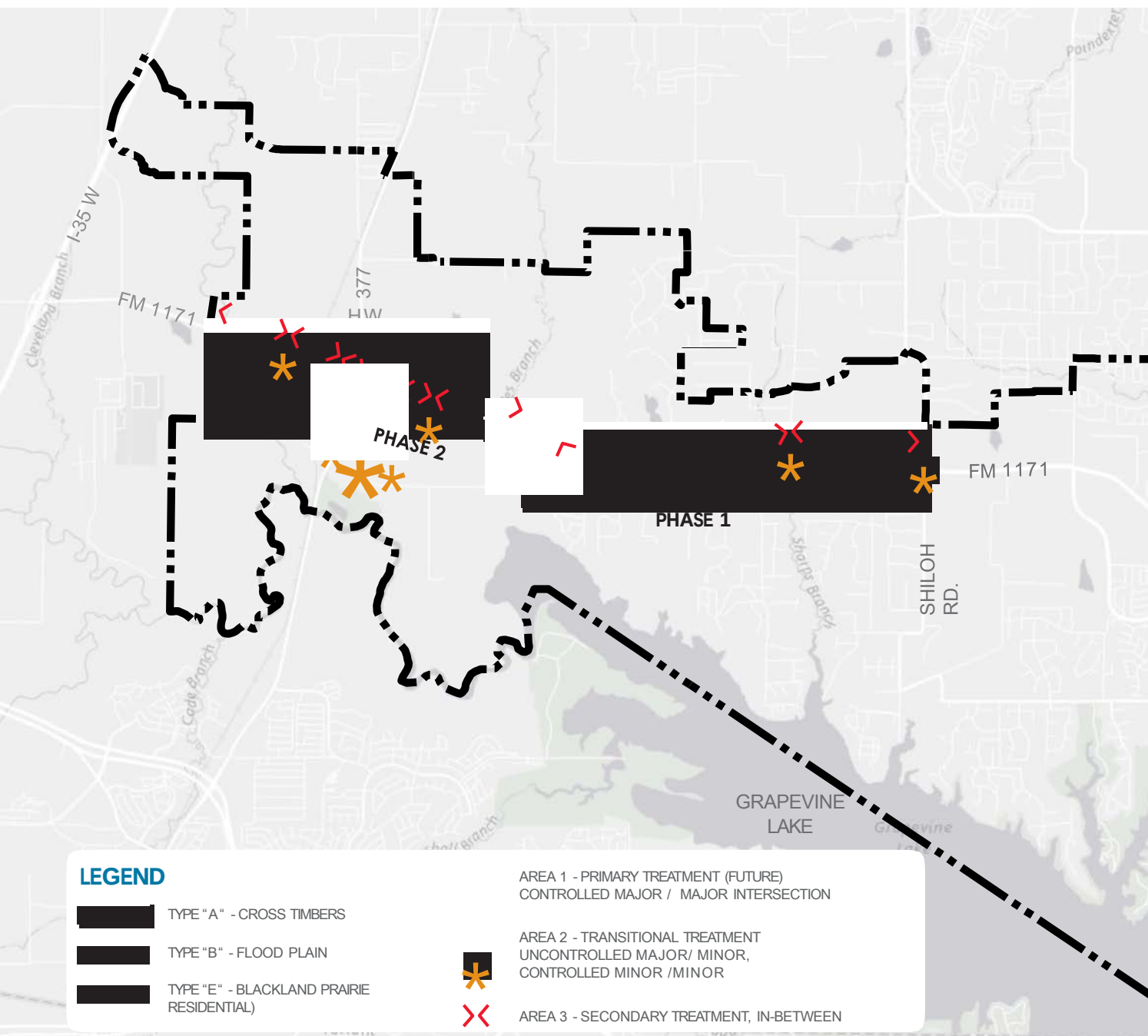
EXPERIENCE
CANYON FALLS
DENTON COUNTY, TEXAS



EXPERIENCE

FM 1171 GREEN RIBBON

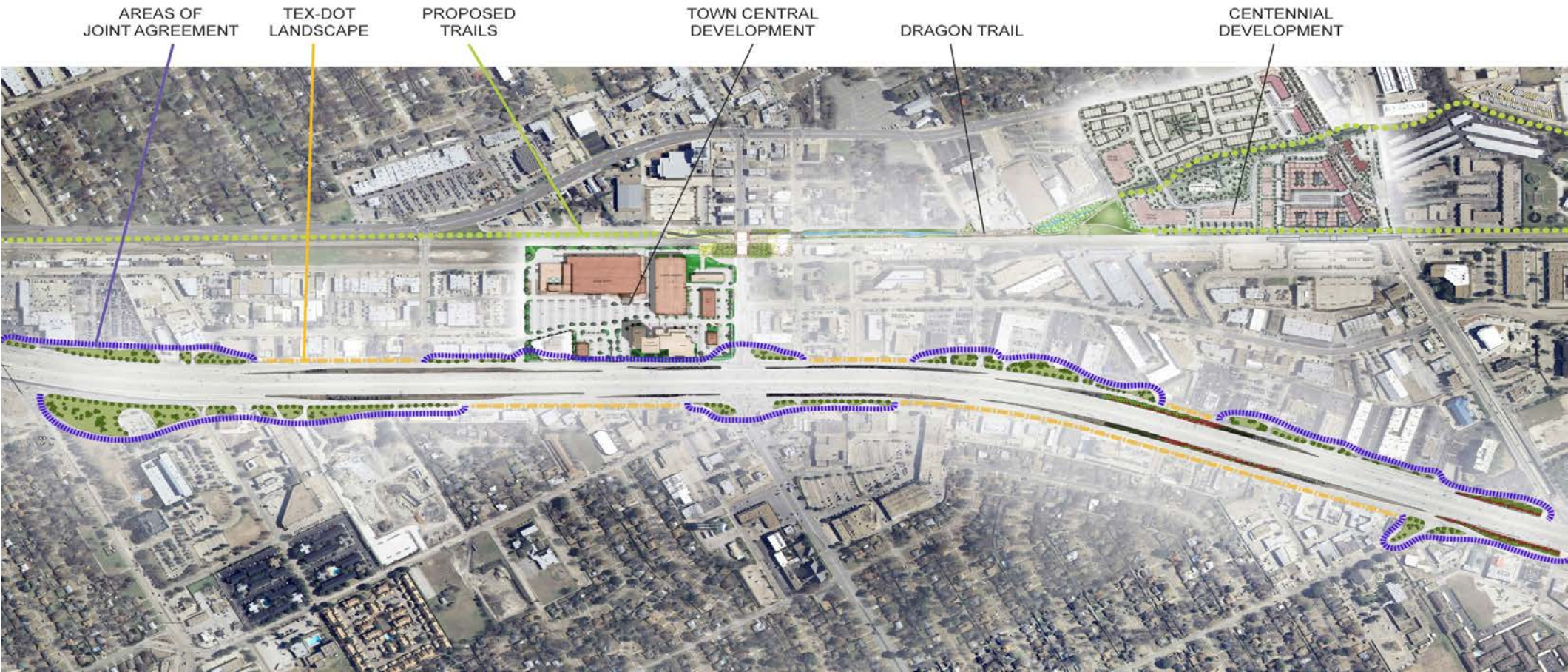
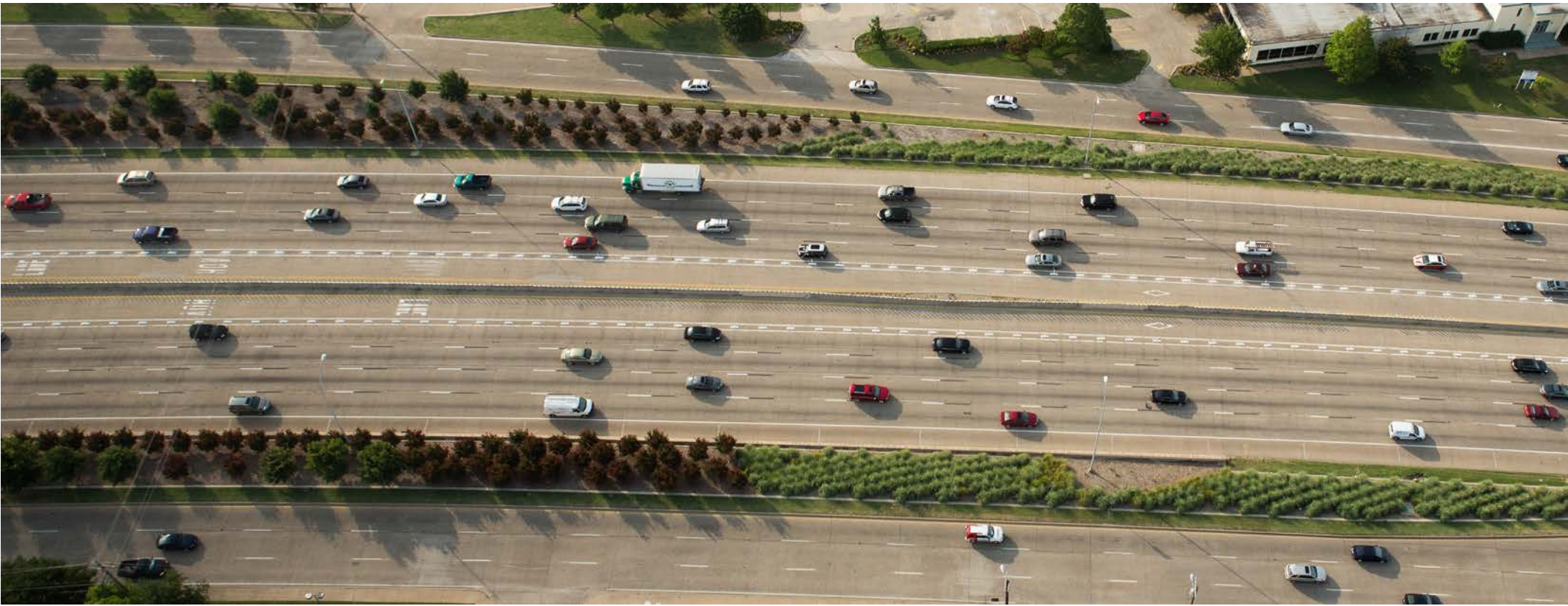
FLOWER MOUND, TEXAS



EXPERIENCE

U.S. 75 TEELCOM CORRIDOR STREETScape

RICHARDSON, TEXAS



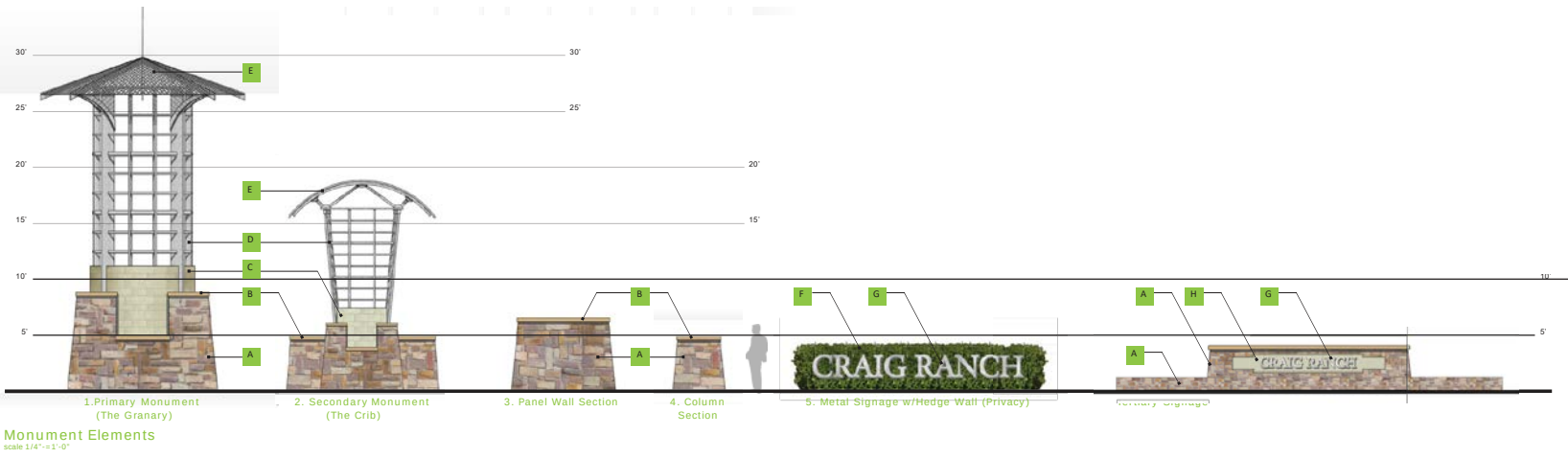
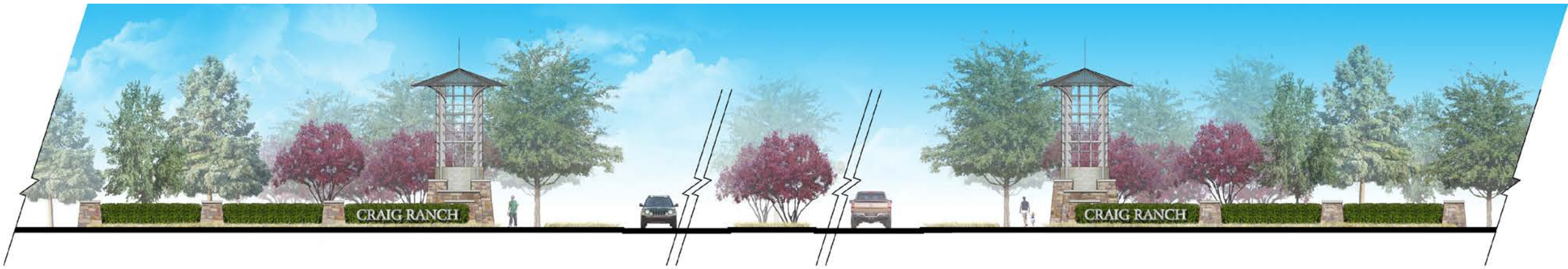
EXPERIENCE
DOWNTOWN ENNIS STREETScape
ENNIS, TEXAS



EXPERIENCE

CRAIG RANCH DEVELOPMENT GATEWAYS

MCKINNEY, TEXAS





THANK YOU

MESA

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

AGREEMENT FOR PROFESSIONAL SERVICES

This agreement (“Agreement”) is made by and between the City of Colleyville, Texas (“City”) and MESA Design Associates, Inc. (“Professional”) (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

RECITALS:

WHEREAS, the City desires to engage the services of Professional as an independent contractor, and not as an employee, to provide the services described in Exhibit “A” (the “Scope of Services”) to assist the City in the landscape and hardscape design of SH 26 corridor (the “Project”) on the terms and conditions set forth in this Agreement; and

WHEREAS, Professional desires to render services for the City on the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I
Term and Termination

1.1 This Agreement shall commence on the last date of execution hereof (“Effective Date”) and continue until completion of the services, unless sooner terminated as provided herein.

1.2 The City may suspend Professional’s services under this Agreement for cause or without cause at any time by giving written notice to Professional. The City may terminate this Agreement for cause or without cause by giving thirty (30) days written notice to Professional. Suspension under this Agreement shall have no effect on or delay the City’s ability to terminate the Agreement. In the event suspension or termination is without cause, payment to Professional, in accordance with the terms of this Agreement, will be made based on services reasonably determined by City to be satisfactorily performed to the date of suspension or termination. Such payment will be due upon delivery of all instruments of service to City.

1.3 If City requires a modification of this Agreement with Professional, and in the event City and Professional fail to agree upon a modification to this Agreement, City shall have the option of terminating this Agreement and Professional’s services hereunder at no additional cost other than the payment to Professional, in accordance with the terms of this Agreement, for the services reasonably determined by City to be properly performed by Professional prior to such termination date.

1.4 In the event of any termination under this Article I, Professional shall deliver to City all finished and unfinished documents, data, studies, surveys, drawings, maps, models,

reports, photographs or other items prepared by the Professional in connection with this Agreement. Professional shall be entitled to compensation for any services completed to the reasonable satisfaction of the City in accordance with this Agreement prior to such termination.

Article II

Scope of Service

2.1 Professional shall perform the services in connection with the Project as set forth in the Scope of Services. Professional shall perform the services: (i) with the professional skill and care ordinarily provided by competent engineers or architects, as the case may be, practicing in the same or similar locality and under the same or similar circumstances and professional license; and (ii) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect, as the case may be.

2.2 The City shall, prior to commencement of services, provide Professional with the information set forth in the Scope of Services, if any.

2.3 The Parties acknowledge and agree that any and all opinions provided by the Professional in connection with the Scope of Services represent the professional judgment of the Professional, in accordance with the standard of care applicable by law to the services performed hereunder.

2.4 Upon execution of this Agreement, the City has the right to use Professional's instruments of service, including but not limited to reports, maps, cost estimates, recommendations or other deliverables for the Project, provided that the City substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The City's employees, agents, contractors and subcontractors may reproduce applicable portions of the instruments of service for use in performing services or construction for the Project. Upon payment of all amounts due Professional hereunder, all deliverables, materials and reports prepared by Professional in connection with this Agreement shall become the property of the City. The City shall have the right to publish, disclose, distribute and otherwise use such deliverables, materials and reports only for those purposes for which they were intended. Subject to the foregoing, Professional shall, upon completion of the services, or earlier termination, provide the City with the deliverables, drawings, reports, maps, and materials prepared by Professional as set forth in the Scope of Services.

Article III

Schedule of Work

3.1 Professional shall perform all services as provided for under this Agreement in a proper, efficient, timely, and professional manner in accordance with the City's requirements. Professional shall commence the services only upon written notice to proceed from the City and in accordance with the scope of services identified therein. Except as otherwise provided in this Agreement, Stage 1 and Stage 3 services shall be performed in accordance with a written timeline agreed to by the Parties and Stage 2 services shall be performed in accordance with the Project Schedule attached hereto and incorporated herein as Exhibit B.

3.2 In the event Professional's performance of this Agreement is delayed or interfered with by acts of the City or others, Professional may request an extension of time for the performance of same as hereinafter provided, but shall not be entitled to any increase in fee or price, or to damages or additional compensation as a consequence of such delays. No allowance of any extension of time, for any cause whatever, shall be claimed or made to Professional, unless Professional shall have made written request upon City for such extension within forty-eight (48) hours after the cause for such extension occurred, and unless City and Professional have agreed in writing upon the allowance of additional time to be made.

Article IV **Compensation and Method of Payment**

4.1 Professional will be compensated in accordance with the payment schedule and amounts set forth in the Project Cost Schedule attached hereto and incorporated herein as Exhibit C. Unless otherwise provided herein, payment to the Professional shall be monthly based on the Professional's monthly progress report and detailed monthly itemized statement for services that shows the names of the Professional's employees, agents, contractors performing the services, the time worked, the actual services performed, the rates charges for such service, reimbursable expenses, the total amount of fee earned to date, and the amount due and payable as of the current statement, in a form reasonably acceptable to the City. Monthly statements shall include authorized non-salary expenses with supporting itemized invoices and documentation. The City shall pay such monthly statements within thirty (30) days after receipt and City verification of the services and expenses unless otherwise provided herein.

4.2 In no event shall Professional's compensation under this Agreement exceed the following amounts without written consent of the City. These amounts shall be the complete payment for all services rendered by Professional. Payment shall be made in accordance with Section 4.1 herein.

Services by Stage

Total Not-to-Exceed Amount

Stage 1 – Concept Design, Visioning & Budgeting	\$79,600.00
Stage 2 – Construction Documents & Construction Observation	Five Percent (5%) of Total Approved Construction Budget
Stage 3 – Detailed Design Coordination & Construction Observation	
	\$167,000.00

4.3 Except as expressly provided otherwise in this Agreement, Professional shall be responsible for all costs and expenses related to the services provided pursuant to this Agreement.

4.4 All hourly rates set forth in Exhibit C, shall remain in effect during the term of this Agreement. Any changes to established hourly rates shall require the prior written consent of the City.

Article V

Devotion of Time; Personnel; and Equipment

5.1 The Professional shall devote such time as reasonably necessary for the satisfactory performance of the services under this Agreement. Should the City require additional services not included under this Agreement, Professional shall make reasonable effort to provide such additional services within the time schedule without decreasing the effectiveness of the performance of services required under this Agreement, and shall be compensated for such additional services on a time and materials basis, in accordance with Professional's hourly rate schedule in Exhibit C, or as otherwise agreed between the Parties.

5.2 To the extent reasonably necessary for the Professional to perform the services under this Agreement, Professional shall be authorized to engage the services of any agents, assistants, persons, or corporations that the Professional may deem proper to aid or assist in the performance of the services under this Agreement. Professional shall provide written notice to and obtain written approval from the City prior to engaging services not referenced in the Scope of Services. The cost of such personnel and assistance shall be included as part of the total compensation to be paid Professional hereunder, and shall not otherwise be reimbursed by the City unless otherwise provided herein.

5.3 Professional shall furnish the facilities, equipment and personnel necessary to perform the services required under this Agreement unless otherwise provided herein.

5.4 Professional shall submit monthly progress reports and attend monthly progress meetings scheduled by the City or more frequently as may be required by the City from time to time based upon Project demands. Each progress report shall detail the work accomplished and special problems or delays experienced on the Project during the previous report period, and the planned work activities and special problems or delays anticipated for the next report period.

Article VI

Dispute Resolution

6.1 The City and Professional shall endeavor to resolve claims, disputes and other matters in question between them by voluntary mediation. A request for mediation shall be made in writing, delivered to the other Party to this Agreement. The other Party shall have ten (10) days to respond, in writing, to a request for voluntary mediation indicating whether the Party consents to mediation. A request for mediation may be made concurrently with the filing of litigation but, in such event, mediation shall proceed in advance of the filing of any dispositive pleading by any Party in such litigation.

6.2 Should the Parties agree to mediation, the Parties shall mutually agree upon a mediator and equally share the mediator's fee; provided, each Party shall incur its own costs and attorney's fees associated with mediation. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Any Agreement reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

6.3 If the Parties do not resolve a dispute through mediation pursuant to this Article VI, the sole method of binding dispute resolution shall be litigation in a court of competent jurisdiction.

Article VII

Miscellaneous

7.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the Parties and supersedes any prior understandings written or oral agreements between the Parties with respect to this subject matter.

7.2 Assignment. Professional may not assign this Agreement without the prior written consent of City. In the event of an assignment by Professional to which the City has consented, the assignee shall agree in writing with the City to personally assume, perform, and be bound by all the covenants, and obligations contained in this Agreement.

7.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

7.4 Governing Law. The laws of the State of Texas shall govern this Agreement without regard to any conflict of law rules; and venue for any action concerning this Agreement shall be in the State District Court of Tarrant County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

7.5 Amendments. This Agreement may be amended by the mutual written agreement of the Parties.

7.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

7.7 Independent Contractor. It is understood and agreed by and between the Parties that Professional, in satisfying the conditions of this Agreement, is acting independently, and that the City assumes no responsibility or liabilities to any third party in connection with these actions. All services to be performed by Professional pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. Professional shall supervise the performance of its services and shall be entitled to control the manner and means by which its services are to be performed, subject to the terms of this Agreement.

7.8 Right-of-Access. Professional shall not enter onto private property without lawful right-of-access to perform the required surveys, or other necessary investigations. Professional will take reasonable precautions to minimize damage to the private and public property in the performance of such surveys and investigations. Any right-of-access to public or private property shall be obtained in accordance with the Scope of Services.

7.9 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, courier or by confirmed telefax or facsimile to the address specified below, or to such other Party or address as either Party may designate in writing, and shall be deemed received three (3) days after delivery or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City, to:

Attn: Jerry Ducay, City Manager
City of Colleyville, Texas
100 Main Street
Colleyville, Texas 76034

With a copy to:

Whitt L. Wyatt
Nichols, Jackson, Dillard,
Hager & Smith, L.L.P.
1800 Ross Tower
500 North Akard Street
Dallas, Texas 75201
214.965.9900 – telephone
214.965.0010 – facsimile

If intended for Professional, to:

Attn: Aaron Duncan
2001 North Lamar Street, Suite 100
Dallas, Texas 75202
214.871.0568-telephone
214.871.1507-facsimile

7.10 Insurance.

- (a) Professional shall during the term hereof maintain in full force and effect the following insurance: (i) a comprehensive general liability policy of insurance for bodily injury, death and property damage including the property of the City, its officers, contractors, agents and employees (collectively referred to as the “City”) insuring against all claims, demands or actions relating to the work and services provided by Professional pursuant to this Agreement with a minimum combined single limit of not less than \$2,000,000.00 per occurrence for injury to persons (including death), and for property damage and \$2,000,000.00 aggregate including products and completed operations coverage of \$1,000,000.00. This policy shall be primary to any policy or policies carried by or available to the City; (ii) policy of automobile liability insurance covering any vehicles owned, non-owned and hired and/or operated by Professional, its officers, agents, and employees, and used in the performance of this Agreement with policy limits of not less than \$1,000,000.00 combined single limit for bodily injury, death and property damage; (iii) statutory Worker’s Compensation Insurance at the statutory limits and Employers Liability covering all of Professional’s employees involved in the provision of services under this Agreement with policy limit of not less than \$1,000,000.00; and (iv) Professional Liability with policy limit of not less than \$2,000,000.00 per claim and \$2,000,000.00 in the aggregate, covering negligent acts, errors and omissions by

Professional, its contractors, sub-contractors, consultants and employees in the performance of services pursuant to this Agreement.

- (b) All insurance shall be endorsed to provide the following provisions: (1) name the City, its officers, and employees as additional insureds as to all applicable coverage with the exception of Workers Compensation Insurance and Professional Liability; (2) provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance, except for Professional Liability Insurance. A specific endorsement needs to be added to all policies, with a copy of the endorsement provided to the City that indicates the insurance company will provide to the City at least a thirty (30) day prior written notice for cancellation, non-renewal, and/or material changes of the policy. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, Professional shall provide at least thirty (30) days prior written notice to the City of any cancellation, non-renewal and/or material changes to any of the policies of insurance.
- (c) All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by the City.
- (d) A certificate of insurance and copies of policy endorsements evidencing the required insurance shall be submitted to the City prior to commencement of services. On every date of renewal of the required insurance policies, Professional shall cause a certificate of insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to the City. In addition, the Professional shall within ten (10) business days after written request provide the City with certificates of insurance and policy endorsements for the insurance required herein. The delivery of the certificates of insurance and policy endorsements to the City is a condition precedent to the payment of any amounts due to Professional by the City. The failure to provide valid certificates of insurance and policy endorsements shall be deemed a default and/or breach of this Agreement.

7.11 Debarment and Suspension.

- (a) In accordance with 2 CFR section 180.300, the principal of this contract as described in 2 CFR section 180.995 being duly sworn or under penalty of perjury under the laws of the United States, certifies that neither this company nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, the State of Texas or any of its departments or agencies.

- (b) If during the contract period the principal becomes debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation, the principal shall immediately inform the City of Colleyville.
- (c) For contracts that are financed by Federal or State grants, the principal agrees that this section will be enforced on each of its subcontractors, and will inform the City of Colleyville of any violations of this section by subcontractors to the contract.
- (d) The certification in this section is a material representation of fact relied upon by the City in entering into this contract.

7.12 Indemnification. PROFESSIONAL DOES HEREBY COVENANT AND CONTRACT TO WAIVE ANY AND ALL CLAIMS, RELEASE, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS, FROM AND AGAINST ALL LIABILITY, CAUSES OF ACTION, CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, CAUSED BY OR RESULTING FROM THE NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE PROFESSIONAL, ITS AGENT, ITS CONSULTANT UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE PROFESSIONAL EXERCISES CONTROL SUBJECT TO THE LIMITATIONS IN TEXAS LOCAL GOVERNMENT CODE § 271.904 AND TEXAS CIVIL PRACTICE AND REMEDIES CODE, § 130.002 (B).

INDEMNIFIED ITEMS SHALL INCLUDE REASONABLE ATTORNEYS' FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS IN PROPORTION TO THE PROFESSIONAL'S LIABILITY.

THE PROFESSIONAL'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY PROFESSIONAL UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

7.13 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the Parties hereto.

7.14 Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof for all purposes.

(Signature Page to Follow)

EXECUTED this _____ day of _____, 2018.

CITY OF COLLEYVILLE, TEXAS

By: _____
Jerry Duca, City Manager

Approved as to form:

By: _____
Whitt L. Wyatt, City Attorney

(WLW:3042.98785.v1.4.30.18)

EXECUTED this _____ day of _____, 2018.

MESA DESIGN ASSOCIATES, INC.

By: _____
Aaron Duncan, MESA Design Group, Inc.
Title: _____

**EXHIBIT “A”
SCOPE OF SERVICES**

(to be attached)

Proposal and Contract for Professional Services

May 3, 2018

City of Colleyville
Heather Dowell, Parks Manager
100 Main Street
Colleyville, Texas 76034

Project: SH 26 Corridor Landscape & Hardscape Improvement Design
Colleyville, Texas

Dear Heather,

This proposal and contract describes the landscape architectural services to be provided by MESA, the costs of these services and general terms and conditions under which these services would be executed for the landscape and hardscape improvements of the Highway 26 project. This proposal covers the design of the medians, intersections and parkways within the Right-of-Way from Brown Trail to John McCain Road. We have divided the proposal and scope of services into 3 Stages:

Stage 1: Conceptual Design, Visioning & Budgeting

Stage 1 will focus on developing concept designs that explore a variety of design, phasing and/or construction budget strategies. The goal at the end of stage 1 will be to have a clear conceptual design, desired construction budget and visioning sign off by the City Council.

Stage 2: Construction Documents & Construction Observation

Stage 2 will deal with the detailed and technical drawings and construction stage of the project and will be covered under an amendment to this contract based on the stated percentage of construction budgets (listed below) applied to the agreed upon construction budget at the end of Stage 1.

The design will include the following areas:

Streetscape Medians:

- Landscaping
- Decorative hardscape features: vertical structures (columns, vertical icons, etc.) gravel, boulders, etc.
- Hardscape treatment of nosings
- Irrigation design
- Landscape lighting

Parkways

- Landscaping
- Decorative hardscape features: vertical structures (columns, vertical icons, etc.) gravel, boulders, etc.
- Incorporation of existing flatwork: flatwork redesign on limited basis, for areas in need of repair or replacement.
- Irrigation design
- Bridge abutment façade enhancements
- Street furniture
- Street light fixtures (fixture selection only, MEP and electrical design not included)
- Enhanced railings
- Accent and landscape lighting

Intersections

- Landscaping
- Decorative hardscape features: vertical structures (columns, vertical icons, etc.) gravel, boulders, etc.

- Hardscape flatwork treatment at/around curb ramps
- Enhanced crosswalks (coordinate into street design by others)
- Irrigation design
- Accent and landscape lighting
- Screening/treatment of infrastructure apparatus (signal boxes, equipment, etc.)

SCOPE OF SERVICES

STAGE 1: CONCEPTUAL DESIGN, VISIONING AND BUDGETING

Task 1: Data Collection and Documentation, Project Kickoff

MESA will collect from Client and other sources made available by the Client the following graphic materials necessary for preparation of the following described plan documents. MESA has the right to rely on this information and any information provided by others. These materials include, but are not limited to:

1. Site Survey
2. Roadway proposed design and as-built drawings (for any completed portions)
3. Any previous design/programming documents
4. Existing irrigation as-built plans.
5. Location of existing landscape, utilities, easements, right of ways, and other conditions imposed upon the site by plat, deed restriction, or restrictive covenant.
6. Connections to offsite elements
7. Overlay requirements
8. Streetscape guidelines
9. Identification of the geographic limits of the Project Area
10. Any other plans or development initiatives not mentioned above

Project Kickoff

MESA will meet with the City staff to establish the design intent and program requirements, the budget available for the proposed project, and review anticipated schedules, delivery dates, and any design standards/ordinances that may impact the project.

Product: Base information encompassing all of the above listed items.

Meetings: One (1) project kickoff meeting.

Task 2: Corridor Assessment

MESA will conduct a one (1) day site visit to inventory the existing conditions to help understand the opportunities and constraints the existing conditions of the corridor provides. The purpose of the inventory is to identify the existing natural and infrastructure features the site has and any sensitive areas the project needs to accommodate in the design. MESA will review any design guidelines or ordinances covering the corridor, any previous design visioning studies and the proposed street sections to gain an understanding of any existing development/design and regulatory control the streetscape designs will have to follow.

During the site visit, MESA will visually inspect the site and undertake a site analysis identifying the environmental and physical aspects of the site. Development opportunities and constraints including the following elements will be studied:

- A. Environmental: Identifies the existing natural features the site has and any sensitive areas the project needs to accommodate in the design of the development.
- B. Physical sensitivity: Site physical conditions will be identified including: topography, slopes, access, setbacks, access, screening/buffering, easements, etc.

The Site Analysis will be a diagrammatic and photo illustration of the existing conditions with a summary of opportunities or constraints for the corridor design.

Product: Diagram maps and summary report depicting the suitability of development.

Meetings: One (1) day site visit attended by up to two (2) MESA representatives. One (1) presentation/coordination meeting. Additional meetings will be billed hourly, per the attached hourly rates.

Task 3: Concept Design

Based on the programming, budgeting and site analysis prepared in the previous tasks, MESA will prepare three (3) initial Conceptual Design alternatives for the corridor. The concept designs will explore various design responses to the landscape & hardscape of the corridor and will include plans, sections, sketches, images and or diagrams displaying the design of the following elements:

- Decorative Paving (flatwork)
- Landscaping
- Street plantings/planters/irrigation
- Street Furniture (i.e. - Benches, trash, bollards, etc.)
- Street Light fixtures (fixture selection only, MEP and electrical design not included)
- Adjacent land use/building Interface Transitions (building face to building face)
- Integration of Utility Box Structures with Pavement Design Layout
- Integration of Utility Pedestal (above-grade) control boxes into Design Layout
- Enhanced Pedestrian Cross-Walk features
- Decorative elements: columns, icons, etc.
- Incorporation of existing signage
- Lighting
- Irrigation

In addition to the concept designs, MESA will prepare one (1) opinion of probable cost for each of the design alternatives. The designs and cost opinions will be presented to the Client for review and discussion of prioritization/implementation of the design.

Deliverable: Plans, sketches, elevations, diagrams and images displaying the overall streetscape character and design concepts.

Meetings: One (1) presentation meeting, Additional meetings will be billed hourly, per the attached hourly rates.

Task 4: Design Visioning Illustrations

To help portray the corridor design, MESA will prepare three dimensional illustrative models during the concept, schematic and final construction document stage. This design detail will serve as a design tool to help portray the design intent and corresponding design concepts integration into the corridor and the surrounding context.

Concept Design Model: Massing model depicting the general shapes, scale and forms of the design elements within the corridor. This clay, colorless study model will focus on the spatial relationships of the design. This model is intended as a design tool to portray the various concept designs. One (1) model developed to generate five (5) still shots for each of the three (3) concept designs.

Task 5: City Council Presentation

MESA will meet with the City Council to present the design. The design model(s) and design documents generated in the various tasks will be formatted into a presentation document. This includes up to two (2) meetings.

Product: Presentation of the design to the City Council

Meeting: Two (2) coordination meetings. Additional meetings will be charged hourly per the attached hourly rate schedule.

STAGE 2: CONSTRUCTION DOCUMENTS

Task 6: Schematic Design

After presentation of the initial conceptual designs, MESA will prepare one (1) schematic design for the entire corridor based on the Client's preferred concept design. MESA will prepare a refined opinion of probable costs for review with the Client. The schematic design will include a rendered plan of the entire corridor with blow ups of key intersections and prototypes of each median and parkway typology. Additionally the design will include sketches, diagrams, and/or inspirational images necessary to help convey the intent of the design. Schematic design will address the following areas:

1. Design plan layout (plan)
2. Design overlay of existing street sections (sections)
3. Pavement surface design (plan, section)
4. Landscape planting selections (plan, images)
5. Provide coordination for development of the preliminary hardscape color palette; identify finishes and major materials (images).
6. Irrigation improvements (main lines, zoning and sleeving accommodations.)
7. Retaining Walls/Vertical structures (elevations, sections, and plans)
8. Conceptual lighting (plan, cut sheets)
9. Site furnishings (cut sheets)
10. Opinion of probable costs (outlining MESA scope components pertaining to budget scope)

Product: MESA will prepare One (1) rendered schematic design with opinion of probable cost. Five (5) hard copies and (1) digital copy for the City's record.

Meetings: One (1) presentation with the client for review and comment prior to design development. Additional meetings will be charged hourly per the attached hourly rate schedule.

Task 7: Design Development

Based upon the approved MESA schematic design submittal, MESA will finalize the design program with input from the Client. This input will include budgetary considerations, site programming, theming, and grading considerations. This level of development will deal with more detailed and refined aspects of the design such as materials selection, budget refinement, and consultation with contractors about construction methods. These design documents and an accompanying refinement of the opinion of probable costs will be presented to the Client for review and comment so that a final design and budget is established.

This task includes refinement of the following areas:

1. Fine tune design studies for the hardscape and landscape development identified in preliminary design plans.
2. Develop hardscape design studies for areas identified above. Identify paving materials, color and textures.
3. Review designs provided by others:
 - a. Site lighting with Electrical Engineer. Coordinate landscape accent lighting.
 - b. Site graphics. Wayfinding and regulatory graphics in landscape designs.
 - c. Street paving design, coordinate integration of crosswalks into the paving and provision of sleeving and utility needs (water meters/taps and electrical).
 - d. Review approved site grading and drainage and retaining walls with Civil Engineer as it impacts landscape designs.
4. Preliminary hardscape layout plans
5. Preliminary landscape lighting layout and fixture selection
6. Preliminary planting layout plans for all areas
7. Development of hardscape details
8. Begin selection of landscape materials, plant palette and plant species
9. Develop irrigation master plan. Irrigation plans shall coordinate water source configuration, meter and backflow locations, main line loop, controller locations and pressure requirements.
 - a. Coordinate irrigation system requirements with design team for water source, water usage, and water saving concepts.
 - b. Coordinate with electrical consultant regarding all irrigation controller locations.

10. Update opinions of probable costs based on progress of work.
11. Outline specifications.
12. Incorporate Client approved comments and TXDOT/FEMA agency directives from initial site plan review and resubmit for final approval.

Product: MESA will prepare one (1) refined plan of the project area to confirm design direction and opinion of probable costs for incorporation into the project budget. TXDOT/FEMA comments/design revisions from the previous schematic design bid documents will be corrected at this time. Five (5) hard copies and (1) digital copy for the City's record.

Meetings: Two (2) presentation/coordination meetings with the client for review and comment prior to construction documents. Additional meetings will be charged hourly per the attached hourly rate schedule.

Task 8: Construction Documents

Upon approval of the design development documents as well as any value engineering efforts that result from the Client's direction, MESA will prepare Construction Documents for the scope of construction established in the previous tasks. This task shall include the following:

1. Demolition Plans, if required
2. Layout plans for all hardscape elements that include, but are not limited to: sidewalks, railings, and planter beds. Plans will locate site furnishings and special paving.
3. Hardscape details for walls, railings, and paving (MESA will coordinate with project structural engineer, not included in this contract).
4. Grading and drainage coordination (MESA will review grading and drainage plans for street prepared by Civil/others and not included in this contract)
5. Site planting plans at appropriate scale.
6. Planting plans, details, and specifications.
7. Irrigation plans, details and specifications.
8. Final material selections – product, colors, textures and sizes.
9. Landscape lighting plans, details, and specifications (street lighting and all electrical engineering by others).
10. Technical specifications and bid documents.
11. Final construction cost projections.
12. Review final construction documents with the Owner.

Note: SWPPP, Civil Engineering, Structural Engineering, MEP Engineering is not included in this contract. It is anticipated that these consultants are already contracted on the project directly with the Client and MESA will utilize these consultants as necessary.

Product: Construction document plans and specifications for planting, and irrigation including details, and refined opinion of probable costs. Five (5) hard copies and (1) digital copy for the City's record.

Meeting: Two (2) presentation/coordination meetings. Additional meetings will be charged hourly per the attached hourly rate schedule.

STAGE 3: DETAILED DESIGN COORDINATION & CONSTRUCTION OBSERVATION

Task9: Visioning Illustrations

To help portray the corridor design, MESA will prepare three dimensional illustrative models during the concept, schematic and final construction document stage. This design detail will be an evolution of the model prepared in Stage 1, Task 4 and will serve as a design tool to help portray the design intent and corresponding design concepts integration into the corridor and the surrounding context.

Schematic Design Model: An expansion of the previous model with the addition of texturing, topography and materiality meant to portray the full spectrum of the design intent. This model is intended to showcase the overall design and is appropriate for design review and discussion with the City Council, City Staff, TXDOT

and during other coordination meetings. One (1) dynamic model will be created for the design with ten (10) still shots generated from the model.

Construction Document Model: At the completion of the construction document stage, this model will be an advancement of the schematic design model with a final touches of labels, materials, and a compilation of a drive through video to portray the final design. This is intended to be used as a marketing video appropriate for presentation to the public. One (1) digital animated fly through video will be produced.

Task 10: Coordination Meetings

In addition to the presentation/coordination meetings with the Client identified in tasks 1 through 8, MESA will attend meetings with TXDOT, FEMA, adjacent land owners or others as needed to assist during the design tasks of the project. Additional meetings other than that included within this task shall be billed as additional services as per the attached hourly rate schedule. The following meetings have been anticipated during these tasks for each specific streetscape package and will be attended by at least (1) Principal and/or Associate with additional staff as needed:

- Twenty-Four (24) TXDOT coordination meetings.
- One (1) FEMA coordination meetings
- Two (2) City council presentations
- Two (2) corridor coordination meetings: adjacent landowners, HOA's, etc.

Product: Coordination, presentation or review with entities.

Meeting: Twenty-Nine (29) coordination meetings in the DFW Metroplex. Additional meetings will be charged hourly per the attached hourly rate schedule.

Task 11: Permitting

City Permitting

MESA will coordinate with the City Staff in submitting the necessary landscape and hardscape design documents for city review and permit approval (if required). MESA will format the design plans to conform to the municipality's submittal requirements. City staff will facilitate the permitting review and approval process. MESA will address comments and any necessary design plan revisions.

TXDOT P, S, & E Submittal Process

In conjunction with the previous tasks, MESA will prepare submission of 30%, 60%, 90%, and 100% Design and Bid Documents to TXDOT, (Plans, Specifications, and Estimates). Submissions will include plan(s) of the final design, specifications, and associated preliminary cost projection. Responses to TXDOT comments/design revisions from the reviews will be executed during the next appropriate design task. The goal of the submissions will be to satisfy the City's responsibility to the project grant conditions in a manner most advantageous to the City of Colleyville in terms of project cost and schedule. Any formal submissions and/or variance applications will be covered under this task, with any fees associated being paid by the City of Colleyville.

TXDOT Green Ribbon Grant Coordination

In conjunction with the previous tasks, MESA will assist the City in submitting the application for the Green Ribbon grant. MESA will prepare the supporting documentation (graphics, exhibits, narratives) to coincide with the City's application submittal. MESA will submit supporting documentation, if any, required by TXDOT to aide in the city applying for grant reimbursement during and at the end of the construction.

Product: City Permit Plan submittal. Design submittals to TXDOT for review and comment. The fee as outlined in the Cost of Services schedule listed below is based upon the completion of the project as described in this contract and associated review(s). The development of the City building permit and the TXDOT Site Plan submittal includes one (1) base submittal and a maximum of one (1) subsequent re-submittal (including revisions and corrections) as required during the approval process. Authorizations for Additional Services will be submitted for approval prior to commencement of additional re-submittals as necessary.

Meeting: Up to three (3) coordination meetings. Additional meetings will be charged hourly per the attached hourly rate schedule.

Task 12: Specialty Projects/Consultants (Optional, not included)

During the design of the project, a variety of specialty projects may arise that are not a part of this contract but require a unique and specific design solution. These specialty projects and/or additional specialty sub-consultants should be considered through the design stage. As the role or scope for these consultants is determined, their selection, proposals, and specific involvement in the project will be approved by the City of Colleyville and added to the consultant team via a contract modification or separate Agreement. Potential specialty projects/consultants include but are not limited to:

1. Environmental Graphics & Signage Design
2. Arborist
3. Jurisdictional Waters Delineation
4. 404 Permitting
5. Easement Documentation

Product: Consultation expertise and deliverables as needed for specific design roles outside of the basic scope of services.

Meetings: To be determined.

Task 13: Bidding and Negotiation Assistance

Bid documents for the project will be formulated for public bid, to be advertised by the City of Colleyville. MESA will assist the Client in its implementation of the bidding process as follows:

1. Prepare and submit 100% Bid Documents to City staff including plan(s) of the final design, specifications, and associated cost projection. One (1) hard copy and one(1) digital copy for the City to print as needed for bidding and distribution.
2. Attend pre-bid meetings.
3. Answer questions and interpret drawings and specifications during the bidding period.
4. Prepare and distribute any required addendum.
5. Attend bid opening.
6. Provide review and analysis of the bids as submitted.

Deliverable: Preparation of two (2) public bid packages (hardscape and landscape/irrigation), clarification of questions received during bidding. Bid tabulation and summary.

Meetings: Up to two (2) coordination meetings.

Task 14: Contract Administration / Construction Observation

MESA will conduct periodic construction observation services as related to the implementation of the construction documents described in this proposal, as follows:

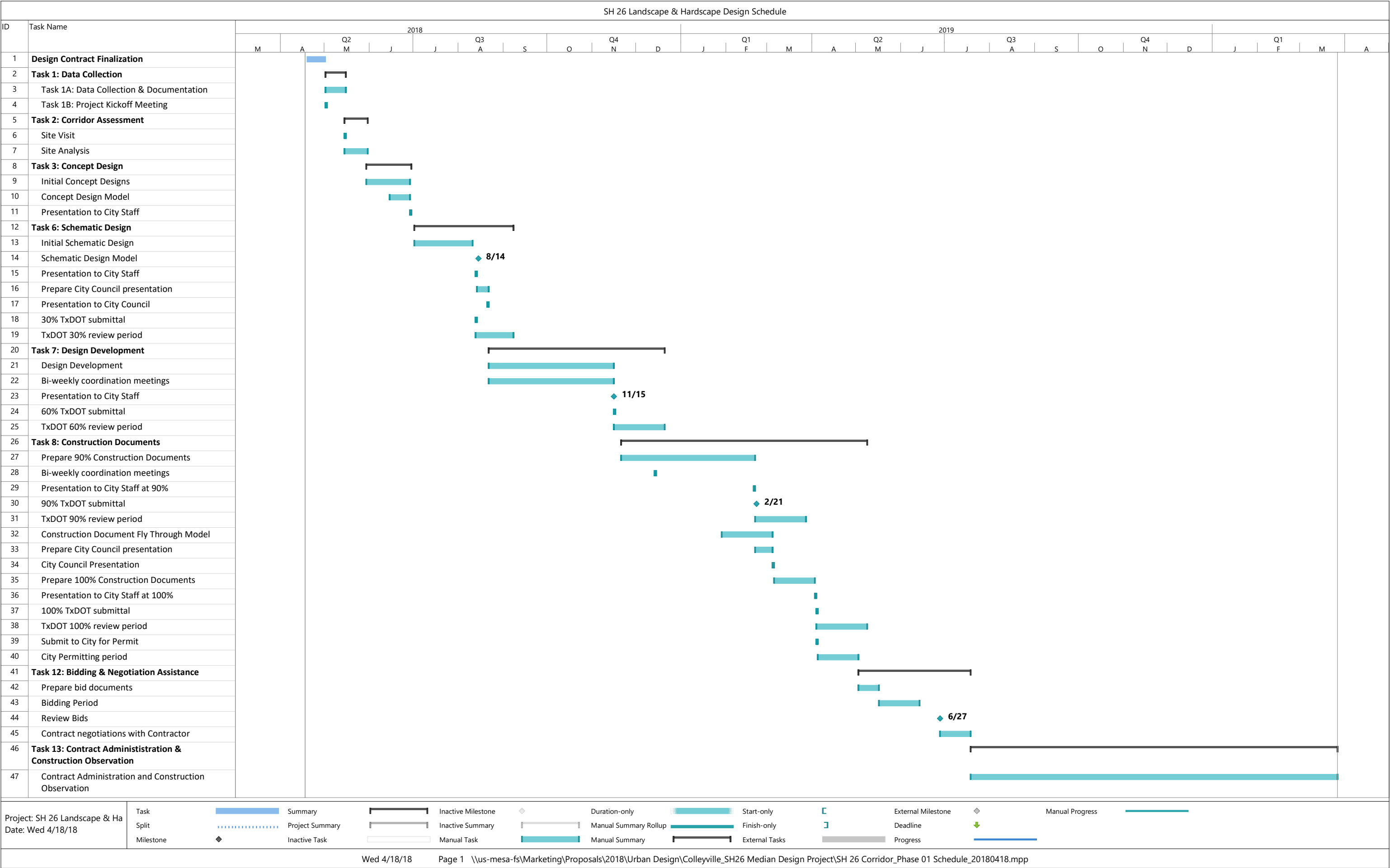
1. Conduct site visits as construction progresses to determine general conformance of the work to the design as portrayed in the construction documents, and assist the City in observing the progress, process, and quality of the installation of site landscape/hardscape elements. Site visits will be documented in field memos provided to the City. These memos will generally describe MESA's response to issues identified by the City and other issues, which MESA feels merit consideration by the City.
2. Clarify questions regarding the construction as the City or Contractor presents such questions, provide consultation and advice to the City, and prepare supplementary sketches where such sketches are needed to resolve conflicts between field conditions and the requirements of the drawings.
3. Review of Contractor material submittals and shop drawings as submitted by the contractor, for conformance with the project Design. An evaluation of the submittal will be provided.
4. Tagging and inspection of plant materials (at the nursery or on site as appropriate) to assure conformance with the plans and specifications. Up to three (3) one day tagging visits to a DFW area nursery is included. Additional visits or visits outside of the DFW (NCTCOG 16 county area) will be covered under a separate additional services agreement.
5. Approve the staking of tree locations, plant material layout, and quality of material installation.

6. Approve the placement of irrigation head locations, materials layout, and quality of the irrigation system installed.
7. Review certificates for payment submitted by the contractor
8. Preparation of change orders agreed to by the City for the City's approval and execution that pertains to the construction scope.
9. Coordinate final site walk-through with the City (at the conclusion of construction) and provide a punch list to the Contractor to complete the project.
10. Project Team, City and/or TXDOT coordination meetings (weekly during the +/- 9 month construction process)

Deliverable: Project team coordination calls/meetings (36 included anticipated weekly during the +/- 9 month construction stage). Up to three (3) one day tree tagging visits at a DFW area nursery. Site visits during the construction process with the construction superintendent or Client as requested. Site visits at critical points during construction are necessary in order to ensure compliance with the design intent of the plans, as well as address potential omissions and errors that could affect MESA's professional liability insurance. All field visits will be documented with a field report distributed to the Client and the construction superintendent. This task assumes Eighteen (18) 1/2 day field visits and one (1) final walk through. Additional coordination meetings, tree tagging visits or site visits will be billed hourly per the attached rate schedule.

**EXHIBIT “B”
PROJECT SCHEDULE**

(to be attached)



Start-only

Finish-only

External Tasks

External Milestone

Deadline

Progress

Manual Progress

Wed 4/18/18Page 1\\us-mesa-fs\Marketing\Proposals\2018\Urban Design\Colleyville_SH26 Median Design Project\SH 26 Corridor_Phase 01 Schedule_20180418.mpp

**EXHIBIT “C”
PAYMENT SCHEDULE**

(to be attached)

COST OF SERVICES

The below scope of services will be billed on a percentage completion basis or hourly not to exceed as applicable (in accordance with the fee schedule specified below) with the total cost of services not to exceed the amount specified for each without a written addendum to this contract. The below tasks shall be billed as follows:

Task	Base Fees	Optional Fees
STAGE 1: CONCEPT DESIGN, VISIONING & BUDGETING		
Task 1: Data Collection and Documentation, Project Kickoff <i>Lump Sum Fee</i>	\$4,000.00	
Task 2: Corridor Assessment <i>Lump Sum Fee</i>	\$13,000.00	
Task 3: Concept Design <i>Lump Sum Fee</i>	\$45,000.00	
Task 4: Design Visioning Illustrations <i>Concept Design Model</i> <i>Lump Sum Fee</i>	\$10,000.00	
Task 5: City Council Presentations <i>Hourly, not to exceed</i>	\$2,600.00	
Reimbursable Expenses	\$5,000.00	
Total Stage 1: (Task 1-5)	\$79,600.00	
STAGE 2: CONSTRUCTION DOCUMENTS		
Task 6: Schematic Design <i>Lump Sum Fee</i>	1.50% of construction budget	
Task 7: Design Development <i>Lump Sum Fee</i>	1.50% of construction budget	
Task 8: Construction Documents <i>Lump Sum Fee</i>	2.00% of construction budget	
Total Stage 2: (Task 6-8)	5.00% of construction budget	
STAGE 3: DETAILED DESIGN COORDINATION & CONSTRUCTION OBSERVATION		
Task 9: Design Visioning Illustrations <i>Schematic Design Model</i> <i>Construction Document Model</i> <i>Lump Sum Fee</i>	\$11,000.00 \$14,000.00	
Task 10: Coordination Meetings <i>Lump Sum Fee</i>	\$18,000.00	
Task 11: Permitting <i>Lump Sum Fee</i>	\$7,500.00	
Task 12: Specialty Projects/Consultants <i>Lump Sum Fee</i>		Not in Contract. T.B.D.
Task 13: Bidding and Negotiating Assistance <i>Lump Sum Fee</i>	\$6,500.00	
Task 14: Contract Administration/ Construction Observation <i>Lump Sum Fee</i>	\$95,000.00	
Reimbursable Expenses	\$15,000.00	
Total Cost of Stage 3: (Task 9-11, 13-14 & Reimbursables):	\$167,000	

Tasks excluded, T.B.D. (Task 12): not in contract

Sub-Consultants: Sub-consultant services anticipated as part of the scope of services described above. Any other sub-consultants are not included in this contract. If required during the duration of the contract, additional sub-consultants will be covered under a separate agreement.

- Irrigation Design

ADDITIONAL SERVICES/HOURLY FEE SCHEDULE

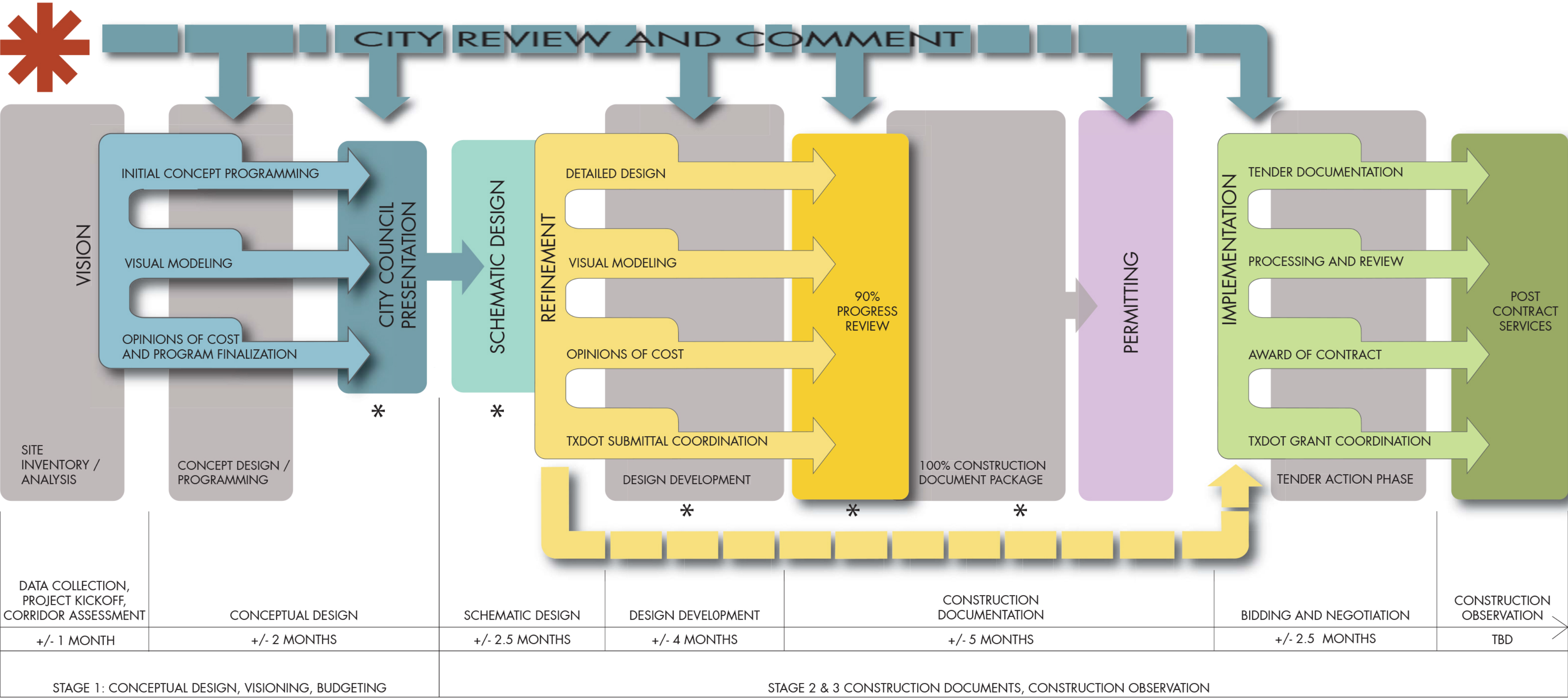
Services requested, but not specifically included in the scope of services listed above, will be considered additional services. Modifications to drawings, after approval by Owner, as a result of changes requested by Owner or other consultant will be considered additional services and billed at an hourly rate as follows:

Senior Principal	\$235.00
Principal	\$180.00
Associate Principal	\$150.00
Associate	\$130.00
Senior Project Manager	\$110.00
Project Manager	\$100.00
Senior Designer	\$ 90.00
Designer	\$ 75.00
Marketing	\$ 75.00
Intern	\$ 50.00

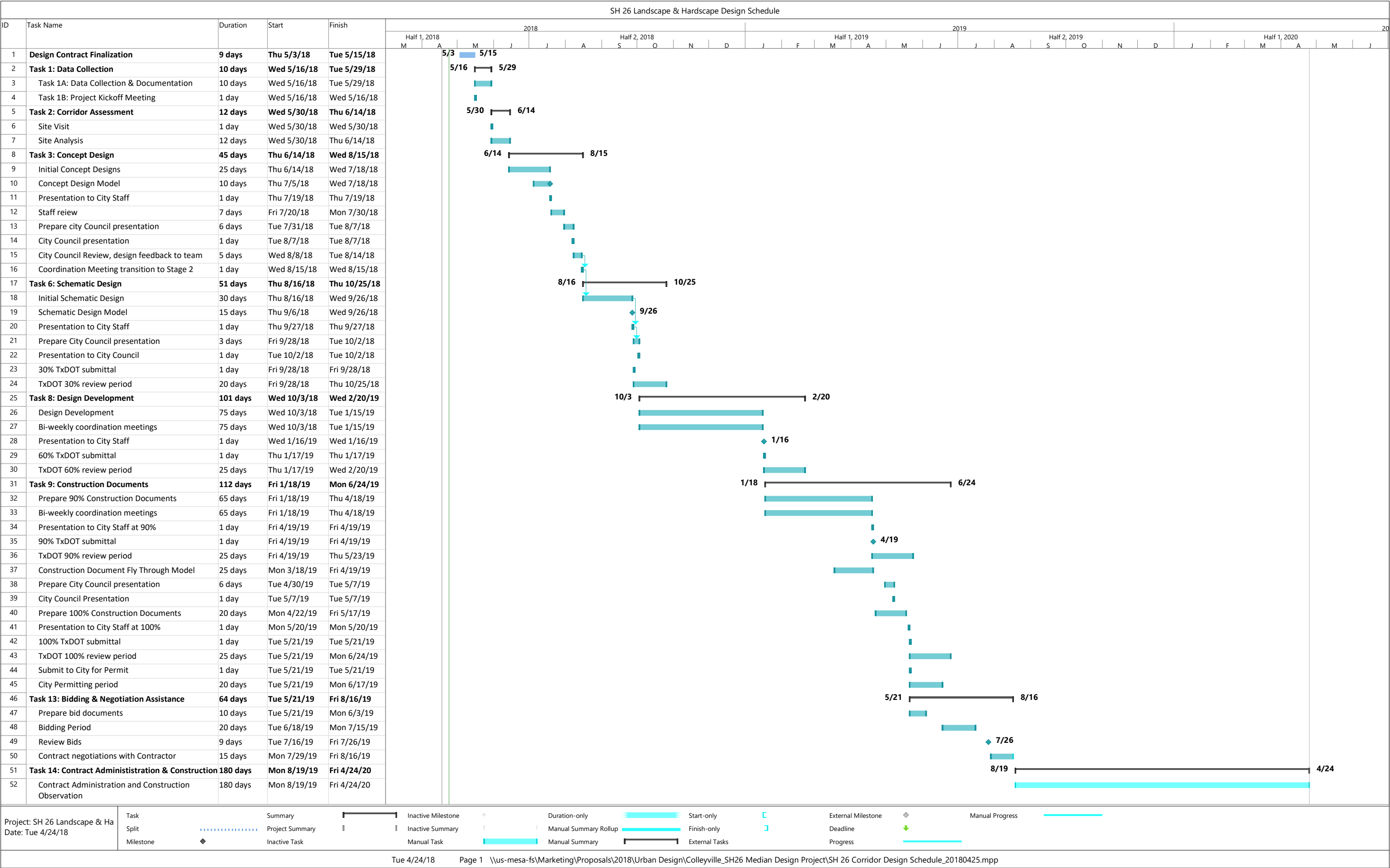
1. The client will provide the following and MESA has the right to rely on this information and rely on any information provided by others:
 - a. Boundary and general survey locating structures, property lines, utilities that cross the property and interior lobby plans in AutoCAD format.
 - b. Soils Report (if required).
 - c. Budgetary Considerations.
2. Not included are the following:
 - a. Vehicular Paving Improvements
 - b. Utilities (water, sewer, storm, electrical, cable, telephone, etc.)
 - c. Architectural, Civil, Structural, Mechanical and Electrical Engineering.
 - d. Flatwork Design (assessment and compliance with ADA not included)
 - e. Landscape Lighting Electrical Plans (lighting fixture selection only, project MEP to provide MEP design.)
 - f. Project Signage and Environmental Graphics
 - g. Design of new or additional elements added to the scope of work or any related off-site improvements
 - h. Redesign of elements due to site plan changes (i.e., buildings relocated, site grading changes)
 - i. Geotechnical Information
 - j. Water features
 - k. Any jurisdictional mitigation plans
 - l. Illustrative plans, models and drawings not specifically described in the Scope of Services
 - m. TDLR Submittal
 - n. Any coordination meetings or travel outside of the DFW Metroplex.
 - o. As Built Drawings
 - p. On-Site Construction Management
 - q. Site Safety, Operations and Maintenance

PROJECT WORKSTREAM

PROJECT KICK-OFF



* OPPORTUNITY FOR PUBLIC REVIEW/INPUT



Tue 4/24/18

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City of Colleyville City Council Agenda Briefing

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

Agenda Number 7a

Agenda Date 05/15/2018

Number Ordinance O-18-2042

Type Ordinance

Department Community Development

Title

Consideration of a zoning change from the AG-Agricultural and R-40 Single Family Residential zoning districts to the R-30 Single Family Residential zoning district on Lot 2R, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, Case ZC18-005

Strategic Plan

There is no Strategic Plan connection for this item.

Explanation

Second Reading and Public Hearing

At the presentation for the first reading at the May 1, 2018 City Council meeting, a calculation was made that triggers a super majority vote as described in Chapter One of the Land Development Code: *"No change of zoning where exists a protest against such change, signed by the owners of twenty (20) percent or more of either the area of lots or land included in such proposed change, or lots or land immediately adjoining same and extending two hundred (200) feet therefrom, filed with the City Secretary, shall be passed except by a favorable vote of three-fourths (3/4) of all members of the City Council."* The percentage calculated for this item is approximately 34 percent.

First Reading and Public Hearing

Bryan and Jennifer Healey, the applicants, have submitted a request for a zoning change on Lot 2R, Block 1, of the Falcon Point Addition, being approximately 1.738 acres, and zoned AG Agricultural & R-40 Single Family Residential districts. The purpose is to rezone from the AG & R-40 districts to the R-30 district to allow for single-family residential development of two new lots.

Existing Conditions/Background: The subject property, 200 Bandit Trail, resides on the northwest corner of the Bandit Trail and John McCain intersection. The subject property has mostly R-40 zoning with a sliver of AG zoning along the northern property line. This lot currently has not been developed.

Proposed Zoning:

Request – The applicant requests to rezone the property from R-40 and AG to R-30 zoning. The applicant desires to create a 0.974 acre (appx. 42,000 sq ft) lot and a 0.764 acre (appx. 33,000 sq ft) lot for single family home construction. The minimum standards for the R-30 zoning district are as follows:

Minimum Lot Size	30,000 square feet
Minimum Lot Width	125 feet
Minimum Lot Depth	125 feet
Front Building Line	35 feet
Side Building Line	10 feet
Rear Building Line	25 feet

Analysis: The requested R-30 zoning allows the applicant to create two residential lots. The R-30 zoning requires that the two proposed lots meet a higher standard than the minimum desired standards identified in the Destination Colleyville Comprehensive Plan. The applicant could also continue with their desired development plan with R-30 zoning on the smaller lot and R-40 zoning on the larger lot.

Surrounding Development: Half of the surrounding area (within 1,000 feet) consists of R-20 Single-Family Residential zoning; with the remaining half consisting of a mix of lots with the PUD-R (Planned Unit Development – Residential), R-30, R-40, and AG zoning districts. Most of the surrounding lots have developed with single family homes. Roughly half of the lots with AG zoning do not meet the minimum requirements for that district and exist as legal non-conforming lots.

Comprehensive Plan: The City's comprehensive plan, *Destination Colleyville*, identifies the subject property for single-family residential development. The proposed R-30 zoning does not conflict with any portion of the comprehensive plan. The proposed R-30 zoning would exceed the minimum desired residential density of 1.8 units per acre.

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, staff has received a letter of opposition with signatures from six local residences.

Staff Recommendation: Staff recommends approval for the applicants request, based on the following findings:

1. The proposed zoning meets the intent of the residential designation assigned in the Destination Colleyville comprehensive plan.
2. The proposed zoning also exceeds the desired residential density of 1.8 residential units per acre identified in the Destination Colleyville comprehensive plan.
3. R-30 zoning is compatible with the variety of zoning districts within 1,000 feet of the subject property.

Planning and Zoning Commission Recommendation: The Planning and Zoning Commission recommended approval of R-40 zoning for the AG-Agricultural area at their April 9, 2018 meeting by a vote of 6-0.

Financial Impact

There is no financial impact to the City.

Recommendation

Approve

Attachments

1. Aerial Map
2. Zoning Map
3. Future Land Use Map
4. Zoning Exhibit
5. Notification Map
6. Notification List
7. Property Owner Notification Letter
8. Letters of Opposition
9. Ordinance O-18-2042

Aerial Map

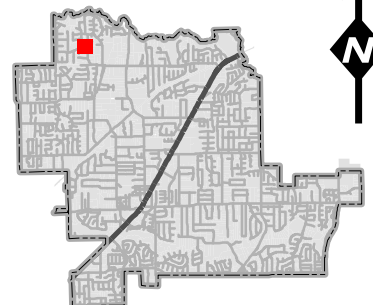


ZC18-005

200 Bandit Trail

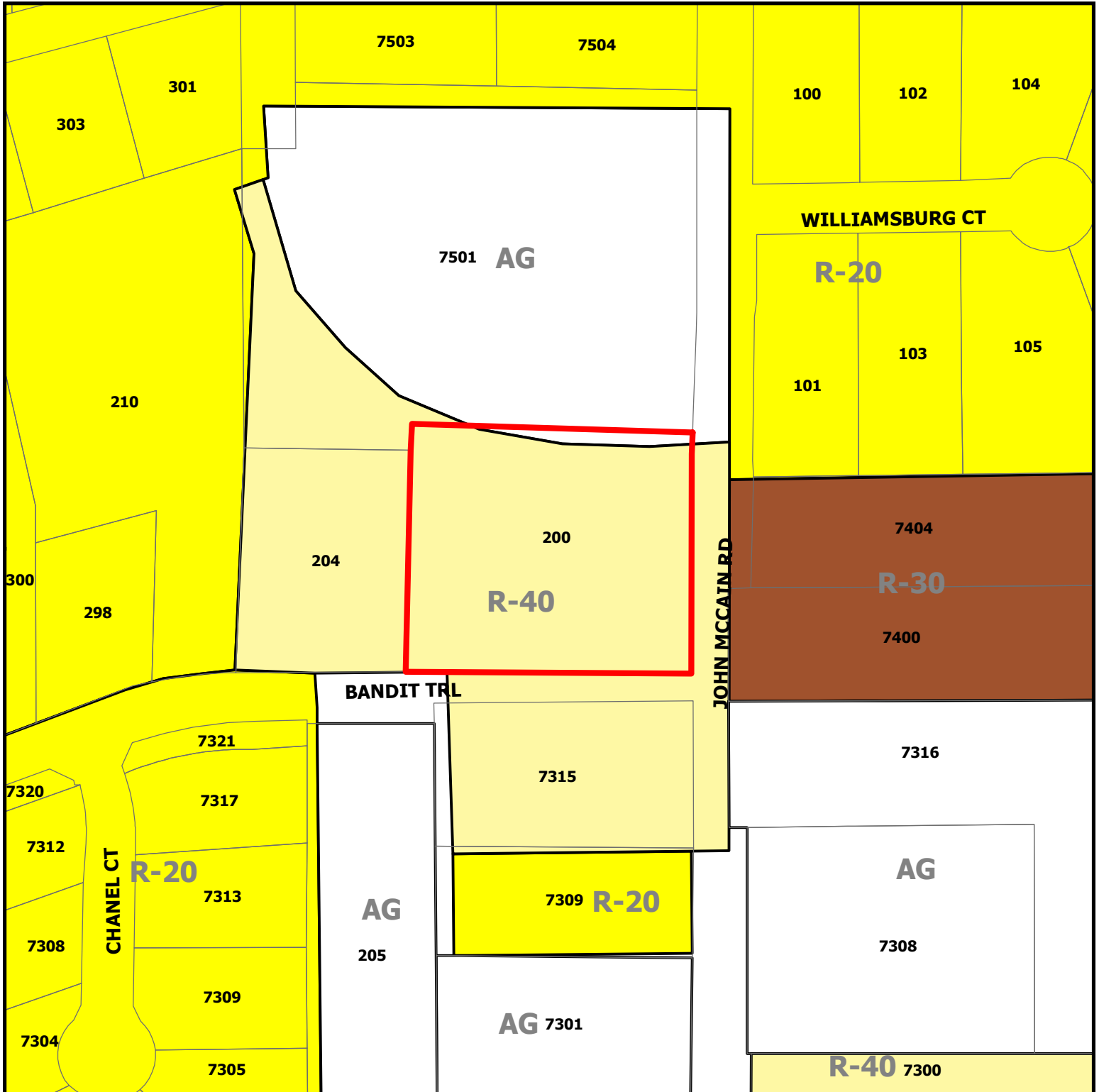


Subject Property



DISCLAIMER:
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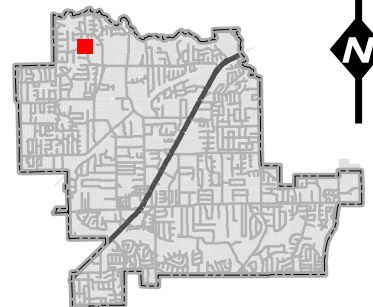
Zoning Map



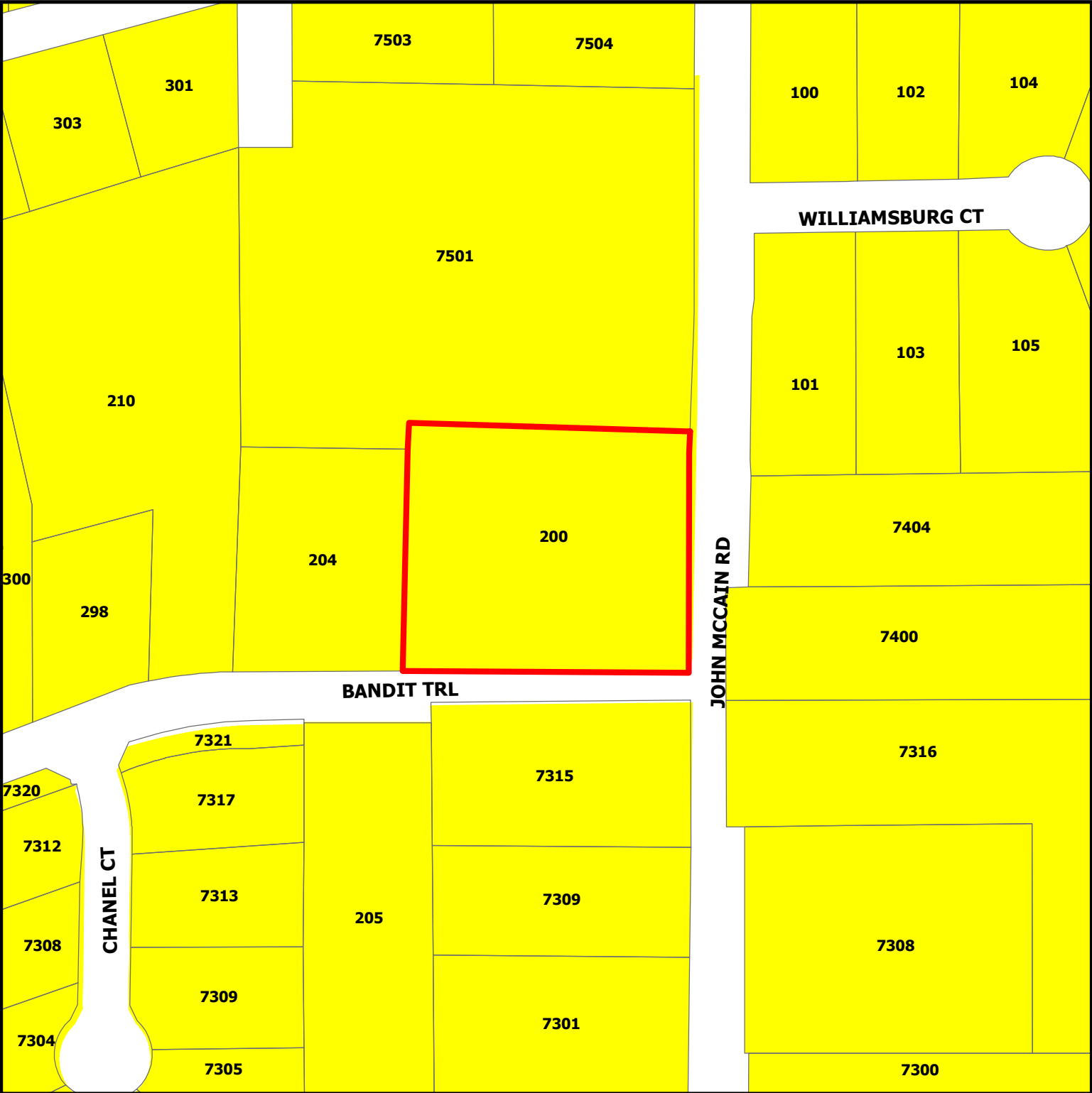
ZC18-005
200 Bandit Trail

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 Subject Property



Future Land Use Map



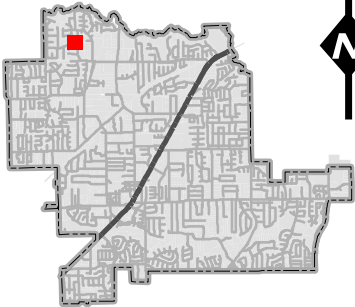
ZC18-005

200 Bandit Trail



Subject Property

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Zoning Exhibit

FIELD NOTE DESCRIPTION

ALL that certain tract or parcel of land situated in the M. M. FREEMAN SURVEY, ABSTRACT NO. 533 in the City of Colleyville, Tarrant County, Texas and being Lot 2R, Block 1, FALCON POINT ADDITION, to the City of Colleyville, Tarrant County, Texas according to the plat recorded in Cabinet A, Slide 10848, Plat Records, Tarrant County, Texas and also being that same tract as described in the Deed of Trust to Bryan P. Healey and Jennifer S. Healey as recorded in Instrument 0213007477, Deed Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch steel rod found (CM) at the intersection of the westerly right-of-way line of John McCain Road (a variable width right-of-way) and the northerly right-of-way line of Bandit Trail (a variable width right-of-way);

THENCE North 89 degrees 37 minutes 02 seconds West with the southerly right-of-way line of said Bandit Trail, 310.60 feet to a 1/2 inch steel rod found (CH) for the southwest corner of said Lot 2R;

THENCE North 02 degrees 10 minutes 06 seconds East departing said southerly right-of-way line and with the westerly boundary line of said Lot 2R, 222.30 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found for the northeast corner of Lot 3, Block 1, Falcon Point Addition, an Addition to the City of Colleyville, Tarrant County, Texas as recorded in Cabinet A, Slide 1173 of said Plat Records;

THENCE North 02 degrees 36 minutes 24 seconds East continuing with said westerly boundary line, 27.98 feet to a 4"x4" fence post found for the northwest corner of said Lot 2R;

THENCE South 88 degrees 37 minutes 34 seconds East with the northerly boundary line of said Lot 2R, 301.30 feet to a 5/8 inch steel rod found for the northeast corner of said Lot 2R, also being in the said westerly right-of-way line of John McCain Road;

THENCE South 01 degrees 36 minutes 15 seconds West with said westerly right-of-way line and with the easterly boundary line of said Lot 2R, 23.14 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found;

THENCE South 00 degrees 06 minutes 41 seconds East continuing with said westerly right-of-way line and said easterly boundary line of said Lot 2R, 221.82 feet to the PLACE OF BEGINNING and containing 1.738 acres of land, more or less.

Zoning Exhibit Showing

PROPOSED LOTS 2R1 AND 2R2, BLOCK 1, FALCON POINT ADDITION, an Addition to the City of Colleyville, Tarrant County, Texas

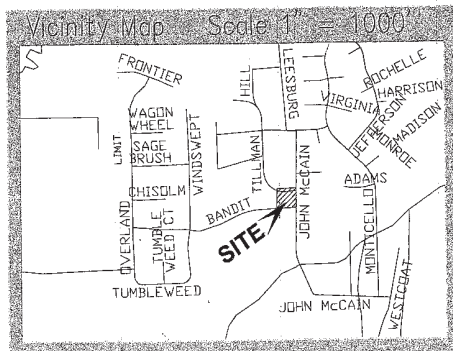
BEING A REPLAT OF LOT 2R, BLOCK 1, FALCON POINT ADDITION, AN ADDITION TO THE CITY OF COLLEYVILLE, TARRANT COUNTY, TEXAS AS RECORDED IN CABINET A, SLIDE 10848, PLAT RECORDS, TARRANT COUNTY, TEXAS.

SITUATED IN THE
M. M. FREEMAN SURVEY, ABSTRACT NO 533,
TARRANT COUNTY, TEXAS

CONTAINING - 1.738 ACRES - 75,698 SQ. FT. +/-
"ZONING EXHIBIT FOR ZONING CHANGE REQUEST FROM R-40 TO R-30"

CONTROL SOURCE

COORDINATE DATA AND BEARING SOURCE SHOWN HEREON IS BASED ON THE NATIONAL GEODETIC SURVEY - (GPS/GNIS) ONLINE POSITIONING USER SERVICE, NATIONAL CONTROL NETWORK DATA 1983. THIS DATA IS RELATIVE TO THE TEXAS COORDINATE SYSTEM, NAD 83, NORTH CENTRAL TEXAS ZONE, UTILIZING OPUS/GPS MONUMENTS NOS 4200, 4201 AND 4202 FOR BEARING CONTROL. COMBINED SCALE FACTOR IS 0.99994830 AND THE CONVERGENCE ANGLE IS +00 DEGREES 43 MINUTES 32.88 SECONDS. ALL DISTANCES AND COORDINATES SHOWN ARE BASED ON FEET - US DEFINITION.



NOTES

- 1) (CM) - REPRESENTS CONTROL MONUMENT
- 2) THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT OR ABSTRACT OF THE PROPERTY.
- 3) THE SOLE PURPOSE OF THIS MINOR PLAT IS TO CREATE A NEW LOT.
- 4) THE MAINTENANCE OF ALL DRAINAGE AND UTILITY EASEMENTS LOCATED ON PRIVATE PROPERTY ARE THE RESPONSIBILITY OF THE PROPERTY OWNER.
- 5) TOPOGRAPHY BASED ON CITY OF COLLEYVILLE BENCHMARKS LIST.

LEGEND

- FOUND STEEL ROD
- SET CAPPED STEEL ROD
- CROSS CUT IN CONCRETE
- FOUND STEEL PIPE
- FOUND BORDARC STAKE

OWNER / APPLICANT

LOT 2R
BRYAN P. AND JENNIFER S. HEALEY
1205 CORDILLERA TRACE
BOERNE, TEXAS 78005
ATTN: BRYAN HEALEY
682-888-6955
E-MAIL: bryanhealey@yahoo.com

SURVEYOR / PREPARER

PRISM SURVEYS, INC.
1533 BELL DRIVE
HURST, TEXAS 76053
817-540-8048 OR 817-268-2211
FAX: 817-268-1148
CONTACT: JOHN W. MORGAN
E-MAIL: john@prism-surveys.com

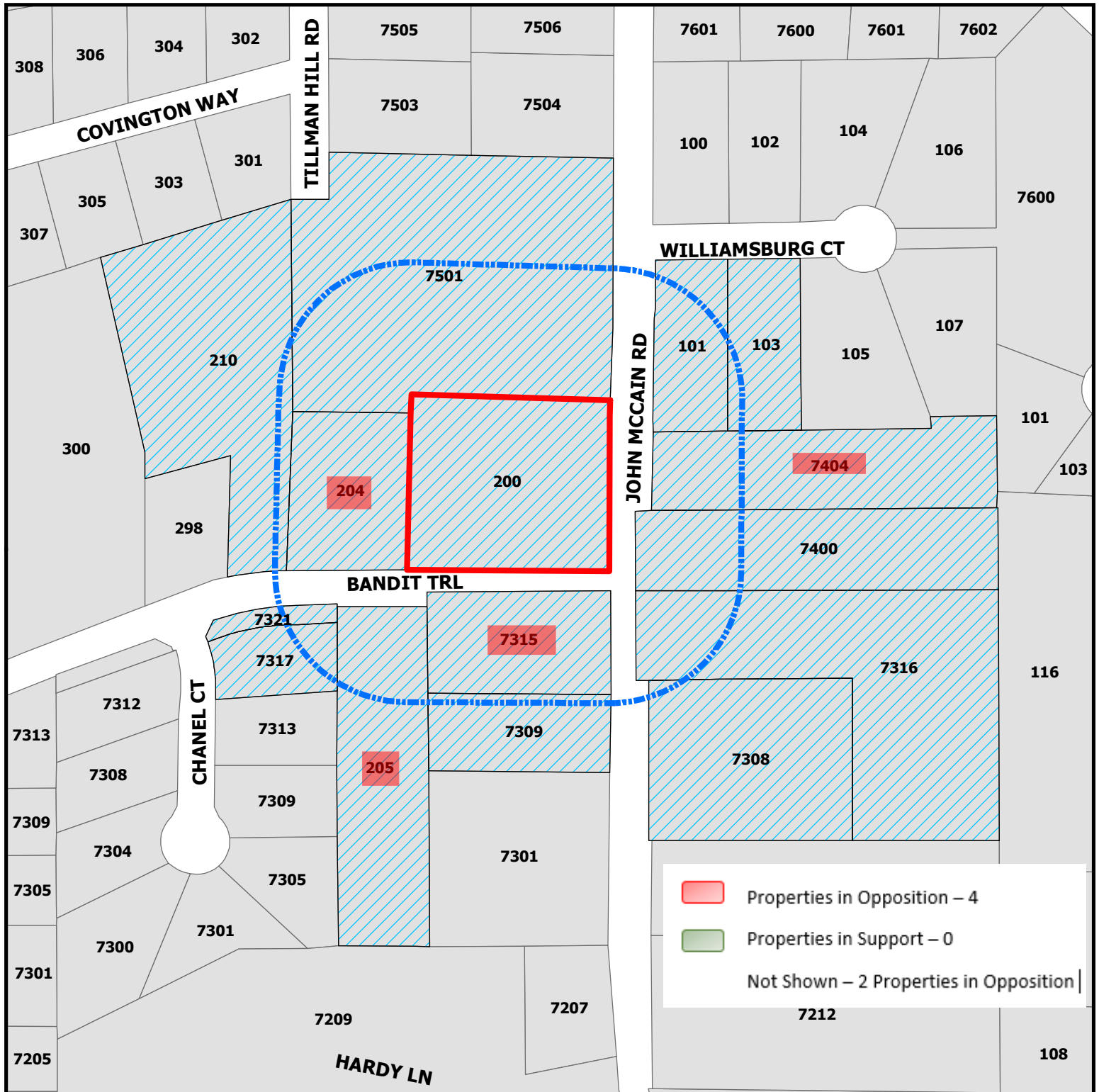


PRISM SURVEYS, INC.

SUCCESSORS TO MOAK SURVEYS, INC.

COMMERCIAL, RESIDENTIAL, BOUNDARY,
INVESTIGATIVE, TOPOGRAPHIC, TITLE
SURVEYS, PLATING AND
CONSTRUCTION STAKING
Firm No. 101325-00
3533 BELL DRIVE
HURST, TEXAS, 76053
(817) 540-8048 OR (817) 268-2211

Notification Map



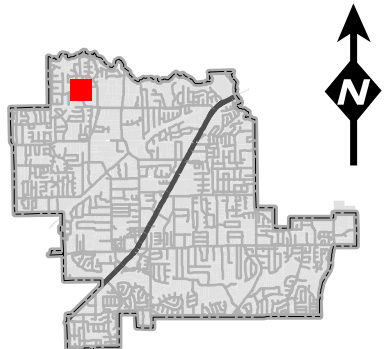
- Properties in Opposition – 4
- Properties in Support – 0
- Not Shown – 2 Properties in Opposition



ZC18-005

200 Bandit Trail

- Subject Property
- 200ft Buffer
- Properties within 200ft



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Notification List

Owner Name	Owner Address	Owner City	Owner Zip	Situs Address
HBJ REVOCABLE TRUST	7501 TILLMAN HILL RD	COLLEYVILLE, TX	76034	200 BANDIT TR
COATES, JOHN M	7400 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7400 JOHN MCCAIN RD
EPPERSON, LARRY D	7308 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7316 JOHN MCCAIN RD
EPPERSON, LARRY ETAL ANN R	7308 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7308 JOHN MCCAIN RD
HAMILTON, BEVERLY	7404 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7404 JOHN MCCAIN RD
HBJ REVOCABLE TRUST	7501 TILMAN HILL RD	COLLEYVILLE, TX	76034	7501 TILLMAN HILL RD
CHAPMAN, MARK NOEL	103 WILLIAMSBURG CT	COLLEYVILLE, TX	76034	103 WILLIAMSBURG CT
MUHAMMAD, SURRIYA	210 BANDIT TR	COLLEYVILLE, TX	76034	210 BANDIT TR
RAGAN, THERON A	204 BANDIT TR	COLLEYVILLE, TX	76034	204 BANDIT TR
PARHAM, LANDON W	205 BANDIT TRL	COLLEYVILLE, TX	76034	205 BANDIT TR
SHAVER, SCOTT W	PO BOX 1967	COLLEYVILLE, TX	76034	7317 CHANEL CT
WALKER, GRADY M	PO BOX 1905	COLLEYVILLE, TX	76034	7309 JOHN MCCAIN RD
OLDT, GRETCHEN	101 WILLIAMSBURG CT	COLLEYVILLE, TX	76034	101 WILLIAMSBURG CT
DUPLANTIS, JOHN W	7315 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7315 JOHN MCCAIN RD
VISIONS SOUTHWEST 10 LP	PO BOX 1178	GRAPEVINE, TX	76099	7321 CHANEL CT
CHANEL COURT	7300 CHANEL COURT	COLLEYVILLE, TX	76034	COURTESY NOTICE
MONTICELLO ADDITION-COLLEYVLE	P.O. BOX 254	COLLEYVILLE, TX	76034	COURTESY NOTICE
GRAPEVINE-COLLEYVILLE ISD	3051 IRA E. WOODS AVENUE	GRAPEVINE, TX	76051	STATE REQUIRED
BRYAN AND JENNIFER HEALEY TRUSTEE	1205 CORDILLERA TRACE	BOERNE, TX	78006	APPLICANT



NOTICE OF PUBLIC HEARING

Zoning Case Number: ZC18-005
Applicant: Brian and Jennifer Healey
Owner: Brian and Jennifer Healey
Location: 200 Bandit Trail
Property Description: Lot 2R, Block 1, of the Falcon Point Addition
Present Zoning: R-40 Single Family Residential District
Request: Consideration of a zoning change from the R-40 Single Family Residential zoning district to the R-30 Single Family Residential zoning district. The purpose is to allow for single-family residential development of two new lots.

The City of Colleyville has scheduled public hearings concerning the above referenced request on the following dates and location:

Planning and Zoning Commission Meeting: Monday, April 9, 2018 at 7:00 p.m.
City Council Meetings: Tuesday, May 1, 2018 & Tuesday, May 15, 2018 at 7:30 p.m.
3rd floor of City Hall, 100 Main Street, Colleyville, Texas

This notice has been sent to all owners of real property within 200 feet of the request as such ownership appears on the last approved tax roll and all homeowners associations within 500 feet. Approval by the Planning and Zoning Commission serves as a recommendation to the City Council and is not a final action on the request. Denial of the proposal by the Commission is final, unless the applicant submits a written notice of appeal within 10 days from the date of action by the Commission. If appealed, the request will be placed on the next available City Council agenda as listed above. Rezoning requests, zoning amendments and conditions recommended by the Commission for approval by the City Council may be more restrictive than those described in this notice.

All interested persons are encouraged to attend the public hearing and express their opinions on the zoning change request. If you are unable to attend, but wish to have your opinions made a part of the public record, please submit written comments prior to the public hearing, to the address below:

**Community Development Department
City of Colleyville
100 Main Street
Colleyville, TX 76034**

If the property owners of 20% or more of the land within the 200 foot notification area file a written protest prior to the public hearing, State law provides that the approval of the zoning change request shall require the approval of a super majority vote by City Council.

The application is on file for public examination in the Community Development Department at 100 Main Street, Colleyville, Texas. A brief project description can be found online on the Active Development Case map: <https://www.colleyville.com/zoning.html>. For additional information, please contact the Community Development Department at 817.503.1056. Please reference the zoning case number when requesting information.

Felix Landry
Principal Planner
flandry@colleyville.com

Letters of Opposition

Date: March 26, 2018
To: City of Colleyville, Planning and Zoning Commission
Re: Request for Zoning Change 200 Bandit Trail



Regarding the proposed zoning change at 200 Bandit Trail, I/we believe the proposed change in zoning would not be in the overall best interest of the City of Colleyville nor the neighborhood that would be affected by such a change for the following reason:

Historical and Current "Theme" The Look and Feel of this Neighborhood

Historically – This prime section of Colleyville has been for the past 20 plus years an area of acre plus homes with abundant trees and a true country feel.

Homeowners historically and currently have chosen this hidden section of Colleyville for this very specific reason.

Currently – The homes immediately to the North, South, East and West all contain acre plus lots. Additionally, many homes in the immediate area also comprise acre or acre plus size lots several having AG status. (Photo attached)

Traffic Congestion

There is serious chronic bumper to bumper traffic congestion when you exit Bandit at Davis, the entire length of John McCain, Westcoat and McDonald School Road. Police are called currently to direct traffic. We do not need to add to this problem without corrective action taken first.

The Toll Brother development behind Monticello has cars entering on John McCain, Bandit and White Chapel is another high-density development that added over 100 homes and 200+ cars compounding this traffic problem.

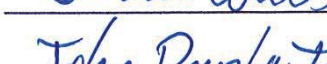
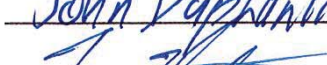
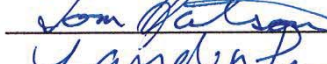
Unacceptable Zoning Approved by Previous Administration

The start of Bandit Road to the first cross street of Windswept Trail is only ¼ mile long. Previous administration pushed through two high density high end home developments adding 29 homes. The result has been flooding issues that are still not fully resolved and seriously compromised the country open feel we all moved here and cherish.

The Look and Feel of Colleyville

The historic and current theme and feel of Colleyville with residents and I believe the council is to keep an open, relaxed, country and upscale "look and feel." Upholding the current R-40 Zoning status will help accomplish this goal.

For the above reason we are asking the Planning and Zoning Commission of Colleyville to maintain the R-40 Zoning at 200 Bandit Trail.

- Robert and Lyn Smullin | 7301 Windswept Trail | 
-  Cindy Ragan 204 Bandit Trail, Colleyville, TX
-  Derrin Coates 7400 John McCain Colleyville, TX
-  John Pappant's 7315 John McCain Rd. Colleyville, TX
-  Tom Watson 7209 OVERLAND TRL COLLEYVILLE, TX
-  Lauren Farlam 205 Bandit Trl Colleyville TX

Letters of Opposition

3/26/2018

Lot zoning at Bandit and John McCain -

Gmail

COMPOSE

Inbox (6,344)

Starred

Important

Sent Mail

More labels



Robert



No Hangouts contacts

[Find someone](#)

Lot zoning at Bandit and John McCain

Inbox x



Lauryn Parham

to me

To whom this may concern at City of Colleyville,

We live at 205 Bandit Trail across from the proposed zoning change property at the cc lots that make this part of Colleyville so unique. Our wish is that you would consider the feel of the surrounding homes. We all have at least 1-2 acres surrounding our homes, like the city logo displays the rail fence and horses. Thank you for your consideration.

Landon & Lauren Parham
205 Bandit Trail
Colleyville TX



Click here to [Reply](#) or [Forward](#)

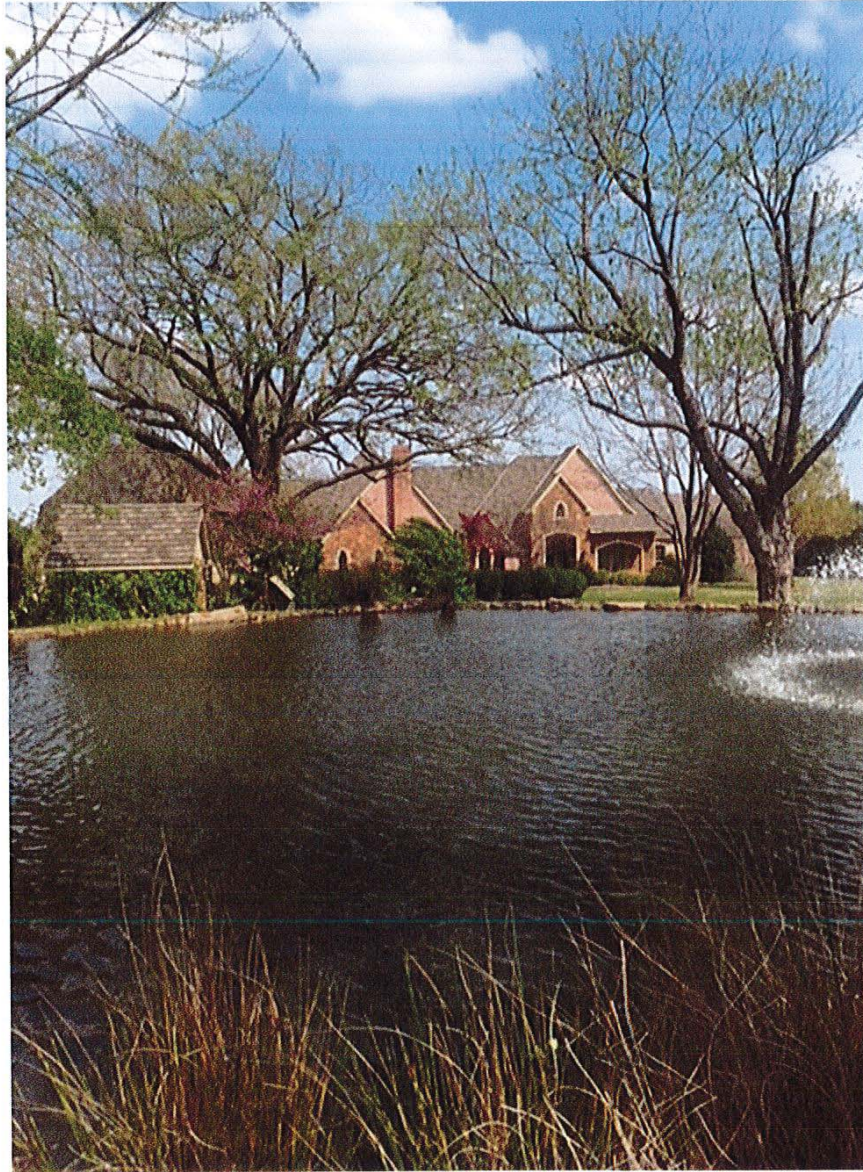
3.96 GB (26%) of 15 GB used
[Manage](#)

[Terms](#) - [Privacy](#)

Letters of Opposition



Letters of Opposition



Letters of Opposition



Letters of Opposition



ORDINANCE O-18-2042

AMENDING THE ZONING ORDINANCE AND THE OFFICIAL ZONING MAP OF THE CITY OF COLLEYVILLE, TEXAS, BY CHANGING THE ZONING ON 1.738 ACRES, LOT 2R, BLOCK 1, OF THE FALCON POINT ADDITION, LOCATED AT 200 BANDIT TRAIL, FROM THE AG-AGRICULTURAL AND R-40 SINGLE FAMILY RESIDENTIAL DISTRICTS TO THE R-30 SINGLE FAMILY RESIDENTIAL 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 ZC18-005; 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 1.738 acres, Lot 2R, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, from the AG Agricultural and R-40 Single Family Residential districts to the R-30 Single Family Residential 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 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. 5. 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. 6. 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. 7. 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 1st day of May 2018.

The second reading and public hearing being conducted on the 15th day of May 2018.

PASSED AND APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON THIS THE 15TH DAY OF MAY 2018.

Mayor Richard Newton	_____	Mayor Pro Tem Bobby Lindamood	_____
Place 1, Tammy Nakamura	_____	Place 5, Chuck Kelley	_____
Place 2, Kathy Wheat	_____	Place 6, Callie Rigney	_____
Place 4, George Dodson	_____		

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Whitt L. Wyatt
City Attorney

Exhibit "A"- Zoning Map

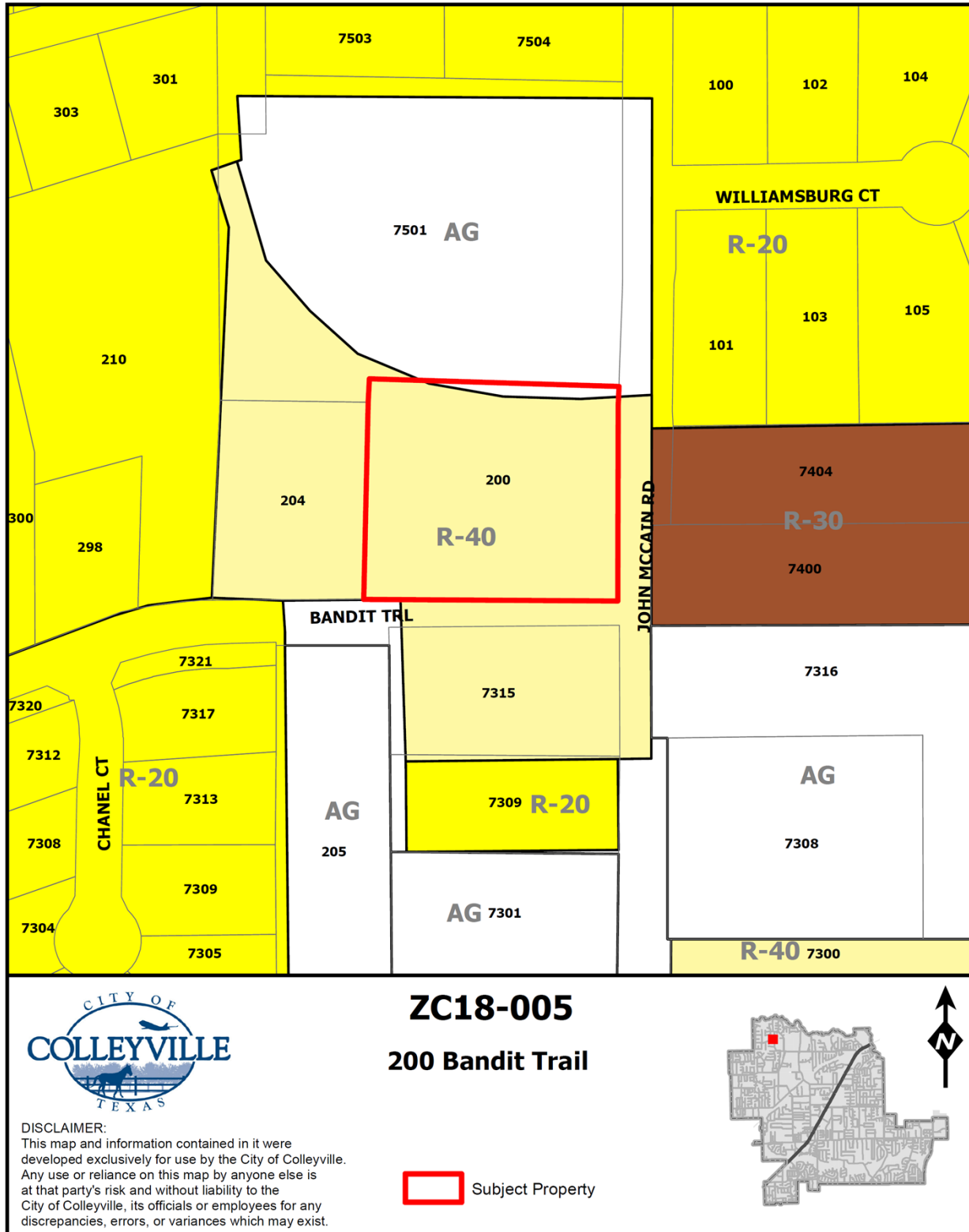


Exhibit "B"- Metes & Bounds Description

FIELD NOTE DESCRIPTION

ALL that certain tract or parcel of land situated in the M. M. FREEMAN SURVEY, ABSTRACT NO. 533 in the City of Colleyville, Tarrant County, Texas and being Lot 2R, Block 1, FALCON POINT ADDITION, to the City of Colleyville, Tarrant County, Texas according to the plat recorded in Cabinet A, Slide 10848, Plat Records, Tarrant County, Texas and also being that same tract as described in the Deed of Trust to Bryan P. Healey and Jennifer S. Healey as recorded in Instrument D213007477, Deed Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch steel rod found (CM) at the intersection of the westerly right-of-way line of John McCain Road (a variable width right-of-way) and the northerly right-of-way line Bandit Trail (a variable width right-of-way);

THENCE North 89 degrees 37 minutes 02 seconds West with the southerly right-of-way line of said Bandit Trail, 310.69 feet to a 1/2 inch steel rod found (CM) for the southwest corner of said Lot 2R;

THENCE North 02 degrees 10 minutes 06 seconds East departing said southerly right-of-way line and with the westerly boundary line of said Lot 2R, 222.30 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found for the northeast corner of Lot 3, Block 1, Falcon Point Addition, an Addition to the City of Colleyville, Tarrant County, Texas as recorded in Cabinet A, Slide 4173 of said Plat Records;

THENCE North 02 degrees 36 minutes 24 seconds East continuing with said westerly boundary line, 27.98 feet to a 4"x 4" fence post found for the northwest corner of said Lot 2R;

THENCE South 88 degrees 37 minutes 34 seconds East with the northerly boundary line of said Lot 2R, 301.30 feet to a 5/8 inch steel rod found for the northeast corner of said 2R, also being in the said westerly right-of-way line of John McCain Road;

THENCE South 01 degrees 36 minutes 15 seconds West with said westerly right-of-way line and with the easterly boundary line of said Lot 2R, 23.14 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found;

THENCE South 00 degrees 06 minutes 41 seconds East continuing with said westerly right-of-way line and said easterly boundary line of said Lot 2R, 221.82 feet to the PLACE OF BEGINNING and containing 1.738 acres 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 7b

Agenda Date 05/15/2018

Number Ordinance O-18-2043

Type Ordinance

Department Community Development

Title

Consideration of a zoning change from the AG-Agricultural zoning district to the R-20 Single Family Residential zoning district on Tract 1R09, Abstract 1619, in the S C H Whitten Survey, located at 2313 Hall-Johnson Road, Case ZC18-007

Strategic Plan

There is no Strategic Plan connection for this item.

Explanation

Second Reading and Public Hearing

There were no speakers regarding this item at the May 1, 2018 City Council Meeting.

First Reading and Public Hearing

Randy Primrose, the applicant, has submitted a request for a zoning change on Tract 1R09, Abstract 1619, in the S C H Whitten Survey, being approximately 0.96 acres, and zoned AG Agricultural. The purpose is to rezone from AG to R-20 Single Family Residential in order for demolition of the current home to allow for the construction of a new single-family residential home.

Existing Conditions/Background: The subject property, 2313 Hall Johnson Road, resides on the south side of Hall Johnson Road between Amador Trail and Sycamore Drive. The subject property currently has AG zoning and a single-family residence. The applicant has proposed the zoning change in order to get the property platted, so they can build a new residence.

Proposed Zoning:

Request – The applicant requests to rezone the property from the AG district to R-20 zoning district. The subject property covers approximately one acre, but due to its narrow width requires R-20 zoning for compliance. The minimum standards for the R-20 zoning district are as follows:

Minimum Lot Size	20,000 square feet.
Minimum Lot Width	100 feet
Front Building Line	30 feet
Side Building Line	10 feet
Rear Building Line	25 feet

Analysis: The requested R-20 zoning allows the applicant to create a single residential lot. The applicant requests the zoning change in order to plat the property, so they can demolish the existing house and construct a new single family residence.

Surrounding Development: Most of the surrounding area maintains R-20 zoning or PUD-R (Planned Unit Development – Residential) zoning with standards for R-20 or smaller lots. One parcel with AG zoning resides directly to the south. To the east, a parcel with CC-1 zoning resides at the corner of Amador Trail and Hall Johnson Road. The CC-1 property has an existing office use.

Comprehensive Plan: The City's comprehensive plan, *Destination Colleyville*, identifies the subject property for single-family residential development. The proposed R-20 zoning does not conflict with any portion of the comprehensive plan. The proposed R-20 zoning facilitates the minimum desired residential density of 1.8 units per acre.

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, staff has received a letter of opposition with signatures from six local residences.

Staff Recommendation: Staff recommends approval for the applicants request based on the following findings:

1. The proposed zoning meets the intent of the residential designation assigned in the Destination Colleyville comprehensive plan.
2. R-20 zoning is compatible with the zoning districts surrounding the subject property.

Planning and Zoning Commission Recommendation: The Planning and Zoning Commission recommended approval at their April 9, 2018 meeting by a vote of 6-0.

Financial Impact

There is no financial impact to the City.

Recommendation

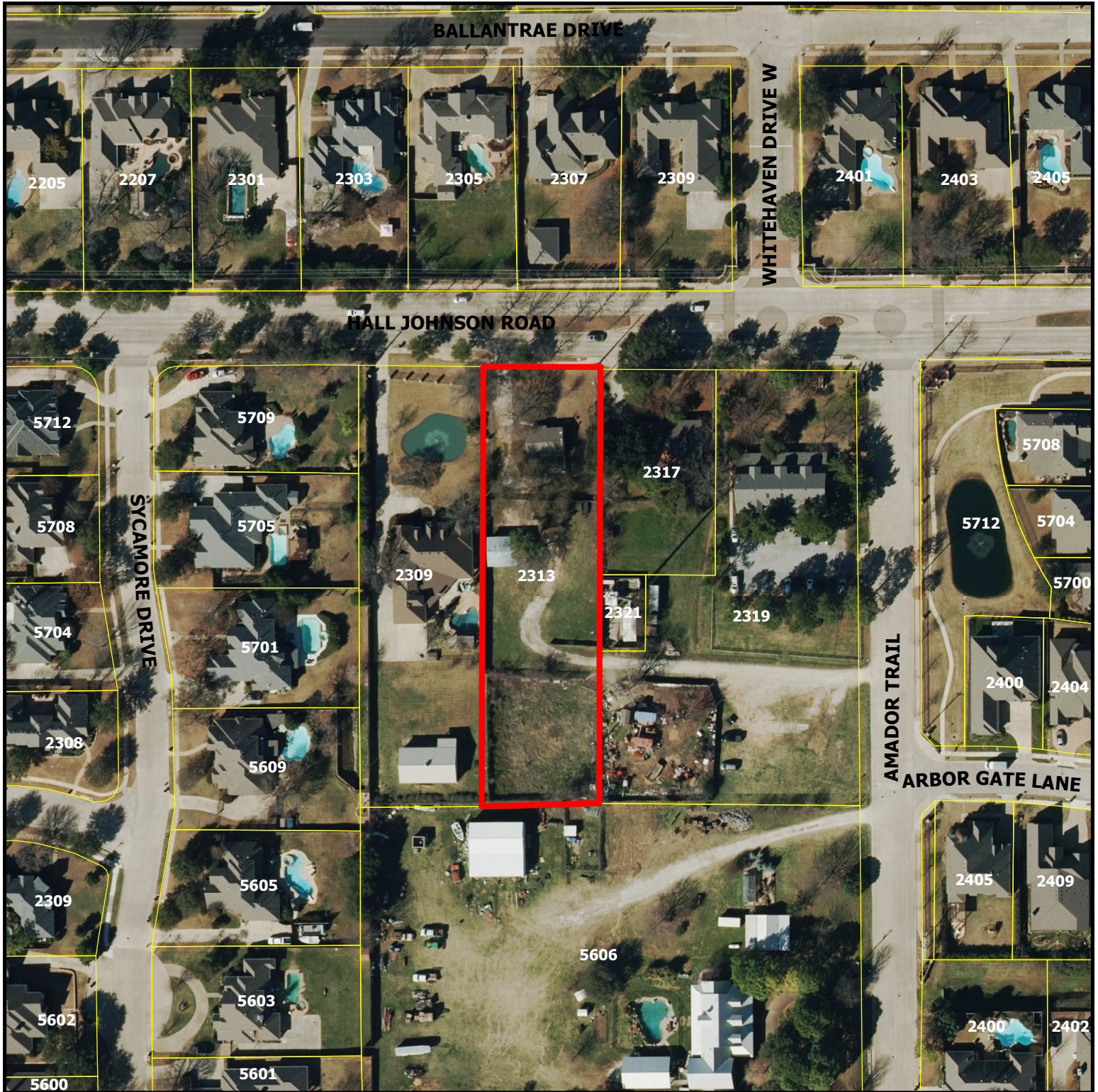
Approve

Attachments

1. Aerial Map
2. Zoning Map
3. Future Land Use Map
4. Zoning Exhibit

5. Notification Map
6. Notification List
7. Property Owner Notification Letter
8. Ordinance O-18-2043

Aerial Map

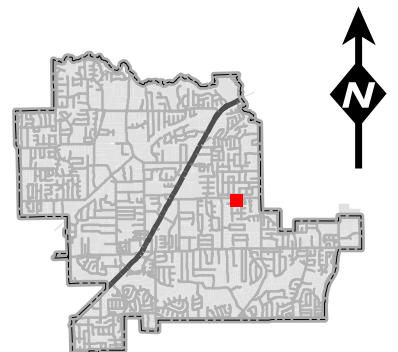


ZC18-007

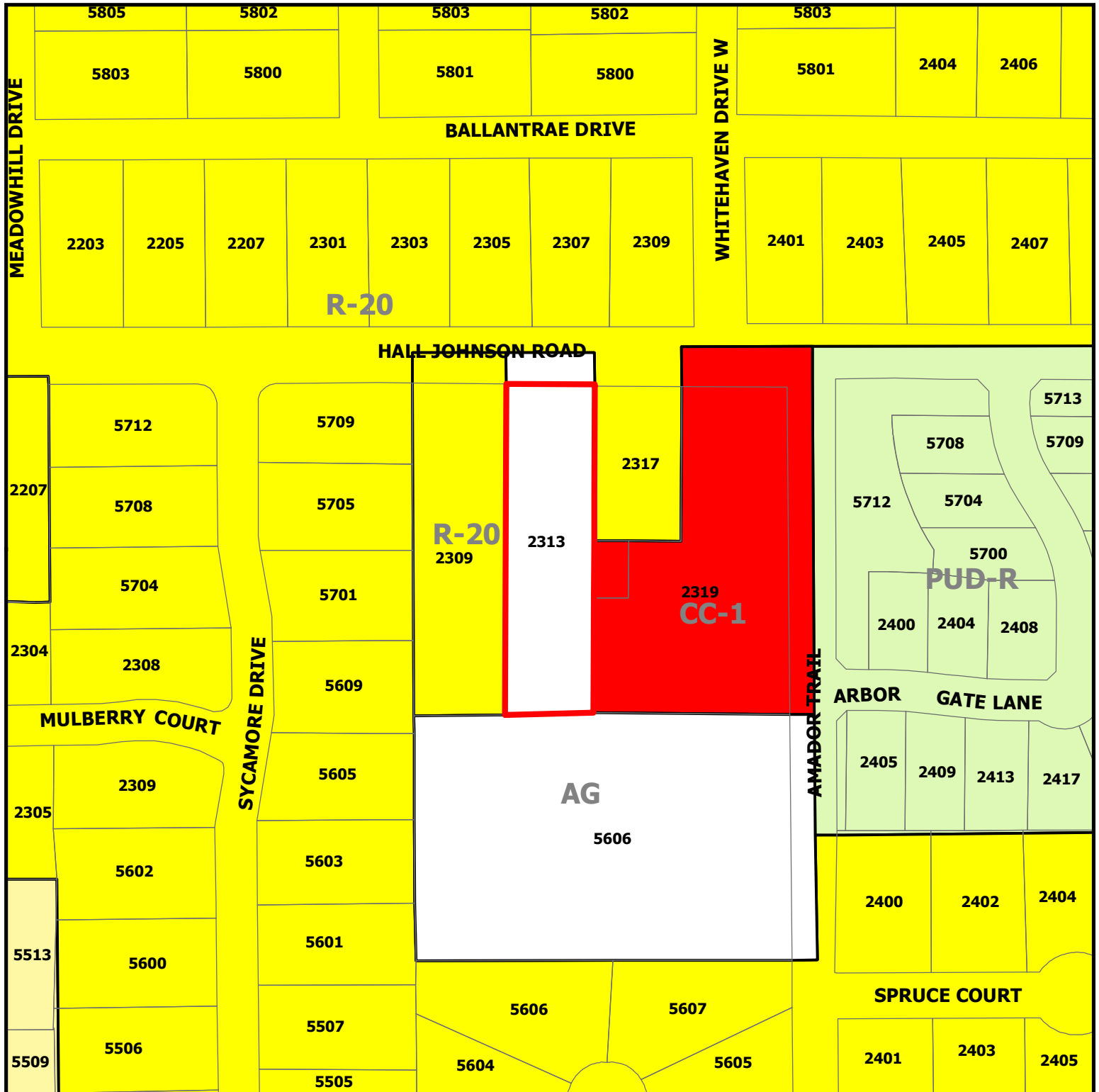
2313 Hall Johnson Road

DISCLAIMER:
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 Subject Property



Zoning Map

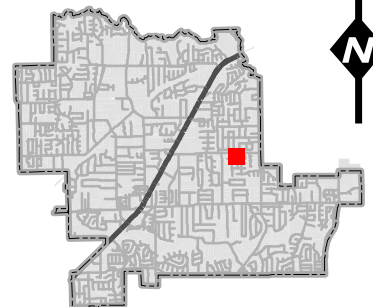


ZC18-007

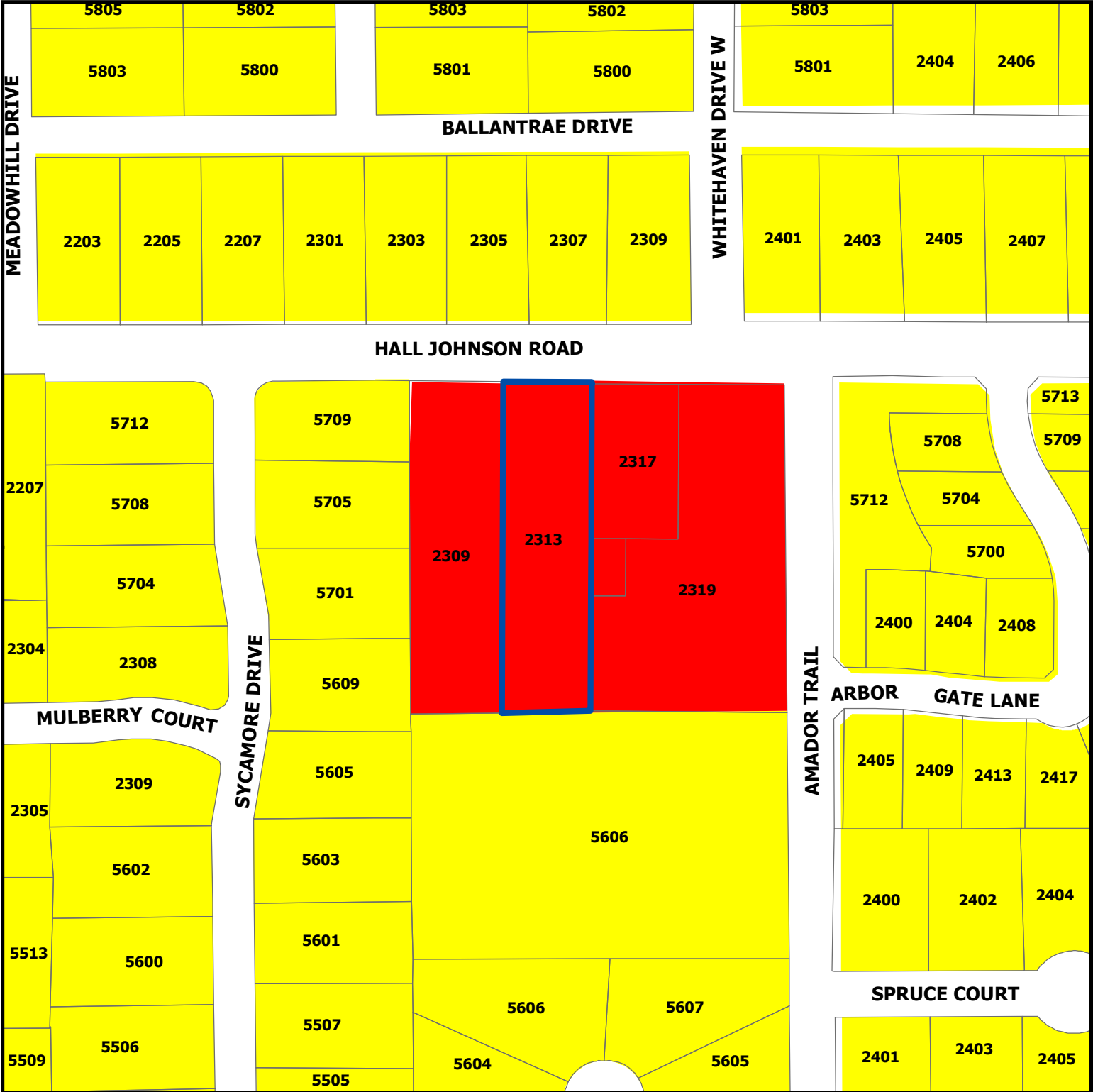
2313 Hall Johnson Road

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 Subject Property



Future Land Use Map



ZC18-007

2313 Hall Johnson Road



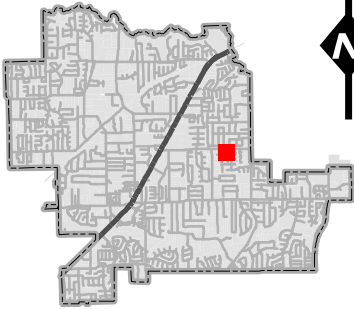
Subject Property



Residential

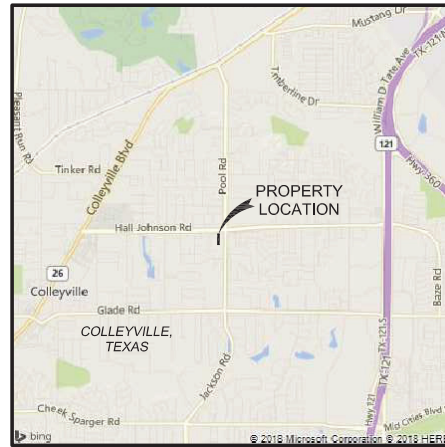
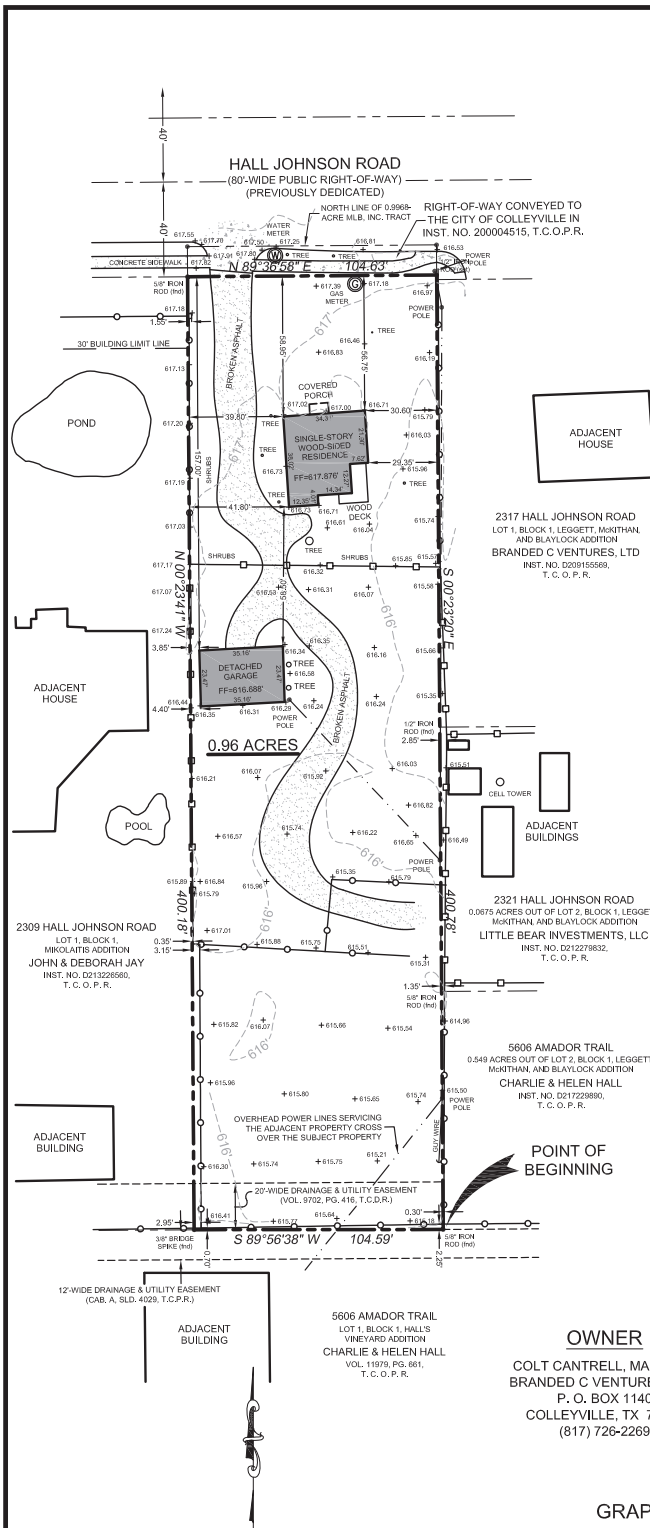


Commercial



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Zoning Exhibit



LOCATION MAP

The Bing.com logo is a registered trademark of Microsoft Corporation. Map content (c) 2018 by Microsoft Corp. and the respective copyright holders. The Microsoft trademarks and map content are used with permission.

LEGAL DESCRIPTION

A 0.96-acre tract out of the S. C. H. Whitten Survey, Abstract No. 1619, Tarrant County, Texas, and out of that certain 4.805-acre tract deeded to Chandler Cantrell Properties from Gary Cantrell, et al, in September, 1993, as recorded in Volume 11255, Page 168, Tarrant County Deed Records, said 0.96-acre tract being all of said Chandler Cantrell Properties tract SAVE AND EXCEPT that certain 0.031-acre tract deeded to the City of Colleyville, Texas, from Chandler Cantrell Properties in December, 1999, said 0.96-acre tract also being all of the grantor's interest in that certain tract called "Tract 2" in deed to Branded C Ventures, Ltd., from Glade Family, Ltd., in June, 2009, as recorded in Instrument No. D209155569, Tarrant County Official Public Records, and being more specifically described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found on the north line of Lot 1, Block 1, Hall's Vineyard Addition, an addition to the City of Colleyville, Texas, as recorded in Cabinet A, Slide 4029, Tarrant County Plat Records, lying NORTH 2,233.19 feet and WEST 239.00 feet from the southeast corner of said Whitten Survey, said iron rod being the southeast corner of said Branded C Ventures tract and the southwest corner of Lot 2, Block 1, Leggett, McKithan, and Blaylock Addition, as addition to the City of Colleyville, Texas, as recorded in Volume 388-138, Page 38, Tarrant County Plat Records, for the southeast corner and POINT OF BEGINNING of this tract;

THENCE SOUTH 89°56'38" WEST 104.59 feet along the south line of said Branded C Ventures tract and the north line of said Lot 1, Block 1, Hall's Vineyard Addition to a 3/8-inch bridge spike found at the southwest corner of said Branded C Ventures tract and the southeast corner of Lot 1, Block 1, Mikolaitis Addition, an addition to the City of Colleyville, Texas, as recorded in Cabinet A, Slide 7526, Tarrant County Plat Records, for the southwest corner of this tract;

THENCE leaving the north line of said Lot 1, Block 1, Hall's Vineyard Addition, NORTH 00°23'41" WEST 400.18 feet along the west line of said Branded C Ventures tract and the east line of said Lot 1, Block 1, Mikolaitis Addition to a 5/8-inch iron rod found on the south right-of-way line of Hall Johnson Road, a public road, being the northwest corner of said Branded C Ventures tract and the northeast corner of said Lot 1, Block 1, Mikolaitis Addition for the northwest corner of this tract;

THENCE NORTH 89°36'58" EAST 104.63 feet along the north line of said Branded C Ventures tract and the south right-of-way line of said Hall Johnson Road to a point being the northeast corner of said Branded C Ventures tract and an angle point in the south right-of-way line of said Hall Johnson Road for the northeast corner of this tract;

THENCE SOUTH 00°23'20" EAST, at 1.87 feet pass the northwest corner of Lot 1 of said Block 1, Leggett, McKithan, and Blaylock Addition, at 189.83 feet pass a 1/2-inch iron rod found at the southeast corner of said Lot 1 and the northwest corner of said Lot 2, Block 1, Leggett, McKithan, and Blaylock Addition, and continuing for a total distance of 400.78 feet along the east line of said Branded C Ventures tract and the west lines of said Lots 1 and 2, Block 1, Leggett, McKithan, and Blaylock Addition to the POINT OF BEGINNING, and containing 96/100 of an acre, more or less.

OWNER

COLT CANTRELL, MANAGER
BRANDED C VENTURES, LTD.
P. O. BOX 1140
COLLEYVILLE, TX 76034
(817) 726-2269

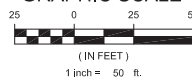
APPLICANT

RANDY PRIMROSE
5506 SYCAMORE DRIVE
COLLEYVILLE, TX 76034
(214) 500-6763

SURVEYOR

BRIAN SALTER, R.P.L.S.
SALTER ENGINEERING & SURVEYING, INC.
11401 PHEASANT CREEK DRIVE
FORT WORTH, TX 76244
(940) 723-9000

GRAPHIC SCALE



LINE LEGEND

- PROPERTY LINE
- EASEMENT LINE
- SETBACK LINE
- PRIVACY FENCE
- OTHER FENCE
- PLAT LOT LINES

BASIS OF BEARINGS

S 00°23'20" E FOR THE EAST
LINE OF SUBJECT PROPERTY
PER GPS OBSERVATIONS...

FLOODPLAIN INFORMATION

ALL OR PART OF THE PROPERTY SHOWN **DOES NOT** LIE
WITHIN THE 100-YEAR FLOOD HAZARD AREA AS SHOWN ON
THE FOLLOWING F.E.M.A. FLOOD INSURANCE RATE MAP:

FLOOD ZONE: ZONE X
BASE FLOOD ELEVATION: N/A
CITY / COUNTY: TARRANT COUNTY, TX
MAP PANEL NUMBER: 48439C0095K
DATE: SEPTEMBER 25, 2009

THIS FLOOD STATEMENT IS BASED ON CURRENTLY AVAILABLE INFORMATION
THAT IS SUBJECT TO CHANGE. DOES NOT IMPLY THAT THE PROPERTY AND
STRUCTURES SHOWN WILL BE FREE FROM FLOODING OR FLOOD DAMAGE, AND
SHALL NOT CREATE ANY LIABILITY ON THE PART OF THE SURVEYOR.

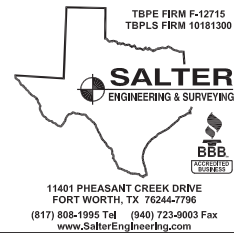
ZONING CHANGE REQUEST FROM "AGRICULTURAL" TO "R-20"

2313 HALL JOHNSON ROAD
COLLEYVILLE, TX 76034

DWG FILE 180038-Zoning.dwg

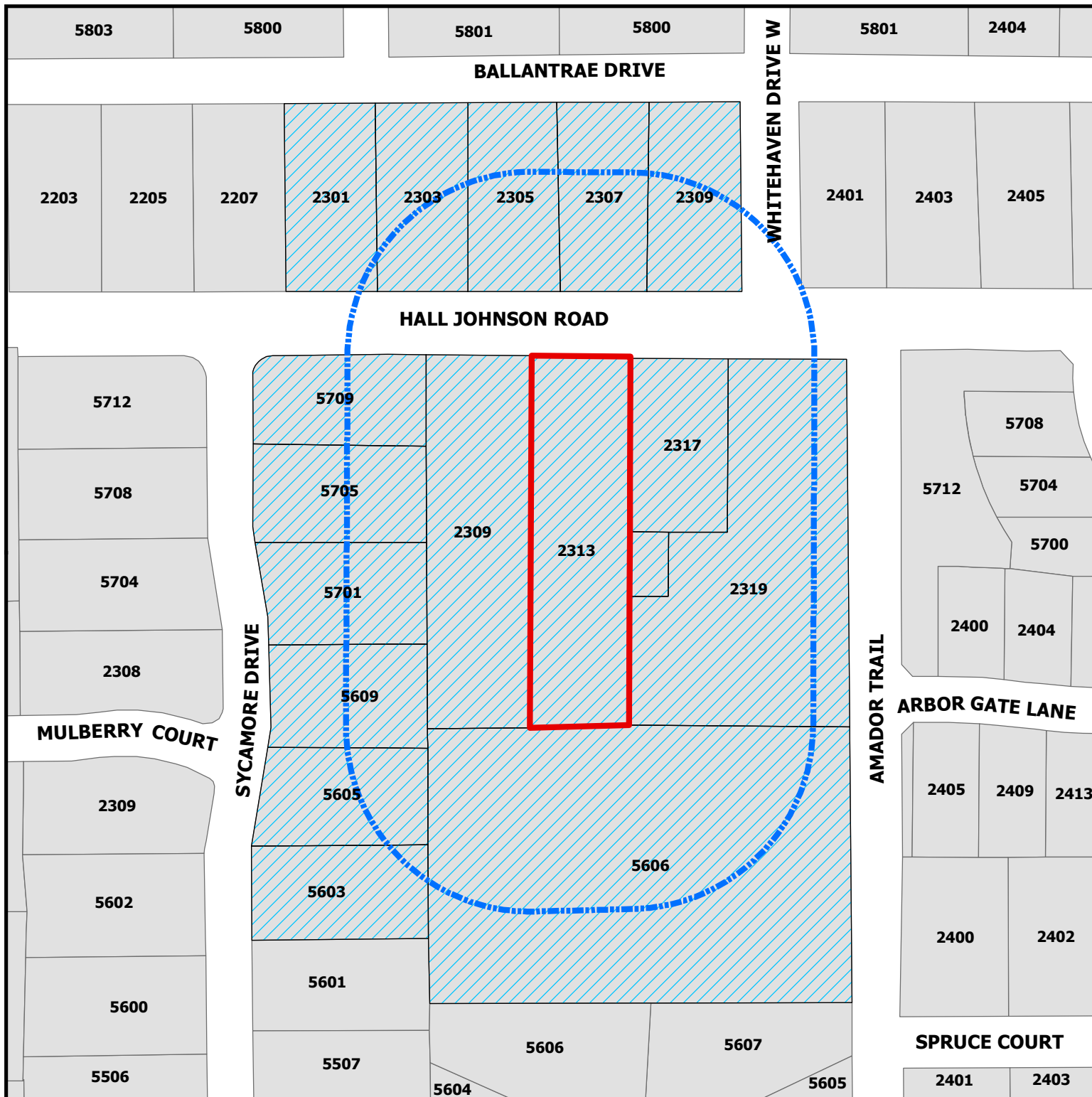
DWG SCALE 1/50

SHEET 1 OF 1



11401 PHEASANT CREEK DRIVE
FORT WORTH, TX 76244-7796
(817) 808-1995 Tel (940) 723-9003 Fax
www.SalterEngineering.com

Notification Map



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ZC18-007

2313 Hall Johnson Road



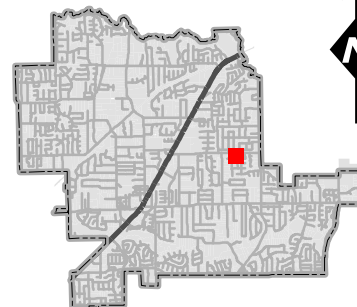
Subject Property



200ft Buffer



Properties within 200ft



Notification List

Owner Name	Owner Address	Owner City	Owner Zip	Situs Address
SHARP, JOHN R	5605 SYCAMORE DR	COLLEYVILLE, TX	76034	5605 SYCAMORE DR
KELLY, IAN	2301 BALLANTRAE DR	COLLEYVILLE, TX	76034	2301 BALLANTRAE DR
PHELAN, A J	2307 BALLANTRAE DR	COLLEYVILLE, TX	76034	2307 BALLANTRAE DR
ZHU, JUN	5705 SYCAMORE DR	COLLEYVILLE, TX	76034	5705 SYCAMORE DR
JAY, JOHN	2309 HALL JOHNSON RD	COLLEYVILLE, TX	76034	2309 HALL JOHNSON RD
NORTHEAST PROPERTIES INC	PO BOX 611	COLLEYVILLE, TX	76034	2319 HALL JOHNSON RD
BROWN, LARRY	5603 SYCAMORE DR	COLLEYVILLE, TX	76034	5603 SYCAMORE DR
PARHAM, THOMAS C	2305 BALLANTRAE DR	COLLEYVILLE, TX	76034	2305 BALLANTRAE DR
HALL, CHARLIE W	4200 GLADE RD	COLLEYVILLE, TX	76034	5606 AMADOR TR
ROLAND, ANTHONY J	2309 BALLANTRAE DR	COLLEYVILLE, TX	76034	2309 BALLANTRAE DR
BRANDED C VENTURES LTD	4117 LAMPTON CT	ROANOKE, TX	76262	2313 HALL JOHNSON RD
WATSON, BRANDON	5609 SYCAMORE DR	COLLEYVILLE, TX	76034	5609 SYCAMORE DR
BRANDED C VENTURES LTD	4117 LAMPTON CT	ROANOKE, TX	76262	2317 HALL JOHNSON RD
LITTLE BEAR INVESTMENTS INC	PO BOX 611	COLLEYVILLE, TX	76034	2321 HALL JOHNSON RD
ISBELL, ROGER K	5701 SYCAMORE DR	COLLEYVILLE, TX	76034	5701 SYCAMORE DR
ASGHAR, PAMELA	5709 SYCAMORE DR	COLLEYVILLE, TX	76034	5709 SYCAMORE DR
VAN OVER, JAMES L	2303 BALLANTRAE DR	COLLEYVILLE, TX	76034	2303 BALLANTRAE DR
ARBOR ESTATES	5506 SYCAMORE DRIVE	COLLEYVILLE, TX	76034	COURTESY NOTICE
ARBOR ESTATES II	5506 SYCAMORE DRIVE	COLLEYVILLE, TX	76034	COURTESY NOTICE
ENCLAVE AT ARBOR ESTATES, THE	P.O. BOX 1824	COLLEYVILLE, TX	76034	COURTESY NOTICE
HIGHLAND MEADOWS ADDN	2101 HIGH GATE DRIVE	COLLEYVILLE, TX	76034	COURTESY NOTICE
GRAPEVINE COLLEYVILLE ISD	3051 IRA E. WOODS AVENUE	GRAPEVINE, TX	76051	STATE REQUIRED
PRIMROSE, RANDY	5506 SYCAMORE DRIVE	COLLEYVILLE, TX	76034	APPLICANT



NOTICE OF PUBLIC HEARING

Zoning Case Number: ZC18-007
Owner: Branded C Ventures, LTD
Applicant: Randy Primrose
Location: 2313 Hall Johnson Road
Property Description: Tract 1R09, Abstract 1619, in the S C H Whitten Survey
Present Zoning: AG Agricultural District
Request: Consideration of a zoning change from the AG Agricultural zoning district to the R-20 Single Family Residential zoning district. The purpose is to allow for the demolition of the current home and construction of a new single-family residential home.

The City of Colleyville has scheduled public hearings concerning the above referenced request on the following dates and location:

Planning and Zoning Commission Meeting: Monday, April 9, 2018 at 7:00 p.m.
City Council Meetings: Tuesday, May 1, 2018 & Tuesday, May 15, 2018 at 7:30 p.m.
3rd floor of City Hall, 100 Main Street, Colleyville, Texas

This notice has been sent to all owners of real property within 200 feet of the request as such ownership appears on the last approved tax roll and all homeowners associations within 500 feet. Approval by the Planning and Zoning Commission serves as a recommendation to the City Council and is not a final action on the request. Denial of the proposal by the Commission is final, unless the applicant submits a written notice of appeal within 10 days from the date of action by the Commission. If appealed, the request will be placed on the next available City Council agenda as listed above. Rezoning requests, zoning amendments and conditions recommended by the Commission for approval by the City Council may be more restrictive than those described in this notice.

All interested persons are encouraged to attend the public hearing and express their opinions on the zoning change request. If you are unable to attend, but wish to have your opinions made a part of the public record, please submit written comments prior to the public hearing, to the address below:

**Community Development Department
City of Colleyville
100 Main Street
Colleyville, TX 76034**

If the property owners of 20% or more of the land within the 200 foot notification area file a written protest prior to the public hearing, State law provides that the approval of the zoning change request shall require the approval of a super majority vote by City Council.

The application is on file for public examination in the Community Development Department at 100 Main Street, Colleyville, Texas. A brief project description can be found online on the Active Development Case map: <https://www.colleyville.com/zoning.html>. For additional information, please contact the Community Development Department at 817.503.1056. Please reference the zoning case number when requesting information.

Felix Landry
Principal Planner
flandry@colleyville.com

ORDINANCE O-18-2043

AMENDING THE ZONING ORDINANCE AND THE OFFICIAL ZONING MAP OF THE CITY OF COLLEYVILLE, TEXAS, BY CHANGING THE ZONING ON 0.96 ACRES, TRACT 1R09, ABSTRACT 1619, IN THE S C H WHITTEN SURVEY LOCATED AT 2313 HALL-JOHNSON ROAD, FROM THE AG-AGRICULTURAL DISTRICT TO THE R-20 SINGLE FAMILY RESIDENTIAL 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 ZC18-007; 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 and 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 0.96 acres, Tract 1R09, Abstract 1619, in the S C H Whitten Survey, located at 2313 Hall-Johnson Road, from the AG-Agricultural district to the R-20 Single Family Residential 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 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. 5. 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. 6. 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. 7. 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 1st day of May 2018.

The second reading and public hearing being conducted on the 15th day of May 2018.

PASSED AND APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON THIS THE 15TH DAY OF MAY 2018.

Mayor Richard Newton	_____	Mayor Pro Tem Bobby Lindamood	_____
Place 1, Tammy Nakamura	_____	Place 5, Chuck Kelley	_____
Place 2, Kathy Wheat	_____	Place 6, Callie Rigney	_____
Place 4, George Dodson	_____		

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor

APPROVED AS TO FORM AND LEGALITY:

Whitt L. Wyatt
City Attorney

Exhibit “A”- Zoning Map

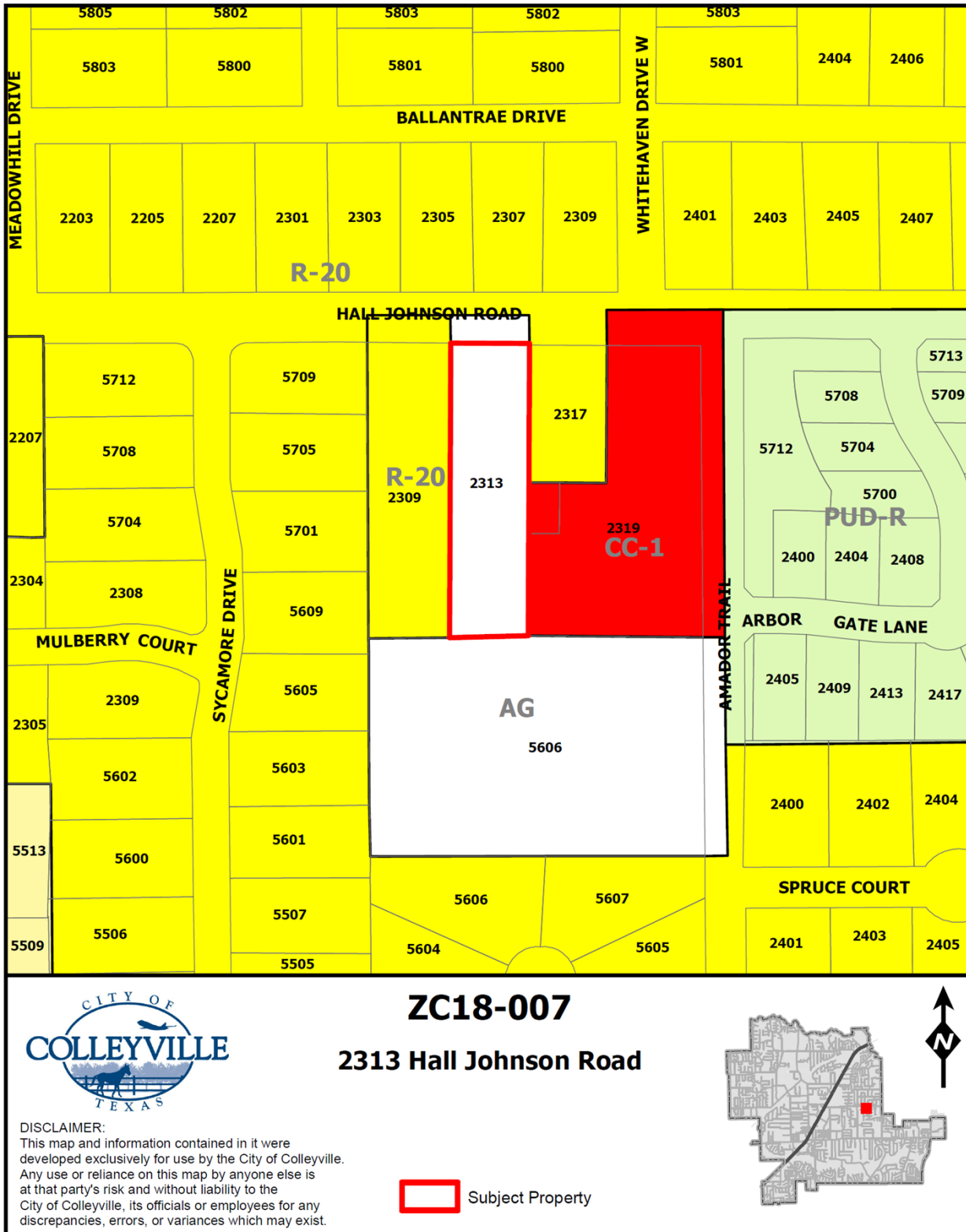


Exhibit "B"- Metes & Bounds Description

A 0.96-acre tract out of the S. C. H. Whitten Survey, Abstract No. 1619, Tarrant County, Texas, and out of that certain 4.805-acre tract deeded to Chandler Cantrell Properties from Gary Cantrell, *et al*, in September, 1993, as recorded in Volume 11255, Page 168, Tarrant County Deed Records, said 0.96-acre tract being all of said Chandler Cantrell Properties tract SAVE AND EXCEPT that certain 0.031-acre tract deeded to the City of Colleyville, Texas, from Chandler Cantrell Properties in December, 1999, said 0.96-acre tract also being all of the grantor's interest in that certain tract called "Tract 2" in deed to Branded C Ventures, Ltd., from Glade Family, Ltd., in June, 2009, as recorded in Instrument No. D209155569, Tarrant County Official Public Records, and being more specifically described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found on the north line of Lot 1, Block 1, Hall's Vineyard Addition, an addition to the City of Colleyville, Texas, as recorded in Cabinet A, Slide 4029, Tarrant County Plat Records, lying NORTH 2,233.19 feet and WEST 239.00 feet from the southeast corner of said Whitten Survey, said iron rod being the southeast corner of said Branded C Ventures tract and the southwest corner of Lot 2, Block 1, Leggett, McKithan, and Blaylock Addition, as addition to the City of Colleyville, Texas, as recorded in Volume 388-138, Page 38, Tarrant County Plat Records, for the southeast corner and POINT OF BEGINNING of this tract;

THENCE SOUTH 89°56'38" WEST 104.59 feet along the south line of said Branded C Ventures tract and the north line of said Lot 1, Block 1, Hall's Vineyard Addition to a 3/8-inch bridge spike found at the southwest corner of said Branded C Ventures tract and the southeast corner of Lot 1, Block 1, Mikolaitis Addition, an addition to the City of Colleyville, Texas, as recorded in Cabinet A, Slide 7926, Tarrant County Plat Records, for the southwest corner of this tract;

THENCE leaving the north line of said Lot 1, Block 1, Hall's Vineyard Addition, NORTH 00°23'41" WEST 400.18 feet along the west line of said Branded C Ventures tract and the east line of said Lot 1, Block 1, Mikolaitis Addition to a 5/8-inch iron rod found on the south right-of-way line of Hall Johnson Road, a public road, being the northwest corner of said Branded C Ventures tract and the northeast corner of said Lot 1, Block 1, Mikolaitis Addition for the northwest corner of this tract;

THENCE NORTH 89°36'58" EAST 104.63 feet along the north line of said Branded C Ventures tract and the south right-of-way line of said Hall Johnson Road to a point being the northeast corner of said Branded C Ventures tract and an angle point in the south right-of-way line of said Hall Johnson Road for the northeast corner of this tract;

THENCE SOUTH 00°23'20" EAST, at 1.87 feet pass the northwest corner of Lot 1 of said Block 1, Leggett, McKithan, and Blaylock Addition, at 189.83 feet pass a 1/2-inch iron rod found at the southeast corner of said Lot 1 and the northwest corner of said Lot 2, Block 1, Leggett, McKithan, and Blaylock Addition, and continuing for a total distance of 400.78 feet along the east line of said Branded C Ventures tract and the west lines of said Lots 1 and 2, Block 1, Leggett, McKithan, and Blaylock Addition to the POINT OF BEGINNING, and containing 96/100 of an acre, more or less.



City of Colleyville City Council Agenda Briefing

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

Agenda Number 8a

Agenda Date 05/15/2018

Number Resolution R-18-4264

Type Resolution

Department Community Development

Title

Consideration of a replat for Lots 2R1 and 2R2, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail, Case PC18-001

Strategic Plan

There is no Strategic Plan connection for this item.

Explanation

Reading and Public Hearing

Bryan and Jennifer Healey, the applicants, have submitted a request for a Minor Plat of Lots 2R1 and 2R2, Block 1, of the Falcon Point Addition, being approximately 1.738 acres, and zoned AG-Agricultural and R-40 Single-Family Residential. The purpose is to subdivide a platted lot into two lots for the construction of two homes.

Existing Conditions/Background: The subject property, 200 Bandit Trail, resides on the northwest corner of the Bandit Trail and John McCain Road intersection. The subject property has mostly R-40 zoning with a sliver of AG zoning along the northern property line. The applicant has also submitted for a zoning change to the R-30 Single-Family Residential district so they could divide the property into two conforming lots. This lot currently has not been developed.

Lot Dimensions and Setbacks: Per Section 3.24 G, Schedule of District Regulations in the Land Development Code, the R-30 zoning regulations require the following standards:

- Minimum Lot Area: 30,000 square feet
- Minimum Lot Width: 125 feet
- Minimum Lot Depth: 125 feet
- Minimum Front Yard Setback: 35 feet
- Minimum Side Yard Setbacks: 10 feet
- Minimum Rear Yard Setback: 25 feet
- Maximum Lot Coverage: 25 percent

As submitted, the proposed plat meets all of the requirements of R-30 zoning, as described in the Land Development Code.

Surrounding Development: Half of the surrounding area (within 1,000 feet) consists of R-20 zoning; with the remaining half consisting of a mix of small lots with PUD-R

(Planned Unit Development – Residential), R-30, R-40, and AG zoning districts. Most of the surrounding lots have developed with single family homes. Roughly half of the lots with AG zoning do not meet the minimum requirements for that district and exist as legal non-conforming lots.

Analysis: The proposed lot layout complies with the requested R-30 zoning. An alternative action could also allow the proposed lot layout to comply with R-30 zoning on the smaller lot and R-40 zoning on the larger lot. The lot sizes and dimensions do not deviate from many of the lots within 1,000 feet of the subject property.

Fees: Park Land Dedication fees are required in the amount of \$1,802 per residential lot. Park Land Dedication fees are due prior to filing the plat for record. Impact Fees are also required per Chapter 13 (Impact Fees) of the Land Development Code and are due prior to the issuance of a building permit.

Tree Preservation: Any subdivision of the subject property must comply with Chapter 5 (Tree Preservation) of the Land Development Code. Where any tree is slated for removal, no site grading, dirt disturbance, or new construction may occur on the property, until a Tree Removal Permit has been issued that is associated with an approved Tree Preservation Plan.

In addition to the requirements for submittal of a Tree Removal Permit and Tree Preservation Plan, future development on the site must maintain the minimum existing protected tree canopy coverage, as required in Chapter 5.

Public Notification: Staff-mailed notices to all property owners within 200 feet of the subject property on Thursday, March 23, 2018. Notice was published in the *Fort Worth Star-Telegram*, as required by State law and the Land Development Code on Saturday, March 24, 2018. To date, no correspondence has been received for this item.

Staff Recommendation: The proposed plat meets the requirements of the Land Development Code, staff recommends approval.

Planning and Zoning Commission Recommendation: The Planning and Zoning Commission recommended approval of the plat with plat waivers for lot area and lot width for proposed Lot 2R2 by a vote of 6-0.

Financial Impact

There is no financial impact to the City.

Recommendation

Approve

Attachments

1. Aerial Map

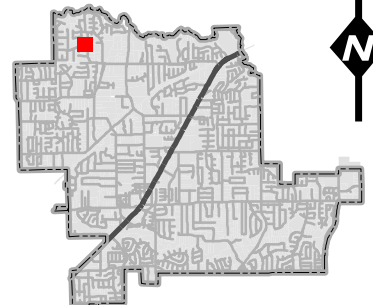
2. Zoning Map
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4. Plat Exhibit
5. Notification Map
6. Notification List
7. Property Owner Notification Letter
8. Resolution R-18-4264

Aerial Map



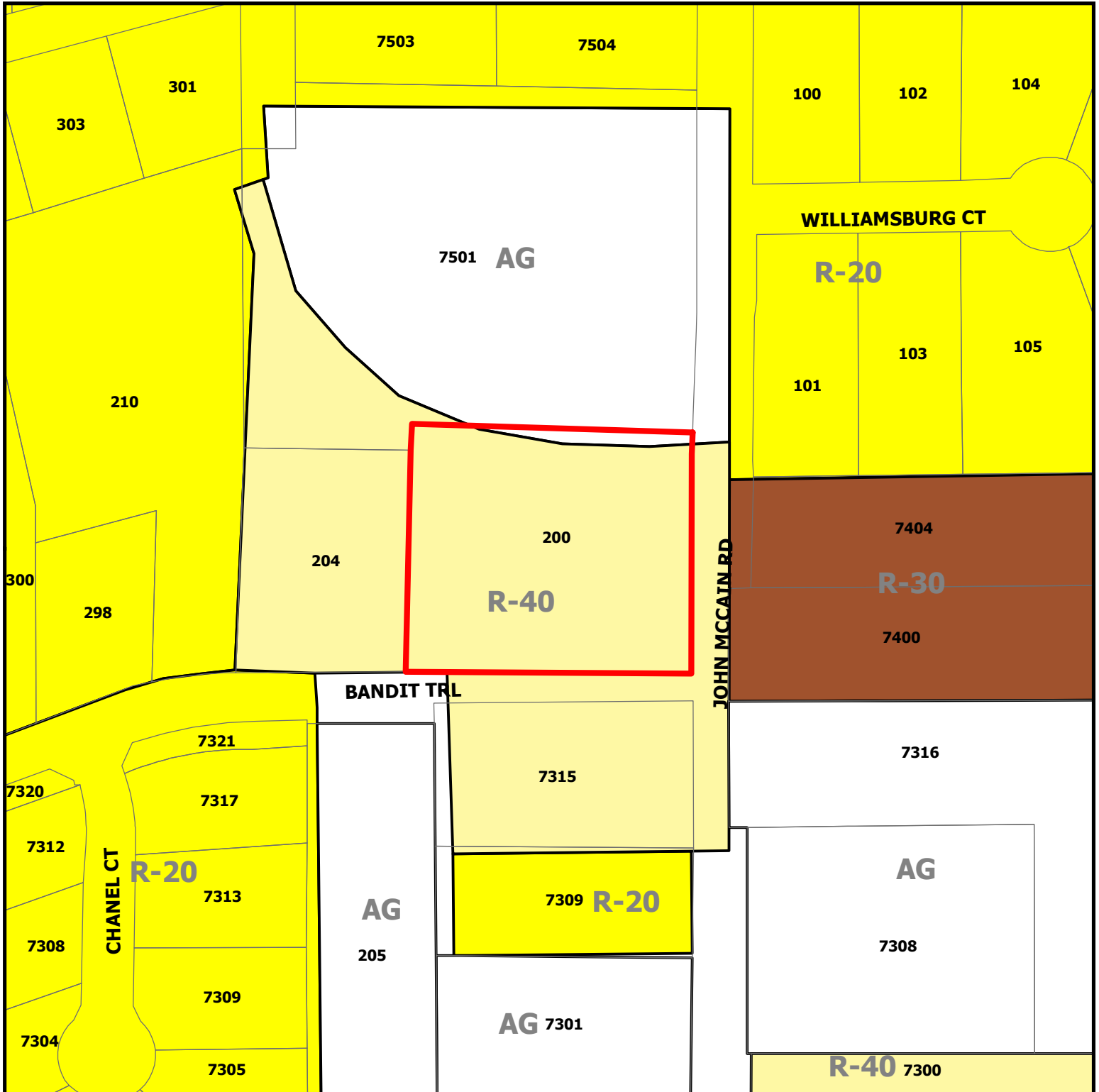
PC18-001
200 Bandit Trail

 Subject Property



DISCLAIMER:
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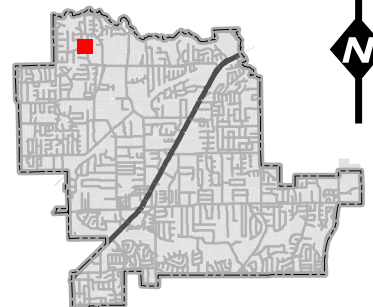
Zoning Map



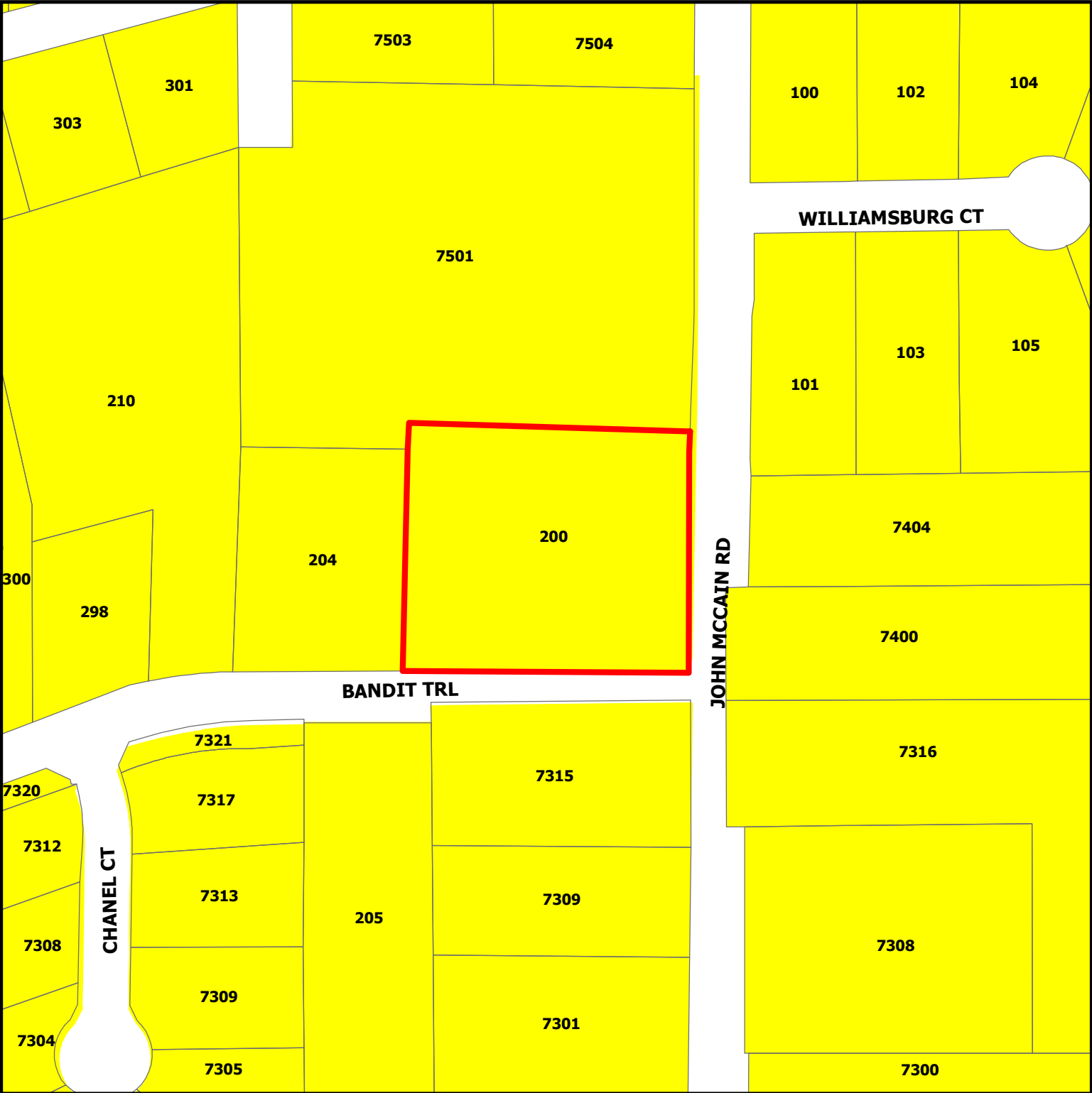
PC18-001
200 Bandit Trail

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 Subject Property



Future Land Use Map

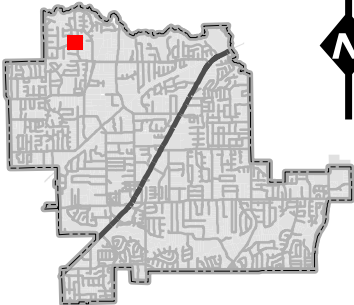


PC18-001

200 Bandit Trail

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 Subject Property



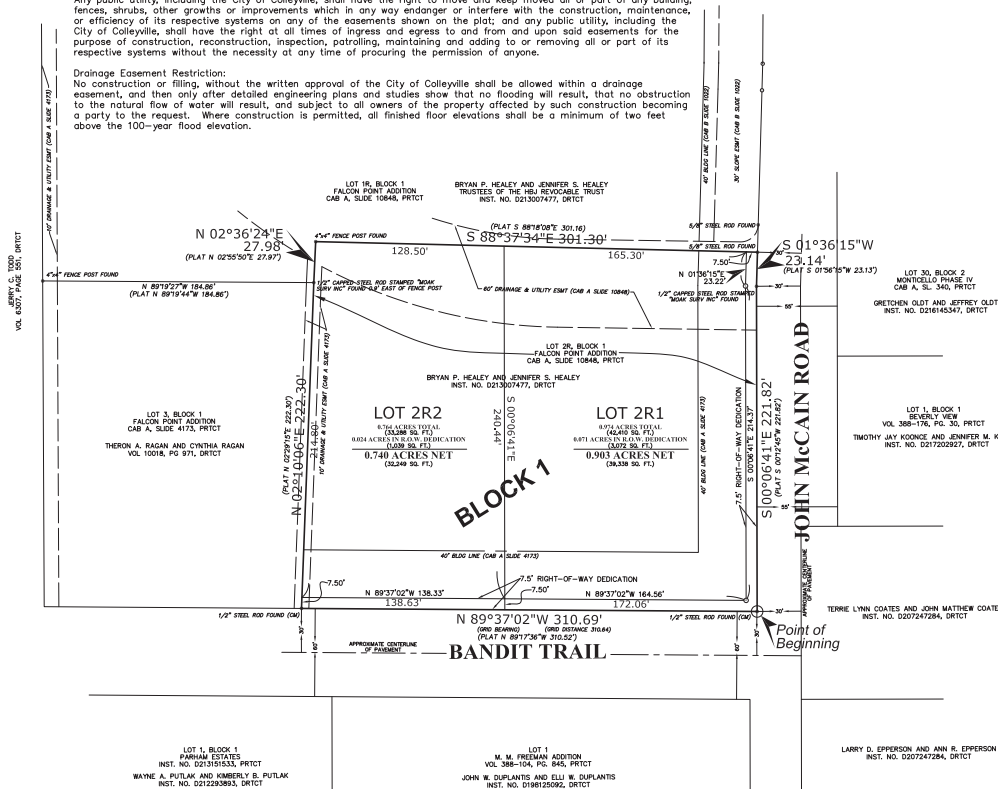
Plat Exhibit

Utility Easement:

Any public utility, including the City of Colleyville, shall have the right to move and keep moved all or part of any building, fences, shrubs, other growths or improvements which in any way endanger or interfere with the construction, maintenance, or efficiency of its respective systems on any of the easements shown on the plat; and any public utility, including the City of Colleyville, shall have the right at all times of ingress and egress to and from and upon said easements for the purpose of construction, reconstruction, inspection, patrolling, maintaining and adding to or removing all or part of its respective systems without the necessity of any time of procuring the permission of anyone.

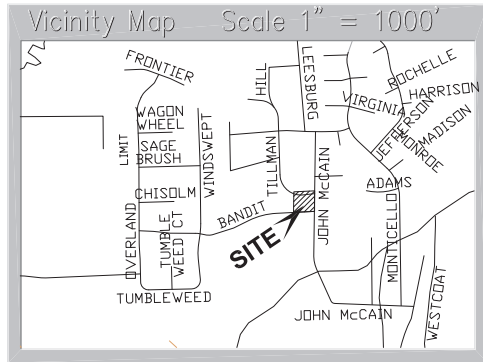
Drainage Easement Restriction:

No construction or filling, without the written approval of the City of Colleyville shall be allowed within a drainage easement, and then only after detailed engineering plans and studies show that no flooding will result, that no obstruction to the natural flow of water will result, and subject to all owners of the property affected by such construction becoming a party to the request. Where construction is permitted, all finished floor elevations shall be a minimum of two feet above the 100-year flood elevation.



CONTROL SOURCE

COORDINATE DATA AND BEARING SOURCE SHOWN HEREON IS BASED ON THE NATIONAL GEODETIC SURVEY - (GPS/OPUS) ONLINE POSITIONING USER SERVICE, NATIONAL CONTROL NETWORK DATA 1983. THIS DATA IS RELATIVE TO THE TEXAS COORDINATE SYSTEM, NAD 83, NORTH CENTRAL TEXAS ZONE, UTILIZING OPUS/GPS MONUMENTS NO'S twno, tser and zfw1 FOR BEARING CONTROL. COMBINED SCALE FACTOR IS 0.99984630 AND THE CONVERGENCE ANGLE IS +00 DEGREES 43 MINUTES 32.88 SECONDS. ALL DISTANCES AND COORDINATES SHOWN ARE BASED ON FEET - US DEFINITION.



NOTES

- (CM) - REPRESENTS CONTROL MONUMENT
- THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE COMMITMENT OR ABSTRACT OF THE PROPERTY.
- THE SOLE PURPOSE OF THIS REPLAT IS TO CREATE TWO LOTS OUT OF ONE.
- THE MAINTENANCE OF ALL DRAINAGE AND UTILITY EASEMENTS LOCATED ON PRIVATE PROPERTY ARE THE RESPONSIBILITY OF THE PROPERTY OWNER.

FLOOD NOTE

According to the Federal Emergency Management Agency's Flood Insurance Rate Map Number 48499C005 K (revised September 25, 2009), the tract described hereon does not appear to lie within Flood Zone AE (special flood hazard areas inundated by 100-year flood, base flood elevations determined). Said tract does appear to lie within Zone X-unshaded (areas determined to be outside 500-year floodplain).

This information is only our opinion based on our sincere efforts of scaling data from the above mentioned FEMA Map in relation to the location of said tract and is not based on a flood study performed by Prism Surveys, Inc.

LEGEND

- FOUND STEEL ROD
- SET CAPPED STEEL ROD
- CROSS CUT IN CONCRETE
- FOUND STEEL PIPE
- FOUND BOIS D'ARC STAKE



Planning and Zoning Commission Approval

WHEREAS The Planning and Zoning Commission of the City of Colleyville, Texas voted affirmatively on this _____ day of _____, 201____, to approve this Plat.

Chairman, Planning and Zoning Commission

Attest: Secretary, Planning and Zoning Commission

City Council Approval

WHEREAS The City Council of the City of Colleyville, Texas voted affirmatively on this _____ day of _____, 201____, to approve this Plat.

Mayor, City of Colleyville

Attest: City Secretary

OWNER / APPLICANT
LOT 2R

BRYAN P. HEALEY AND JENNIFER S. HEALEY
1205 CORDILLERA TRACE
BOERNE, TEXAS, 78006
ATTN: BRYAN HEALEY
682-888-6595

SURVEYOR / PREPARER

PRISM SURVEYS, INC.
3533 BELL DRIVE
HURST, TEXAS 76053
817-540-8048 OR 817-268-2211
FAX - 817-283-1148
CONTACT: JOHN W. MORGAN
E-MAIL: john@prism-surveys.com

This Plat Filed by Instrument No. _____ Tarrant County Plat Records, Date _____

STATE OF TEXAS §

OWNERS' ACKNOWLEDGEMENT AND DEDICATION

COUNTY OF TARRANT §

WHEREAS Bryan P. Healey and Jennifer S. Healey are the sole owners of the following described tract of land to wit:

ALL that certain tract or parcel of land situated in the M. M. FREEMAN SURVEY, ABSTRACT NO. 533 in the City of Colleyville, Tarrant County, Texas and being Lot 2R, Block 1, FALCON POINT ADDITION, to the City of Colleyville, Tarrant County, Texas according to the plat recorded in Cabinet A, Slide 10848, Plat Records, Tarrant County, Texas and also being that same tract as described in the Deed of Trust to Bryan P. Healey and Jennifer S. Healey as recorded in Instrument 0213007477, Deed Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch steel rod found (CM) at the intersection of the westerly right-of-way line of John McCain Road (a variable width right-of-way) and the northerly right-of-way line Bandit Trail (a variable width right-of-way);

THENCE North 89 degrees 37 minutes 02 seconds West with the southerly right-of-way line of said Bandit Trail, 310.69 feet to a 1/2 inch steel rod found (CM) for the southwest corner of said Lot 2R;

THENCE North 02 degrees 10 minutes 06 seconds East departing said southerly right-of-way line and with the westerly boundary line of said Lot 2R, 222.30 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found for the northeast corner of Lot 3, Block 1, Falcon Point Addition, an Addition to the City of Colleyville, Tarrant County, Texas as recorded in Cabinet A, Slide 4173 of said Plat Records;

THENCE North 02 degrees 36 minutes 24 seconds East continuing with said westerly boundary line, 27.98 feet to a 4"x 4" fence post found for the northeast corner of said Lot 2R;

THENCE South 88 degrees 37 minutes 34 seconds East with the northerly boundary line of said Lot 2R, 301.30 feet to a 5/8 inch steel rod found for the northeast corner of said 2R, also being in the said westerly right-of-way line of John McCain Road;

THENCE South 01 degrees 36 minutes 15 seconds West with said westerly right-of-way line and with the easterly boundary line of said Lot 2R, 213.4 feet to a 1/2 inch capped steel rod stamped "MOAK SURV INC" found;

THENCE South 00 degrees 06 minutes 41 seconds East continuing with said westerly right-of-way line and said easterly boundary line of said Lot 2R, 221.82 feet to the PLACE OF BEGINNING and containing 1.738 acres of land, more or less.

NOW THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

That we, Bryan P. Healey and Jennifer S. Healey do hereby adopt this plat designating the hereinabove described property as LOTS 2R1 and 2R2, BLOCK 1, FALCON POINT ADDITION, to the City of Colleyville, Tarrant County, Texas and do hereby dedicate fee simple to the public: use forever all streets, rights-of-way and alleys shown hereon, and do hereby reserve the easements on this plat for the mutual use on accommodation of all public utilities desiring to use or using the same. This plat approved subject to all platting ordinances, rules, regulations, and resolutions of the City of Colleyville, Texas.

Witness my hand this _____ day of _____, 2018

Bryan P. Healey

Jennifer S. Healey

STATE OF TEXAS §

COUNTY OF TARRANT §

Before me, the undersigned Notary Public in and for said County and State on this day personally appeared Bryan P. Healey and Jennifer S. Healey known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purpose and considerations therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this _____ day of _____, 2018

Notary Public in and for the State of Texas _____

REPLAT SHOWING

LOTS 2R1 AND 2R2, BLOCK 1, FALCON POINT ADDITION, an Addition to the City of Colleyville, Tarrant County, Texas

BEING A REPLAT OF LOT 2R, BLOCK 1, FALCON POINT ADDITION, AN ADDITION TO THE CITY OF COLLEYVILLE, TARRANT COUNTY, TEXAS AS RECORDED IN CABINET A, SLIDE 10848, PLAT RECORDS, TARRANT COUNTY, TEXAS.

SITUATED IN THE

M. M. FREEMAN SURVEY, ABSTRACT NO 533,

TARRANT COUNTY, TEXAS

CONTAINING - 1.738 ACRES - 75,698 SQ. FT. +/-

CURRENT ZONING - R-30

PRISM SURVEYS, INC.

SUCCESSORS TO MOAK SURVEYS, INC.

COMMERCIAL, RESIDENTIAL, BOUNDARY,

INVESTIGATIVE, TOPOGRAPHIC, TITLE

SURVEYS, PLATTING AND

CONSTRUCTION STAKING

Firm No. 101325-00

3533 BELL DRIVE

HURST, TEXAS, 76053

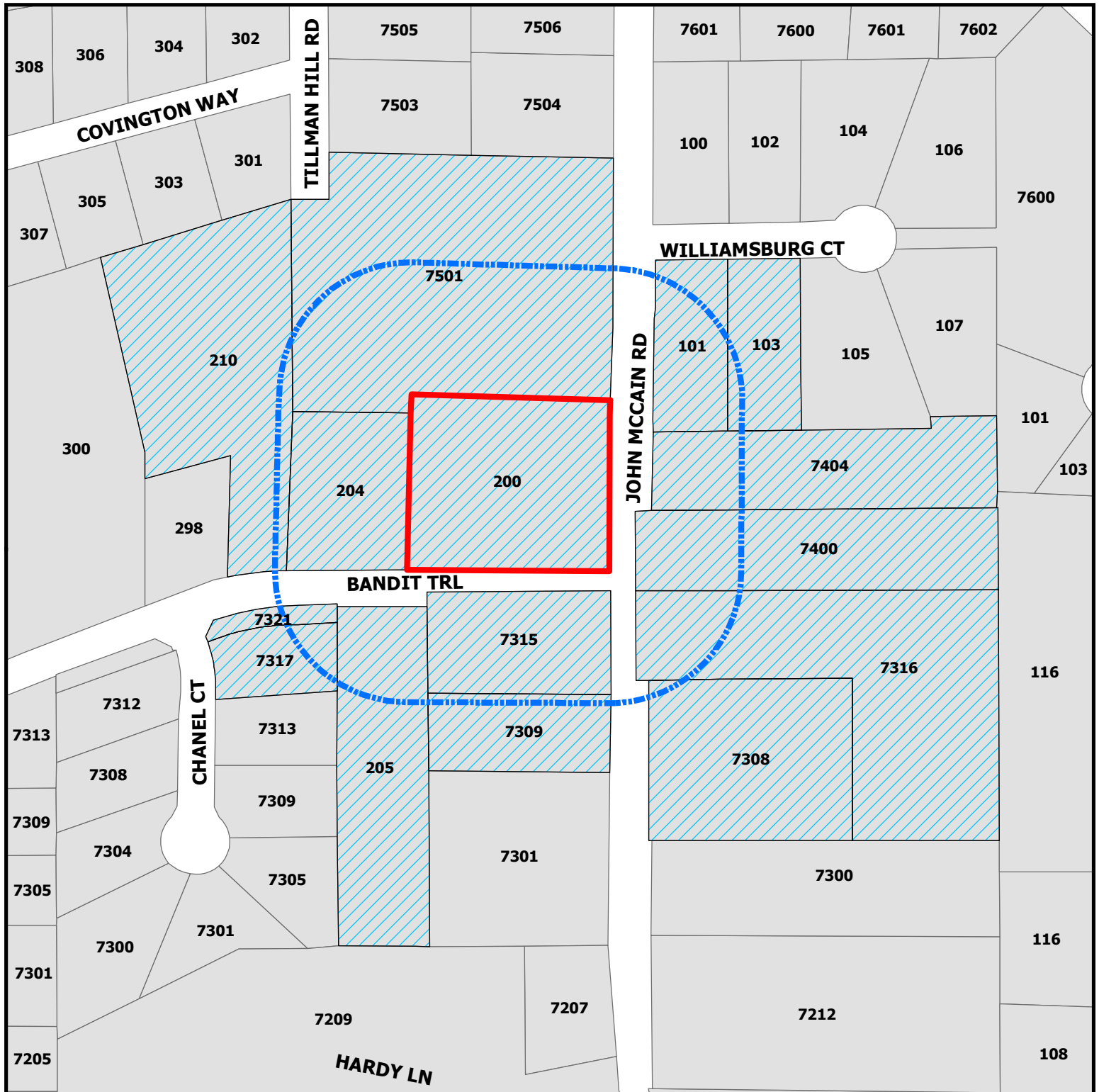
(817) 540-8048 OR (817) 268-2211



REvised - FEBRUARY 20, 2018 SCALE: 1"= 40' / DECEMBER 7, 2017 / DRAWN BY: JMM / COOR. FILE: 17-0882 / PROJECT NO: 17-0882

SHEET 1 of 1

Notification Map



PC18-001

200 Bandit Trail



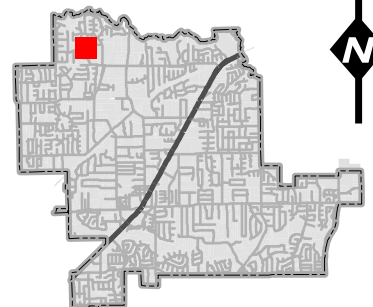
Subject Property



200ft Buffer



Properties within 200ft



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Notification List

Owner Name	Owner Address	Owner City	Owner Zip	Situs Address
HBJ REVOCABLE TRUST	7501 TILLMAN HILL RD	COLLEYVILLE, TX	76034	200 BANDIT TR
COATES, JOHN M	7400 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7400 JOHN MCCAIN RD
EPPERSON, LARRY D	7308 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7316 JOHN MCCAIN RD
EPPERSON, LARRY ETAL ANN R	7308 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7308 JOHN MCCAIN RD
HAMILTON, BEVERLY	7404 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7404 JOHN MCCAIN RD
HBJ REVOCABLE TRUST	7501 TILMAN HILL RD	COLLEYVILLE, TX	76034	7501 TILLMAN HILL RD
CHAPMAN, MARK NOEL	103 WILLIAMSBURG CT	COLLEYVILLE, TX	76034	103 WILLIAMSBURG CT
MUHAMMAD, SURRIYA	210 BANDIT TR	COLLEYVILLE, TX	76034	210 BANDIT TR
RAGAN, THERON A	204 BANDIT TR	COLLEYVILLE, TX	76034	204 BANDIT TR
PARHAM, LANDON W	205 BANDIT TRL	COLLEYVILLE, TX	76034	205 BANDIT TR
SHAVER, SCOTT W	PO BOX 1967	COLLEYVILLE, TX	76034	7317 CHANEL CT
WALKER, GRADY M	PO BOX 1905	COLLEYVILLE, TX	76034	7309 JOHN MCCAIN RD
OLDT, GRETCHEN	101 WILLIAMSBURG CT	COLLEYVILLE, TX	76034	101 WILLIAMSBURG CT
DUPLANTIS, JOHN W	7315 JOHN MCCAIN RD	COLLEYVILLE, TX	76034	7315 JOHN MCCAIN RD
VISIONS SOUTHWEST 10 LP	PO BOX 1178	GRAPEVINE, TX	76099	7321 CHANEL CT
CHANEL COURT	7300 CHANEL COURT	COLLEYVILLE, TX	76034	COURTESY NOTICE
MONTICELLO ADDITION-COLLEYVLE	P.O. BOX 254	COLLEYVILLE, TX	76034	COURTESY NOTICE
GRAPEVINE-COLLEYVILLE ISD	3051 IRA E. WOODS AVENUE	GRAPEVINE, TX	76051	STATE REQUIRED
BRYAN AND JENNIFER HEALEY TRUSTEE	1205 CORDILLERA TRACE	BOERNE, TX	78006	APPLICANT



NOTICE OF PUBLIC HEARING

Zoning Case Number: PC18-001

Owner: Brian and Jennifer Healey

Applicant: Brian and Jennifer Healey

Location: 200 Bandit Trail

Property Description: Lot 2R, Block 1, of the Falcon Point Addition

Present Zoning: R-40 Single Family Residential District

Requested Zoning: R-30 Single Family Residential District

Request: Consideration of a Replat Plat for Lot 2R, Block 1, of the Falcon Point Addition, located at 200 Bandit Trail. The purpose is to subdivide the lot into two lots for the construction of two single-family homes.

The City of Colleyville has scheduled public hearings concerning the above referenced request on the following dates and location:

Planning and Zoning Commission Meeting: Monday, April 9, 2018 at 7:00 p.m.

City Council Meeting: Tuesday, May 1, 2018 at 7:30 p.m.

3rd floor of City Hall, 100 Main Street, Colleyville, Texas

This notice has been sent to all owners of real property within 200 feet of the request as such ownership appears on the last approved tax roll and all homeowners associations within 500 feet. Action by the Planning and Zoning Commission serves as a recommendation to the City Council and is not a final action on the request.

The application is on file for public examination in the Community Development Department at 100 Main Street, Colleyville, Texas. A brief project description can be found online on the Active Development Case map: <https://www.colleyville.com/zoning.html>. For additional information, please contact the Community Development Department at 817.503.1056. Please reference the zoning case number when requesting information.

Felix Landry
Principal Planner
flandry@colleyville.com

RESOLUTION R-18-4264

**A RESOLUTION APPROVING A REPLAT FOR LOTS 2R1 AND 2R2,
BLOCK 1, OF THE FALCON POINT ADDITION**

WHEREAS, the Planning and Zoning Commission recommended approval of the replat for Lots 2R1 and 2R2, Block 1, of the Falcon Point Addition on April 9, 2018.

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

Sec. 1. THAT the replat for Lots 2R1 and 2R2, Block 1, of the Falcon Point Addition on approximately 1.738 acres, attached as Exhibit "A" - Plat Exhibit, is hereby approved.

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, AND ____ ABSTENTIONS ON THIS
THE 15th DAY OF MAY 2018.

Mayor Richard Newton _____
Place 1, Tammy Nakamura _____
Place 3, Kathy Wheat _____
Place 4, George Dodson _____

Mayor Pro Tem Bobby Lindamood _____
Place 5, Chuck Kelley _____
Place 6, Callie Rigney _____

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor



City of Colleyville City Council Agenda Briefing

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

Agenda Number
Type Report
Department Finance

Agenda Date 05/15/2018

Number 10

Title

Monthly Financial Report - April 2018

Explanation **General Fund**

As of April 30, 2018, the general fund earned \$20,283,781 in revenues and incurred \$13,282,020 in expenditures.

Ad Valorem taxes, franchise fees and sales taxes account for more than 84% of the General fund's budgeted revenues.

- **Ad Valorem Taxes:**

The City earned \$14,385,515 out of the \$14,322,575 budgeted for ad valorem tax revenues, including penalty and interest. The reported revenue is 8.43% above the revenue reported for the same period last year.

- **Franchise Fees Revenue:**

The City earned \$1,817,423 out of the \$2,070,000 budgeted for franchise fees. The reported revenue is 4.73% above the revenue reported for the same period last year.

- **Sales Tax Revenue:**

The City earned \$1,597,960 out of the \$3,800,000 budgeted sales tax revenue. The reported revenue is 1.23% above the revenue reported for the same period last year. The reported amount represents the total mixed beverage taxes and sales taxes received to date.

Utility Fund

As of April 30, 2018, the utility fund earned \$7,693,615 in revenues and incurred \$5,725,689 in expenses, which represents the year-to-date expenditures netted against the 2017 TRA true up refund of \$1,713,953.

Water and wastewater sales account for more than 98% of the utility fund's budgeted revenues.

- **Water Sales:**

The City earned \$5,006,035 out of the \$11,195,957 budgeted for water sales. The reported revenue is 2.66% below the revenue reported for the same period last year.

- **Wastewater Sales:**

The City earned \$2,443,120 out of the \$4,024,060 budgeted for wastewater sales. The reported revenue is 10.45% above the revenue reported for the same period last year.

Debt Service Fund

As of April 30, 2018, the Debt service fund earned \$1,970,411 out of the budgeted revenues and transfers from other funds of \$1,854,412 and expended \$1,724,759 out of the budgeted expenditures of \$1,979,412.

Drainage Fees Fund

As of April 30, 2018, the Drainage fees fund spent \$432,702 out of its \$1,481,362 expense budget and earned \$595,868 in revenues which is 61.95% of the budgeted revenue of \$961,880.

City of Colleyville
General Fund Monthly Financial Report
As of 4/30/2018 - End of 58.33% of the Fiscal Year

GENERAL FUND		ACTIVITY	
	FY 2018	FY 2018 YTD	PERCENT
SUMMARY	BUDGET	AS OF	OF BUDGET
		4/30/2018	USED
Revenues	23,934,566	20,283,781	84.75%
Expenditures	23,694,811	13,282,020	56.05%
Revenues over expenditures	\$239,755	\$7,001,761	

GENERAL FUND		RECEIVED		AVERAGE ACTUAL	RECEIVED	
	FY 2018	FY 2018 YTD	PERCENT	YTD BALANCE	FY 2017 YTD	PERCENT
REVENUE SOURCE	BUDGET	AS OF	OF BUDGET	AS A PERCENT OF	AS OF	CHANGE OVER
		4/30/2018	RECEIVED	YEAR END BAL	4/30/2017	PRIOR YEAR
Current Taxes	14,242,575	14,284,654	100.30%	97.33%	13,230,107	7.97%
Delinquent Taxes	25,000	56,484	225.93%	62.27%	4,734	1093.15%
Penalty & Interest	55,000	44,377	80.69%	46.35%	31,677	40.09%
TOTAL AD VALOREM TAXES	14,322,575	14,385,515	100.44%	96.96%	13,266,518	8.43%
Oncor Electric	885,000	890,388	100.61%	100.00%	889,222	0.13%
Tri-County Electric	100,000	105,858	105.86%	100.00%	101,311	4.49%
Atmos Gas	325,000	401,952	123.68%	100.00%	334,570	20.14%
AT&T	60,000	28,653	47.76%	50.90%	31,454	-8.90%
Verizon/Others	65,000	37,403	57.54%	49.29%	38,630	-3.18%
Refuse/Recycling	160,000	93,996	58.75%	53.99%	96,875	-2.97%
Cable TV	475,000	259,172	54.56%	51.27%	243,291	6.53%
TOTAL FRANCHISE TAXES	2,070,000	1,817,423	87.80%	82.11%	1,735,352	4.73%
Sales Tax	3,700,000	1,510,723	40.83%	37.67%	1,492,624	1.21%
Mixed Beverage Tax	100,000	87,237	87.24%	74.02%	85,887	1.57%
TOTAL SALES TAXES	3,800,000	1,597,960	42.05%	38.73%	1,578,511	1.23%
Building	625,000	509,559	81.53%	59.58%	363,923	40.02%
Plumbing	72,000	40,411	56.13%	58.33%	34,070	18.61%
Mechanical	48,000	27,732	57.78%	51.70%	24,654	12.49%
Electrical	51,000	43,732	85.75%	56.90%	32,624	34.05%
City License	26,000	28,700	110.38%	63.41%	34,000	-15.59%
Building Plan Review Fee	88,000	64,562	73.37%	62.64%	54,775	17.87%
New Business	7,400	4,100	55.41%	54.03%	4,510	-9.09%
Sign Permit	8,000	5,150	64.38%	59.73%	5,610	-8.20%
Fence Permit	15,000	7,951	53.01%	54.79%	11,300	-29.64%
Fire Permits	8,000	5,155	64.44%	57.31%	6,850	-24.74%
Irrigation Permit	20,000	8,487	42.44%	57.00%	15,314	-44.58%
TOTAL LICENSES & PERMITS	968,400	745,539	76.99%	59.00%	587,630	26.87%

GENERAL FUND - CONTINUED		RECEIVED		AVERAGE ACTUAL	RECEIVED	
	FY 2018	FY 2018 YTD	PERCENT	YTD BALANCE	FY 2017 YTD	PERCENT
REVENUE SOURCE	BUDGET	AS OF	OF BUDGET	AS A PERCENT OF	AS OF	CHANGE OVER
		4/30/2018	RECEIVED	YEAR END BAL	4/30/2017	PRIOR YEAR
Court Fines	850,000	378,489	44.53%	53.57%	468,039	-19.13%
Alarm Fees	53,000	29,049	54.81%	52.28%	29,247	-0.68%
Library Fines	17,460	10,161	58.19%	51.66%	10,554	-3.73%
TOTAL FINES	920,460	417,699	45.38%	53.31%	507,840	-17.75%
Re-zoning	9,000	9,267	102.97%	56.85%	4,695	97.38%
Plat Fee/Site Plan/Landscaping Plan Fee	8,200	6,098	74.36%	57.49%	5,265	15.81%
Board of Adjustment	2,000	1,125	56.25%	53.15%	1,825	-38.36%
Sale of Material	100	268	267.95%	48.44%	21	1175.95%
Weed Mowing	7,000	300	4.29%	71.94%	13,538	-97.78%
Ambulance	320,000	207,900	64.97%	59.95%	172,218	20.72%
Recreation Program	193,500	135,593	70.07%	49.00%	109,355	23.99%
Credit Card Fee Revenue	-	8,324	0.00%		-	0.00%
Non-Resident Fee Parks	40,000	43,355	108.39%	99.53%	44,240	-2.00%
Field Use Charge	21,500	21,930	102.00%	93.68%	22,585	-2.90%
Engineering & Inspection	20,000	4,826	24.13%	48.91%	48,802	-90.11%
Material Testing	10,000	2,823	28.23%	0.00%	12,917	-78.14%
Colleyville Center Rental	240,000	113,847	47.44%	58.72%	130,808	-12.97%
Lot Drainage Insp Fee	15,000	13,625	90.83%	58.12%	10,625	28.24%
Transfer from Utility Fund	196,920	196,920	100.00%	0.00%	-	0.00%
Transfer from TIF	210,377	210,377	100.00%	0.00%	-	0.00%
TOTAL CHARGES FOR SERVICE	1,293,597	976,578	75.49%	27.88%	576,894	69.28%
SRO Officer Reimb	98,996	-	0.00%	0.00%	-	0.00%
Keller Court	260,538	130,269	50.00%	50.00%	119,734	8.80%
TOTAL INTERGOVERNMENTAL	359,534	130,269	36.23%	36.00%	119,734	8.80%
Sale of Surplus Property	5,000	34,396	687.93%	81.36%	-	0.00%
Interest Income	45,000	38,015	84.48%	20.60%	32,029	18.69%
Miscellaneous	60,000	43,734	72.89%	66.03%	70,107	-37.62%
Antenna Lease	90,000	54,801	60.89%	60.86%	54,450	0.65%
Grant Proceeds	-	41,850	0.00%	0.00%	-	0.00%
TOTAL MISCELLANEOUS	200,000	212,798	106.40%	54.31%	156,586	35.90%
TOTAL GENERAL FUND REVENUES	23,934,566	20,283,781	84.75%	74.68%	18,529,065	9.47%

	FY 2018	THROUGH	THROUGH	TOTAL	PERCENT
	BUDGET	4/30/2018	4/30/2017	INCREASE	INCREASE
				(DECREASE)	(DECREASE)
RESIDENTIAL BLDG PERMITS	115	105	84	21	25.00%
COMMERCIAL BLDG PERMITS	7	0	1	(1)	100.00%
CITATIONS ISSUED	10,500	3,955	4,506	(551)	-12.23%

GENERAL FUND EXPENDITURES						
	FY 2018	EXPENDED	PERCENT	PERCENT OF	BUDGET	EXPENDED
	BUDGET	THROUGH	OF BUDGET	FISCAL YEAR	REMAINING	AS OF
		4/30/2018	EXPENDED	COMPLETE		4/30/2017
Personnel services	15,048,648	8,377,708	55.67%	58.33%	6,670,940	7,922,296
Contractual Services	5,341,951	2,578,441	48.27%	58.33%	2,763,510	2,580,467
Supplies	1,275,506	303,649	23.81%	58.33%	971,857	543,600
Capital Outlay	14,000	7,516	53.69%	58.33%	6,484	28,962
Transfer to other fund	2,014,706	2,014,706	100.00%	58.33%	-	2,853,706
TOTAL EXPENDITURES	23,694,811	13,282,020	56.05%	58.33%	10,412,791	13,929,031

City of Colleyville
Utility Fund Monthly Financial Report
As of 4/30/2018 - End of 58.33% of the Fiscal Year

UTILITY FUND		ACTIVITY	
	FY 2018	FY 2017 YTD	PERCENT
SUMMARY	BUDGET	AS OF	OF BUDGET
		4/30/2018	USED
Revenues	15,540,017	7,693,615	49.51%
Expenditures	15,526,542	5,725,689	36.88%
Revenues over expenditures	\$13,475	1,967,925	

UTILITY FUND		RECEIVED	PERCENT	AVERAGE ACTUAL	RECEIVED	PERCENT
	FY 2018	AS OF	OF BUDGET	YTD BALANCE	AS OF	CHANGE OVER
REVENUE SOURCE	BUDGET	4/30/2018	RECEIVED	AS A PERCENT OF	4/30/2017	PRIOR YEAR
				YEAR END BAL		
Water Sales	11,195,957	5,006,035	44.71%	43.89%	5,142,903	-2.66%
Sewer Sales	4,024,060	2,443,120	60.71%	58.24%	2,211,911	10.45%
Sewer Installation	15,000	10,900	72.67%	56.07%	8,400	29.76%
Water Installation	42,000	32,540	77.48%	57.48%	21,960	48.18%
Engineering Charges	5,000	11,542	230.83%	77.94%	15,785	-26.88%
Penalties	200,000	123,215	61.61%	57.35%	128,663	-4.23%
Sale of Material	-	2,350	0.00%	16.99%	3,137	-25.09%
Miscellaneous	13,000	14,203	109.25%	53.32%	18,409	-22.85%
TOTAL OPERATING INCOME	15,495,017	7,643,905	49.33%	47.85%	7,551,168	1.23%
Sale of Surplus Property	-	8,418	0.00%	100.00%	-	0.00%
Interest Income	45,000	41,292	91.76%	22.02%	26,291	57.06%
TOTAL NON-OPERATING INCOME	45,000	49,710	110.47%	46.22%	26,291	89.08%
TOTAL INCOME	15,540,017	7,693,615	49.51%	47.91%	7,577,459	1.53%

	THROUGH	THROUGH	TOTAL	PERCENT
	4/30/2018	4/30/2017	INCREASE	INCREASE
			(DECREASE)	(DECREASE)
GALLONS OF WATER SOLD	992,924,900	1,046,507,600	(53,582,700)	-5.12%
NUMBER OF WATER CUSTOMERS	10,094	9,923	171	1.72%

UTILITY FUND EXPENSES		EXPENDED	PERCENT	PERCENT OF	BUDGET	EXPENDED
	FY 2018	THROUGH	OF BUDGET	FISCAL YEAR	REMAINING	AS OF
	BUDGET	4/30/2018	EXPENDED	COMPLETE		4/30/2017
Personnel Services	1,983,307	1,038,783	52.38%	58.33%	944,524	921,508
Contractual services*	12,717,635	4,116,085	32.37%	58.33%	8,601,550	5,433,272
Supplies	245,969	87,051	35.39%	58.33%	158,918	95,550
Debt Service	157,325	156,913	99.74%	58.33%	413	356,088
Capital Outlay	100,000	4,551	4.55%	58.33%	95,449	61,288
Transfers to other funds	322,306	322,306	100.00%	58.33%	-	7,034,262
TOTAL EXPENSES	15,526,542	5,725,689	36.88%	58.33%	9,800,853	13,901,968

Notes: Budgeted transfers of \$322,306 as follows: \$44,286 for an internal loan for vector truck; \$81,100 for Vehicle and Equipment Replacement Fund; \$196,920 for 12.4% payment to General Fund for internal service personnel.

* Includes \$1,713,953 in settle up refunds from TRA (\$1,688,008 for water and \$25,945 for sewer)

City of Colleyville
Debt Service Fund Monthly Financial Report
As of 4/30/2018 - End of 58.33% of the Fiscal Year

DEBT SERVICE FUND		ACTIVITY	
	FY 2018	FY 2017 YTD	PERCENT
SUMMARY	BUDGET	AS OF	OF BUDGET
		4/30/2018	USED
Revenues	1,854,412	1,970,411	106.26%
Expenditures	1,979,412	1,724,759	87.13%
Revenues over expenditures	(125,000)	245,652	
Budgeted use of fund balance	125,000		
Revenues & use of fund balance over expenditures	-	245,652	

DEBT SERVICE FUND		RECEIVED		AVERAGE ACTUAL	RECEIVED	
	FY 2018	FY 2018 YTD	PERCENT	YTD BALANCE	FY 2017 YTD	PERCENT
REVENUE SOURCE	BUDGET	AS OF	OF BUDGET	AS A PERCENT OF	AS OF	CHANGE OVER
		4/30/2018	RECEIVED	YEAR END BAL	4/30/2017	PRIOR YEAR
Current taxes	683,367	806,179	117.97%	97.27%	707,808	13.90%
Delinquent taxes	5,000	4,546	90.92%	63.29%	363	1153.32%
Penalty & interest	5,000	3,334	66.67%	47.99%	1,761	89.30%
Interest Income	5,000	308	6.15%	48.20%	4,390	-92.99%
TOTAL AD VALOREM TAX & INTEREST	698,367	814,366	116.61%	96.67%	714,321	14.01%
Transfer from CCPD	501,845	501,845	100.00%	100.00%	503,862	-0.40%
Transfer from TIF*	654,200	654,200	100.00%	100.00%	655,781	-0.24%
TOTAL TRANSFERS	1,156,045	1,156,045	100.00%	100.00%	1,159,643	-0.31%
Use of Fund Balance	125,000	-	0.00%	0.00%	-	0.00%
Bond proceeds & Premium		-	0.00%	0.00%	-	0.00%
TOTAL REVENUE & USE OF FUND BAL	1,979,412	1,970,411	99.55%	97.85%	1,873,964	5.15%

DEBT SERVICE FUND		EXPENDED	PERCENT	PERCENT OF	BUDGET	EXPENDED
	FY 2018	THROUGH	OF BUDGET	FISCAL YEAR	REMAINING	AS OF
	BUDGET	4/30/2018	EXPENDED	COMPLETE		4/30/2017
Bond & Interest Payments	1,639,088	1,559,435	95.14%	58.33%	79,653	1,535,459
Leases (Fire Engine & Ambulance)	340,324	165,324	48.58%	58.33%	175,000	334,904
TOTAL EXPENSES	1,979,412	1,724,759	87.13%	58.33%	254,653	1,870,363

*Transfer takes place at the balance sheet level for the principal portion of the debt without affecting the income statement accounts.

City of Colleyville
Drainage Fee Fund Monthly Financial Report
As of 4/30/2018 - End of 58.33% of the Fiscal Year

DRAINAGE FEE FUND		ACTIVITY	
	FY 2017	FY 2017 YTD	PERCENT
SUMMARY	BUDGET	AS OF	OF BUDGET
		4/30/2018	USED
Revenues	961,880	595,868	61.95%
Expenditures	1,481,362	432,702	29.21%
Revenues over expenditures	(519,482)	163,165	
Budgeted use of fund balance	519,482		
Revenues & use of fund			
balance over	-	163,165	
expenditures			

DRAINAGE FEE FUND		RECEIVED		AVERAGE ACTUAL	RECEIVED	
	FY 2018	FY 2018 YTD	PERCENT	YTD BALANCE	FY 2017 YTD	PERCENT
REVENUE SOURCE	BUDGET	AS OF	OF BUDGET	AS A PERCENT OF	AS OF	CHANGE OVER
		4/30/2018	RECEIVED	YEAR END BAL	4/30/2017	PRIOR YEAR
Drainage Revenues	950,880	573,822	60.35%	58.09%	564,696	1.62%
Other revenues (Interest, penalty,...)	11,000	22,046	200.42%	63.15%	4,325	409.73%
TOTAL REVENUES	961,880	595,868	61.95%	58.16%	569,020	4.72%

DRAINAGE FEE FUND		EXPENDED	PERCENT	PERCENT OF	BUDGET	EXPENDED
	FY 2018	THROUGH	OF BUDGET	FISCAL YEAR	REMAINING	AS OF
	BUDGET	4/30/2018	EXPENDED	COMPLETE		4/30/2017
Personnel Services	424,005	234,484	55.30%	58.33%	189,521	209,092
Contractual Services	134,826	42,286	31.36%	58.33%	92,540	44,777
Supplies	47,957	18,241	38.04%	58.33%	29,716	9,912
Debt Service	124,574	118,661	95.25%	58.33%	5,913	120,887
Transfers to other funds	750,000	19,032	2.54%	58.33%	730,969	19,032
TOTAL EXPENSES	1,481,362	432,702	29.21%	58.33%	1,048,660	403,700



City of Colleyville City Council Agenda Briefing

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

Agenda Number
Type Presentation
Department City Manager

Agenda Date 05/15/2018

Number 10

Title

Quarterly Investment Report for the quarter ended March 31, 2018

Strategic Plan

- 1.4 Communicate thoroughly and strategically
- 1.3 Assure convenient access to public information
- 2.4 Demonstrate stewardship of public resources

Explanation

Investment Summary for period ending March 31, 2018:

Cash & Cash Equivalents (Logic) were \$60,500,298, investments in governmental issues were \$20,782,071 and the CDARS/CD's totaled \$4,072,284.

The total funds held by the City equaled \$85,354,654 and were allocated as follows:

Logic	31%
Government Issues	24%
CDARS/CD's	4%
CD'S	1%
Cash	40%

Investment Benchmark 1.56%

Logic	1.61%
Government Issues	1.34%
CDARS	0.52%
CD'S	2.53%
Bank Earned Income Credit	1.45%
Portfolio	1.15%

Interest earnings for the quarter were \$188,306 with an average yield of 1.48% versus \$154,188 and 1.15% for the prior quarter. These percentages are within the guidelines of the City investment policy.

Attachments

1. Investment Report-March 2018

QUARTERLY INVESTMENT REPORT

FOR QUARTER ENDING March 31, 2018

THIS REPORT IS IN COMPLIANCE WITH THE PUBLIC FUNDS INVESTMENT ACT
AND ADOPTED INVESTMENT POLICY STRATEGY

Shereen Gendy
Karen Hines



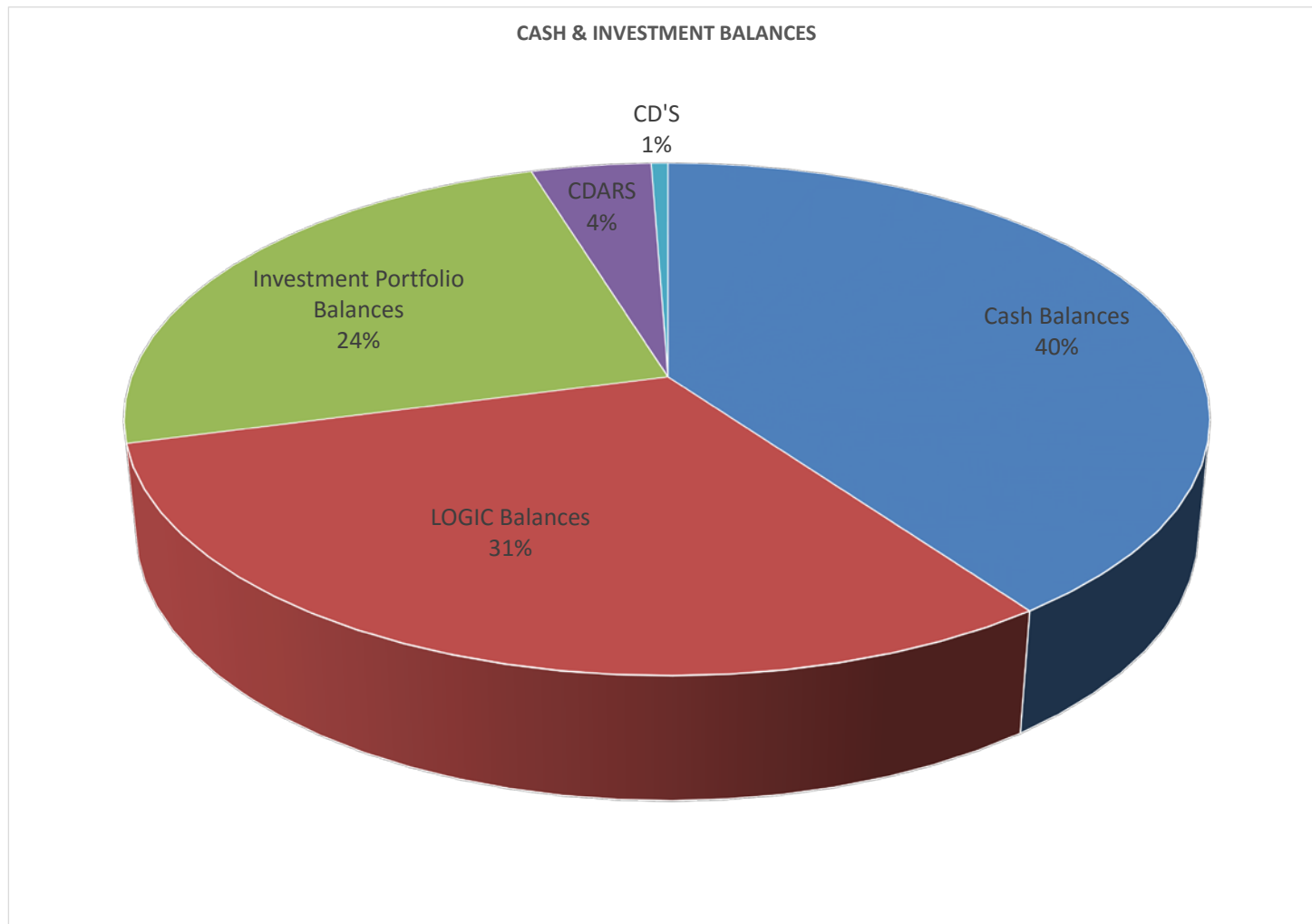
**Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT**

	Current As of 3/31/2018	Last Quarter As of 12/31/2017
Cash and Investment Balances		
Cash Balances	\$ 34,220,412	\$ 29,516,598
LOGIC Balances	\$ 26,279,886	\$ 26,175,681
Investment Portfolio Balances	\$ 20,782,071	\$ 20,783,848
CDARS	\$ 3,576,284	\$ 4,591,089
CD'S	\$ 496,000	\$ -
Total Cash, Logic, & Other Investments	\$ 85,354,654	\$ 81,067,216

Investment Yields, Maturities, and Interest		
	Current As of 3/31/2018	Last Quarter As of 12/31/2017
Bank Earned Income Credit	1.45%	1.10%
13 Week Treasury Benchmark	1.56%	1.21%
Logic Average Quarterly Yield	1.61%	1.32%
Logic Quarter's Average Weighted Maturity	29	35
Average Weighted Yield: Agency	1.34%	1.21%
Average Weighted Maturity: Agency	373	393
Average Weighted Yield: CDARS	0.52%	0.50%
Average Weighted Maturity: CDARS	256	287
Average Weighted Yield: CD'S	2.53%	NA
Average Weighted Maturity: CD'S	730	NA
Investment Interest Earnings - Quarter	\$ 188,306	\$ 154,188
Bank Earnings Allowance	\$ 20,917	\$ 16,572
Interest Rate/Yield for the Quarter	1.48%	1.15%



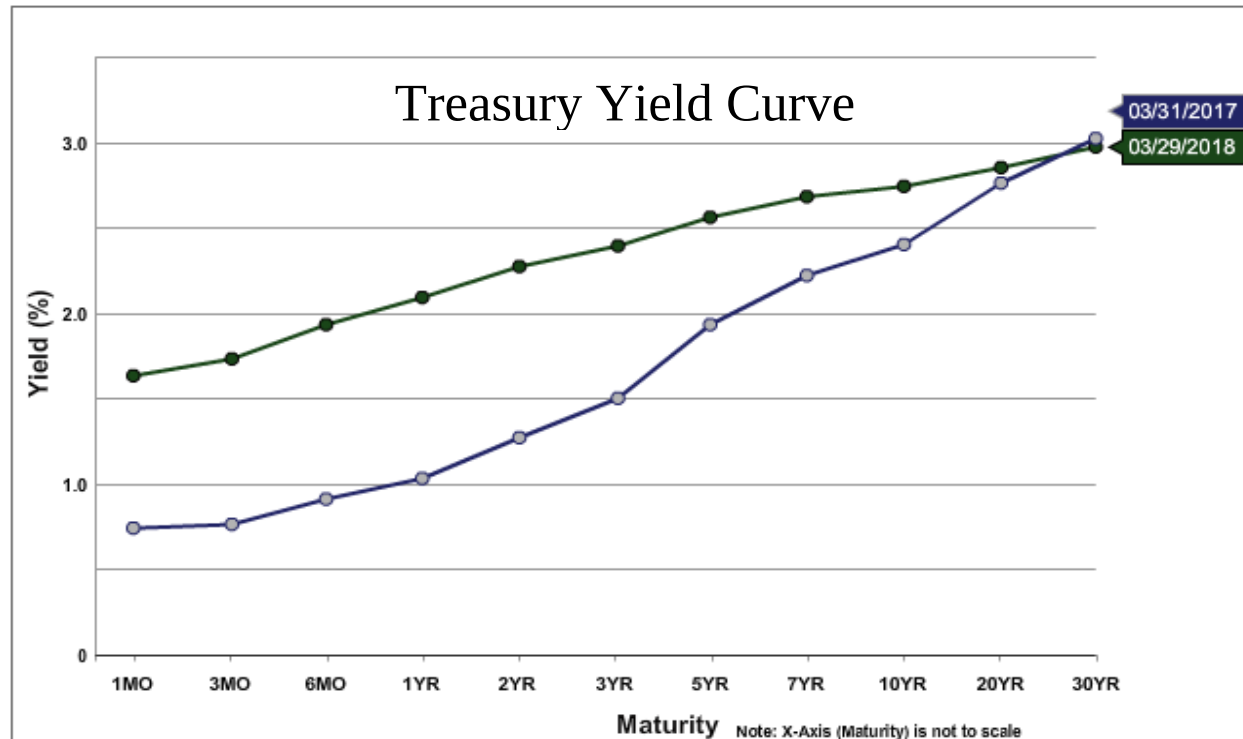
**Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT**





**Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT**

Outstanding Security Portfolio		Purchase Price	Percent (Value)	Market Value
Distribution by Maturity	Number			
1 to 90 days	5	\$ 5,201,190	25.03%	\$ 5,188,727.60
91 to 180 days	1	\$ 999,300	4.81%	\$ 995,257.00
181 to 365 days	3	\$ 3,000,392	14.44%	\$ 2,982,691.00
Over 365 days	11	\$ 11,581,190	55.72%	\$ 12,619,354.10
Total	20	\$ 20,782,071	100%	\$ 21,786,030



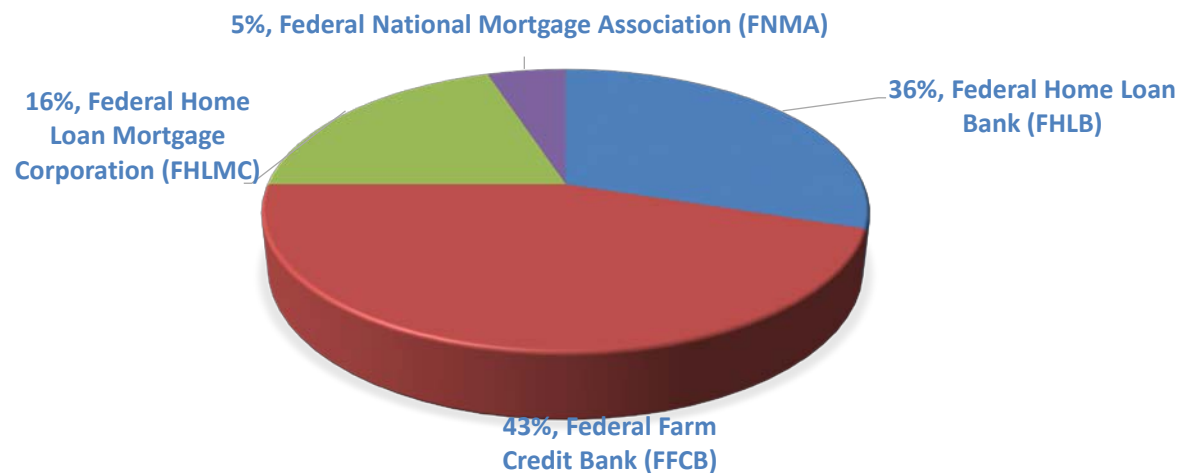
Source: <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/Historic-Yield-Data-Visualization.aspx>



**Portfolio Investment Report
for the Quarter Ending March 31, 2018
CONSOLIDATED INVESTMENT REPORT**

Outstanding Security Portfolio		Purchase Price	Percent (Value)	Market Value
Distribution by Type of Investment	Number			
Federal Home Loan Bank (FHLB)	6	\$7,397,885	36%	\$8,549,089
Federal Farm Credit Bank (FFCB)	9	\$8,985,766	43%	\$9,022,919
Federal Home Loan Mortgage Corporation (FHLMC)	4	\$3,394,720	16%	\$3,215,688
Federal National Mortgage Association (FNMA)	1	\$1,003,700	5%	\$998,334
Total	20	\$ 20,782,071	100%	\$ 21,786,030

INVESTMENT SECURITY DISTRIBUTION BY TYPE



	S&P	Moody's
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

AA+ = high quality, very low credit risk
Aaa = highest quality, lowest level of credit risk

ALL FUNDS CASH & INVESTMENT REPORTS



**ALL FUNDS CASH & INVESTMENTS REPORT BY TYPE
AS OF MARCH 31, 2018**

GOVERNMENTAL FUNDS		CASH	LOGIC	INVESTMENTS	CDARS	CD'S	TOTAL
001	GENERAL FUND	8,540,033	418,245	4,790,656	2,555,094	496,000	16,800,027
036	STRATEGIC INITIATIVES	39,482	495,497	0	0		534,979
004	DEBT SERVICE FUND	896,165	34,653	0	0		930,819
003	CAPITAL PROJECTS	12,424,832	1,886,848	2,493,119	508,787		17,313,587
012	PARK LAND DEDICATION	109,038	0	1,325,973	0		1,435,012
032	VEHICLE AND CAPITAL REPLACEMENT	903,337	83,773	514,300	0		1,501,410
034	COLLEYVILLE TOMORROW	254,988	1,706,844	475,442	0		2,437,274
035	PARKS TOMORROW	2,331	1,038,882	0	0		1,041,213
005	VOLUNTEER PARK FUND	258,553	0	750,000	0		1,008,553
007	DONATIONS FUND	54,780	0	0	0		54,780
011	LIBRARY FUND	70,187	0	359,643	0		429,829
015	POLICE ASSET FORFEITURE	8,735	0	0	0		8,735
016	TDPA GRANT	(1,527)	0	0	0		(1,527)
018	TREE PRESERVATION	318,198	0	0	0		318,198
019	LIBRARY DONATION	147,765	0	0	0		147,765
020	RECREATIONAL EVENT	12,501	0	0	0		12,501
023	LEOSE	3,733	0	0	0		3,733
027	CRIME DISTRICT	11,695	778,074	0	0		789,769
028	KIDSVILLE MAINTENANCE	5,813	0	0	0		5,813
029	COURT TECHNOLOGY	(14,753)	0	0	0		(14,753)
030	COURT SECURITY	61,512	0	0	0		61,512
033	PUBLIC ART	7,904	0	0	0		7,904
037	JUVENILE CASE MANAGER	23,445	0	0	0		23,445
038	HOTEL / MOTEL FUND	207,764	0	0	0		207,764
ENTERPRISE FUNDS							
002	UTILITY FUND	1,330	2,702,713	2,698,792	512,403		5,915,237
039	UTILITY CAPITAL PROJECTS FUND	7,213,017	2,962,001	62,117	0		10,237,135
017	DRAINAGE FEE	484,369	1,506,200	400,000	0		2,390,570
FIDUCIARY FUNDS							
006	SESQUICENTINIAL FUND	20,728	0	0	0		20,728
008	EMPLOYEE ACTIVITY	4,489	0	0	0		4,489
040	INSURANCE TRUST FUND	(5,283)	0	0	0		(5,283)
COMPONENT UNIT							
026	TIF FUND	632,891	11,644,443	5,412,031	0		17,689,366
		32,698,054	25,258,174	19,282,071	3,576,284	496,000	81,310,583
COLLEYVILLE ECON DEV CORP							
024	CEDC	1,521,656	956,621	1,500,000	0		3,978,276
025	CEDC - CAPITAL	703	65,091	0	0		65,794
		1,522,359	1,021,712	1,500,000	0	0	4,044,070
GRAND TOTAL		34,220,412	26,279,886	20,782,071	3,576,284	496,000	85,354,653

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.

CITY OF COLLEYVILLE
ALL FUNDS CASH & INVESTMENT REPORT - RESTRICTIONS BY FUND

		CASH & INVESTMENTS				AS OF MARCH 31, 2018
		Available	Available for	Approved	Restricted	Ran 4.12.18
		Unrestricted	Restricted Purpose	Projects	Unavailable	
GOVERNMENTAL FUNDS						
001	GENERAL FUND	16,682,566	32,548	-	84,913	16,800,027
036	STRATEGIC INITIATIVE	534,979	-	-	-	534,979
004	DEBT SERVICE FUND	-	930,819	-	-	930,819
003	CAPITAL PROJECTS	5,791,770	6,670,013	4,701,181	150,623	17,313,587
012	PARK LAND DEDICATION	-	1,435,012	-	-	1,435,012
032	VEHICLE AND CAPITAL REPLACEMENT	-	1,501,410	-	-	1,501,410
034	COLLEYVILLE TOMORROW	2,437,274	-	-	-	2,437,274
035	PARKS TOMORROW	1,041,213	-	-	-	1,041,213
005	VOLUNTARY PARK FUND	-	1,008,553	-	-	1,008,553
007	DONATIONS FUND	-	54,780	-	-	54,780
011	VOLUNTARY LIBRARY FUND	-	429,829	-	-	429,829
015	POLICE ASSET FORFEITURE	-	8,735	-	-	8,735
016	GRANTS	-	(1,527)	-	-	(1,527)
018	TREE PRESERVATION	-	318,198	-	-	318,198
019	LIBRARY DONATION	-	147,765	-	-	147,765
020	RECREATIONAL EVENT	-	12,501	-	-	12,501
023	LEOSE	-	3,733	-	-	3,733
027	CRIME DISTRICT	-	789,769	-	-	789,769
028	KIDSVILLE MAINTENANCE	-	5,813	-	-	5,813
029	COURT TECHNOLOGY	-	(14,753)	-	-	(14,753)
030	COURT SECURITY	-	61,512	-	-	61,512
033	PUBLIC ART	-	7,904	-	-	7,904
037	JUVENILE CASE MANAGER	-	23,445	-	-	23,445
038	HOTEL / MOTEL FUND	-	207,764	-	-	207,764
ENTERPRISE FUNDS						
002	UTILITY FUND	5,442,554	-	-	472,683	5,915,237
039	UTILITY CAPITAL PROJECTS FUND	5,120,800	3,897,185	1,157,033	62,117	10,237,135
017	DRAINAGE FEE	2,231,097	37,095	-	122,378	2,390,570
FIDUCIARY FUNDS						
006	SESQUICENTINIAL FUND	-	20,728	-	-	20,728
008	EMPLOYEE ACTIVITY	-	-	-	4,489	4,489
040	INSURANCE TRUST FUND	-	-	-	(5,283)	(5,283)
COMPONENT UNIT						
026	TIF FUND	15,685,674	115,813	1,887,878	-	17,689,366
		54,967,928	17,704,644	7,746,092	891,920	81,310,583
COLLEYVILLE ECON DEV CORP						
024	CEDC	\$ 3,978,276	\$ -	\$ -	\$ -	\$ 3,978,276
025	CEDC - CAPITAL	-	65,794	-	-	65,794
GRAND TOTAL		58,946,204	17,770,438	7,746,092	891,920	85,354,653

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

Cash and cash equivalents are just one aspect of the City's overall financial status, and it is necessary to look at the complete financial statements/CAFR for a comprehensive assessment.

CITY FUNDS - BACKGROUND

GOVERNMENTAL FUNDS	REVENUE SOURCE	PURPOSE/RESTRICTION
001 GENERAL FUND	M&O portion of tax rate, sales tax, charges for service, etc.	General government purposes
036 STRATEGIC INITIATIVES	Transfers from the General Fund	Programs/projects linked to the strategic plan; primarily used on eco. dev. incentives
004 DEBT SERVICE	Debt (I&S) portion of the tax rate	Payments on debt issued
003 CAPITAL PROJECTS	Transfers from the General Fund, street impact fees, escrows	Capital projects; some funding sources have restricted uses
012 PARK LAND DEDICATION	Fees on new residential & commercial development	Acquisition of land for new park sites or improvements/expansions of existing parks (no M&O)
032 VEHICLE AND CAPITAL REPLACEMENT	Transfers from the General Fund	Committed to server, equipment, and vehicle replacements
034 COLLEYVILLE TOMORROW	Gas leases on City property	Capital purchases/at Council discretion
035 PARKS TOMORROW	Gas leases on City park property	Parks capital projects
005 VOLUNTARY PARK FUND	Donations through utility bills	New or existing park capital costs (no M&O)
007 DONATIONS FUND	Donations	Only restricted if specified by donor
011 VOLUNTARY LIBRARY FUND	Donations through utility bills	Library activities- primarily purchase of books and materials (no M&O)
015 POLICE ASSET FORFEITURE	Seizures	Police operations as restricted by law
016 TDPA GRANT (EECBG GRANT)	U.S. Dept. of Energy	Energy efficiency projects
018 TREE PRESERVATION	Tree mitigation fees	Tree replanting on city-owned property
019 LIBRARY DONATION	Donations	Library needs or as specified by donor
020 RECREATIONAL EVENT	Event revenue (like sale of tables)	Special events expenses
023 LEOSE	State of Texas	Police training
027 CRIME DISTRICT (CCCPD)	0.5 cent sales tax	Public safety and crime control activities
028 KIDSVILLE MAINTENANCE	Remaining donations	Kidsville maintenance
029 COURT TECHNOLOGY	Municipal court technology fee	Court technology repairs, replacements, and upgrades
030 COURT SECURITY	Municipal court building security fee	Security-related expenses for the court (Bailliff)
033 PUBLIC ART	2008-9 Transfers from General, Utility, Drainage, CEDC Funds	Public Art
037 JUVENILE CASE MANAGER	Juvenile case manager fee	Staff who handle juvenile defendants and their training
038 HOTEL/MOTEL FUND	Hotel/Motel tax	Attract "heads in beds"; specific uses outlined in state law
ENTERPRISE FUNDS		
002 UTILITY OPERATING FUND	Water and wastewater base rates and volumetric rates	Utility operations and payments to TRA
039 UTILITY CAPITAL PROJECTS FUND	Transfers from Utility Operating Fund, impact fees, CIP base rate	Utility capital projects; water and wastewater impact fees have restricted uses
017 DRAINAGE FEE FUND	Monthly drainage fee	Operations and capital projects related to drainage maintenance and improvement
FIDUCIARY FUNDS		
006 SESQUICENTINIAL FUND	Currently, sale of the Colleyville History book	Created for fund raising for festivities related to 150th anniversary of Texas' independence from Mexico (1986)
008 EMPLOYEE ACTIVITY	Employee contributions	Employee luncheons and other employee activities; governed by by-laws
040 INSURANCE TRUST FUND	Payroll deductions and city's contributions	Pass through trust fund used to account for employee insurance costs. Created cost savings for the city.
COMPONENT UNIT		
026 TIF FUND	Incremental A/V revenue in the TIF District	Projects in the Project Plan approved by all TIF partners
COLLEYVILLE ECON DEV CORP		
024 CEDC	0.5 cent sales tax	For Library, Parks, and Colleyville Center; max. 10% on promotional expenses and special events
025 CEDC - CAPITAL	Bond proceeds	Bond projects: Library, City Park, McPherson Park, Colleyville Center capital projects

COLOR CODE
DEBT SERVICE FUNDS
CAPITAL PROJECT FUNDS
SPECIAL REVENUE FUNDS
ENTERPRISE FUNDS
FIDUCIARY FUNDS

LISTING OF INVESTMENTS

BY TYPE

CITY OF COLLEYVILLE INVESTMENT SECURITIES HELD JAN 1 - MAR 31, 2018

CUSIP	SECURITY	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	PAR VALUE	MARKET VALUE 12/31/2017	LESS MATURITY PROCEEDS	PLUS PERIOD PURCHASES	MARKET VALUE 3/31/2018	YIELD ON INVESTMENT	INTEREST	INTEREST RECEIVED TO MATURITY
3137EAEA3	FHLMC NOTE	4/12/2016	4/9/2018	\$999,850	\$1,000,000	\$997,243			\$998,159	0.758%	\$1,869	\$15,098
3136G0V57	FNMA NOTE	5/9/2016	4/30/2018	\$1,003,700	\$1,000,000	\$998,448			\$998,334	0.811%	\$2,000	\$16,020
3133EGAF2	FFCB NOTE	5/20/2016	5/16/2018	\$997,400	\$1,000,000	\$997,520			\$997,306	0.882%	\$2,175	\$17,543
3130A8EJ8	FHLB NOTE	6/10/2016	6/5/2018	\$1,200,000	\$1,200,000	\$1,196,081			\$1,196,338	0.850%	\$2,515	\$20,260
313379DT3	FHLB NOTE	7/5/2017	6/8/2018	\$1,000,240	\$1,000,000	\$999,745			\$998,591	1.224%	\$3,018	\$11,335
3133EGML6	FFCB NOTE	7/18/2016	7/18/2018	\$999,300	\$1,000,000	\$995,725			\$995,257	0.785%	\$1,936	\$15,700
3133EFX69	FFCB NOTE	10/17/2016	10/5/2018	\$1,000,580	\$1,000,000	\$996,048			\$994,049	0.930%	\$2,293	\$18,294
3133EG5Q4	FFCB NOTE	2/1/2017	2/1/2019	\$1,000,000	\$1,000,000	\$997,081			\$994,656	1.300%	\$3,205	\$26,000
3130AAS41	FHLB NOTE	3/24/2017	2/8/2019	\$999,812	\$1,000,000	\$996,275			\$993,986	1.280%	\$3,156	\$24,057
3133EHHN6	FFCB NOTE	3/5/2017	5/2/2019	\$1,000,000	\$1,000,000	\$996,128			\$993,425	1.350%	\$3,329	\$29,145
3137EAEH8	FHLMC NOTE	7/31/2017	8/15/2019	\$500,000	\$500,000	\$498,499			\$495,710	1.375%	\$1,695	\$14,033
313380FB8	FHLB NOTE	8/29/2017	9/13/2019	\$1,000,000	\$1,000,000	\$996,975			\$990,732	1.375%	\$3,390	\$28,065
3137EADM8	FHLMC NOTE	9/14/2017	10/2/2019	\$998,788	\$1,000,000	\$996,011			\$832,538	1.250%	\$3,082	\$25,616
3137EADM8	FHLMC NOTE	10/13/2017	10/2/2019	\$896,082	\$900,000	\$889,282			\$889,282	1.475%	\$6,147	\$26,150
3130ACLS1	FHLB NOTE	10/11/2017	10/11/2019	\$2,200,000	\$2,200,000	\$2,184,721			\$2,184,721	1.550%	\$15,974	\$68,195
3133EHP98	FFCB NOTE	11/6/2017	11/6/2019	\$1,000,000	\$1,000,000	\$993,668			\$993,668	1.600%	\$6,356	\$32,000
3133EGJ30	FFCB NOTE	12/29/2017	11/18/2019	\$1,238,775	\$1,255,000	\$1,235,061			\$1,235,061	1.800%	\$5,694	\$42,642
3133EHV75	FFCB NOTE	12/8/2017	11/21/2019	\$749,711	\$750,000	\$746,713			\$746,713	1.750%	\$4,063	\$25,639
PURCHASED DURING THIS QUARTER												
3133EJCN7	FFCB NOTE	2/14/2018	2/14/2020	\$1,000,000	\$1,000,000			\$1,000,000	\$1,072,785	2.070%	\$2,552	\$41,400
3130ADN32	FHLB NOTE	3/7/2018	2/11/2020	\$997,834	\$1,000,000			\$997,834	\$2,184,721	2.240%	\$1,473	\$43,327
OUTSTANDING SECURITIES AT THE END OF THE QUARTER				20,782,071	20,805,000	18,711,223	-	1,997,834	21,786,030		75,923	540,519
MATURED DURING THIS QUARTER												
3133EFZR1	FFCB NOTE	2/17/2016	2/12/2018	\$1,000,580	\$1,000,000	\$999,539	\$1,004,000			0.771%	\$908	\$15,336
3137EADP1	FHLB NOTE	3/23/2016	3/7/2018	\$999,030	\$1,000,000	\$999,135	\$1,004,375			0.925%	\$1,673	\$18,095
SECURITIES MATURED DURING THE QUARTER				1,999,610	2,000,000	1,998,674	2,008,375				2,581	33,430
GRAND TOTAL				22,781,681	22,805,000	20,709,897	2,008,375	1,997,834	21,786,030		78,504	573,949

INVESTMENT		FHLMC NOTE	FNMA NOTE	FFCB NOTE	FHLB NOTE	FFCB NOTE	FFCB NOTE	FFCB NOTE	FHLB NOTE
DATE ACQUIRED		12-Apr-16	09-May-16	20-May-16	10-Jun-16	18-Jul-16	17-Oct-16	01-Feb-17	24-Mar-17
MATURITY DATE		09-Apr-18	30-Apr-18	16-May-18	05-Jun-18	18-Jul-18	05-Oct-18	01-Feb-19	08-Feb-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.520%	0.370%	0.450%	0.410%	0.430%	0.480%	0.640%	0.870%
YIELD TO MATURITY		0.758%	0.811%	0.882%	0.850%	0.785%	0.930%	1.300%	1.280%
CUSIP#		3137EAEA3	3136G0V57	3133EGAF2060	3130A8EJ8	3133EGML6	3133EFX69	3133EG5Q4	3130AAS41
ACCOUNT	ALLOCATION OF INVESTMENT								
001-1172	GENERAL FUND OPERATING	999,850.00	0.00	997,400.00			0.00	1,000,000.00	500,000.00
002-1166	UTILITY DEBT SERVICE RESERVE								
002-1172	UTILITY FUND OPERATING								
002-1178	CUSTOMER DEPOSITS								
039-1186	UTILITY LINE RENEWAL								
039-1557	THE RESERVE LIFT STATION								
003-1121	INV-PERIMETER FEES								
003-1307	INV-ROAD RECONSTRUCTION		203,903.34						
003-1340	CASTLETON MANOR								
005-1172	VOLUNTARY PARK FUND								
011-1172	LIBRARY DONATIONS FUND						359,642.52		
012-1172	PARK LAND DEDICATION FUND						115,973.26		
017-1172	DRAINAGE FUND OPERATING					200,000.00			
024-1172	CEDC OPERATING								
026-1172	TIF OPERATING		799,796.66		849,650.00	549,300.00	499,872.46		499,811.73
032-1519	CAPITAL EQUIPMENT RESERVE					150,000.00			
034-1172	COLLEYVILLE TOMORROW				350,350.00	100,000.00	25,091.76		
PER GENERAL LEDGER		\$999,850.00	\$1,003,700.00	\$997,400.00	\$1,200,000.00	\$999,300.00	\$1,000,580.00	\$1,000,000.00	\$999,811.73
MARKET VALUE		\$995,870.00	\$1,000,731.00	\$0.00	\$1,199,263.20	\$0.00	\$0.00	\$0.00	\$0.00
VALUE AT MATURITY		\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,200,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
INTEREST RECEIVED TO MATURITY		15,089.51	16,015.09	17,546.43	20,260.23	15,706.88	18,296.88	26,000.00	24,056.99
DATE OF LAST INTEREST PAYMENT		43,018.00	43,038.00	43,055.00	43,074.00	43,118.00	43,013.00	43,132.00	43,139.00
INTEREST TO ACCRUE FOR PERIOD		3,787.38	5,000.00	3,750.00	5,100.00	3,750.00	4,800.00	6,500.00	6,350.00
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD		182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD	#	182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
ACCRUED INTEREST		\$3,750.00	\$5,000.00	\$3,750.00	\$5,100.00	\$3,750.00	\$4,800.00	\$6,500.00	\$6,350.00

INVESTMENT		FFCB NOTE	FHLB NOTE	TREASURY NOTE	FHLB NOTE	FHLMC NOTE	FHLMC NOTE	FHLB	FFCB NOTE
DATE ACQUIRED		03-May-17	05-Jul-17	31-Jul-17	29-Aug-17	14-Sep-17	13-Oct-17	26-Oct-17	06-Nov-17
MATURITY DATE		02-May-19	08-Jun-18	15-Aug-19	13-Sep-19	02-Oct-19	02-Oct-19	11-Oct-19	06-Nov-19
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE		0.980%	1.130%	1.110%	1.130%	1.170%	1.250%	1.260%	1.280%
YIELD TO MATURITY		1.350%	1.250%	1.475%	1.375%	1.250%	1.475%	1.550%	1.600%
CUSIP#		3133EHHN6	313379DT3	3137EAEH8	313380FB8	3137EADM8	3137EADM8	3130ACLS1	3133EHP98
ACCOUNT	ALLOCATION OF INVESTMENT								
001-1172	GENERAL FUND OPERATING		0.00						
002-1166	UTILITY DEBT SERVICE RESERVE								
002-1172	UTILITY FUND OPERATING				2,465.01	18,422.28		500,000.00	250,985.36
002-1178	CUSTOMER DEPOSITS								
039-1186	UTILITY LINE RENEWAL								
039-1557	THE RESERVE LIFT STATION				62,116.76				
003-1121	INV-PERIMETER FEES				712,932.38	998,788.00		253,649.76	
003-1307	INV-ROAD RECONSTRUCTION				222,485.85	101,359.55			
003-1340	CASTLETON MANOR								
005-1172	VOLUNTARY PARK FUND								500,000.00
011-1172	LIBRARY DONATIONS FUND								
012-1172	PARK LAND DEDICATION FUND								300,000.00
017-1172	DRAINAGE FUND OPERATING								200,000.00
024-1172	CEDC OPERATING		1,000,000.00	500,000.00					
026-1172	TIF OPERATING		1,000,240.00		513,360.00		700,000.00		
032-1519	CAPITAL EQUIPMENT RESERVE						364,300.00		
034-1172	COLLEYVILLE TOMORROW								
PER GENERAL LEDGER		\$1,000,000.00	\$1,000,240.00	\$500,000.00	\$1,000,000.00	\$998,788.00	\$896,082.28	\$2,200,000.00	\$1,000,000.00
MARKET VALUE		\$0.00	\$996,640.00	\$497,207.00	\$995,886.00	\$996,011.00	\$893,386.80	\$1,189,263.60	\$993,135.00
VALUE AT MATURITY		\$1,000,000.00	\$1,000,000.00	\$500,000.00	\$1,000,000.00	\$1,000,000.00	\$900,000.00	\$2,200,000.00	\$1,000,000.00
INTEREST RECEIVED TO MATURITY		26,962.89	11,575.34	15,053.08	28,065.07	25,616.44	26,149.93	66,793.50	32,000.00
DATE OF LAST INTEREST PAYMENT		43,041.00	43,077.00	43,146.00	43,172.00	43,192.00	43,021.00	43,034.00	43,045.00
INTEREST TO ACCRUE FOR PERIOD		6,749.97	6,250.00	3,934.03	6,875.00	6,242.43	6,608.61	17,048.69	8,000.00
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD		182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD		182.00	182.00	182.00	182.00	182.00	182.00	182.00	182.00
ACCRUED INTEREST		\$6,750.00	\$5,486.11	\$3,704.86	\$6,875.00	\$11,875.00	\$6,264.86	\$17,048.69	\$8,000.00

INVESTMENT	FFCB NOTE	FFCB NOTE	FFCB NOTE	FHLB NOTE
DATE ACQUIRED	08-Dec-17	29-Dec-17	14-Feb-18	07-Mar-18
MATURITY DATE	21-Nov-19	18-Nov-19	14-Feb-20	11-Feb-20
26 WEEK T-BILL AUCTION DISCOUNT/WEEK OF PURCHASE	1.420%	1.500%	1.770%	1.830%
YIELD TO MATURITY	1.750%	1.800%	2.070%	2.240%
CUSIP#	3133EHV75	3133EGJ30	3133EJCN7	3130ADN32

ACCOUNT	ALLOCATION OF INVESTMENT				
001-1172	GENERAL FUND OPERATING	0.00	255,571.93	1,000,000.00	37,833.62
002-1166	UTILITY DEBT SERVICE RESERVE		0.00		
002-1172	UTILITY FUND OPERATING	503,143.19	951,092.86		
002-1178	CUSTOMER DEPOSITS	246,567.66	32,110.05		
039-1186	UTILITY LINE RENEWAL				
039-1557	THE RESERVE LIFT STATION				
003-1121	INV-PERIMETER FEES				
003-1307	INV-ROAD RECONSTRUCTION				
003-1340	CASTLETON MANOR				
005-1172	VOLUNTARY PARK FUND				250,000.00
011-1172	LIBRARY DONATIONS FUND				
012-1172	PARK LAND DEDICATION FUND				710,000.00
017-1172	DRAINAGE FUND OPERATING				
024-1172	CEDC OPERATING				
026-1172	TIF OPERATING				
032-1519	CAPITAL EQUIPMENT RESERVE				
034-1172	COLLEYVILLE TOMORROW				
PER GENERAL LEDGER		\$749,710.85	\$1,238,774.84	\$1,000,000.00	\$997,833.62
MARKET VALUE		\$750,300.00	\$1,198,252.80	\$1,000,673.00	\$1,000,261.00
VALUE AT MATURITY		\$750,000.00	\$1,255,000.00	\$1,000,000.00	\$1,000,000.00
INTEREST RECEIVED TO MATURITY		25,638.70	42,642.49	41,400.00	43,327.12
DATE OF LAST INTEREST PAYMENT		43,077.00	43,098.00	43,145.00	43,166.00
INTEREST TO ACCRUE FOR PERIOD		6,559.97	11,148.97	10,350.00	11,175.74
TOTAL DAYS OUTSTANDING/OR INTEREST PERIOD		182.00	182.00	182.00	182.00
DAYS OUTSTANDING IN FISCAL YEAR/INTEREST PERIOD		182.00	182.00	182.00	182.00
ACCRUED INTEREST		\$6,559.97	\$11,148.97	\$10,350.00	\$11,175.74

CDARS CERTIFICATES OF DEPOSIT

FUND ALLOCATION	CDAR#	BANK	AMOUNT	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER	INTEREST RECEIVED TO MATURITY
UTILITY FUND	1020424784	INDEPENDENT BANK	\$512,403	7/27/2017	7/25/2019	0.40%	\$505	\$4,088
GENERAL FUND	1019169355	INDEPENDENT BANK	\$510,929	6/23/2016	6/21/2018	0.40%	\$504	\$4,076
GENERAL FUND	1019453738	WORTHINGTON BANK	\$1,534,117	9/21/2017	9/20/2018	0.60%	\$2,263	\$9,152
GENERAL FUND	1019452073	INDEPENDENT BANK	\$510,048	9/22/2016	9/20/2018	0.50%	\$629	\$5,087
CAPITAL PROJECTS	1020604677	INDEPENDENT BANK	\$508,787	9/21/2017	9/19/2019	0.58%	\$728	\$5,886
PURCHASED DURING THIS QUARTER								
NA							\$0	\$0
OUTSTANDING CDARS AS OF THE END OF THE QUARTER			3,576,284				\$4,629	\$28,289
MATURED DURING THIS QUARTER								
GENERAL FUND	1020009477	INDEPENDENT BANK	\$509,806	3/23/2017	3/22/2018	0.30%	\$339	\$1,525
GENERAL FUND	1018875612	INDEPENDENT BANK	\$504,999	3/24/2016	3/22/2018	0.50%	\$560	\$5,036
CDARS MATURED DURING THE QUARTER			1,014,805				\$900	\$6,561
GRAND TOTAL			4,591,089				5,528	34,850

CERTIFICATES OF DEPOSIT (CD's)

FUND ALLOCATION	CUSIP#	BANK	PRINCIPAL	PURCHASE DATE	MATURITY DATE	INTEREST RATE	INTEREST EARNED DURING QUARTER	INTEREST RECEIVED TO MATURITY
NA							\$0	\$0
PURCHASED DURING THIS QUARTER								
GENERAL FUND	17312QH51	CITIBANK	\$248,000	3/29/2018	3/30/2020	2.50%	\$34	\$12,434
GENERAL FUND	61747MR78	MORGAN STANLEY BANK	\$248,000	3/29/2018	3/30/2020	2.55%	\$35	\$12,683
OUTSTANDING CD'S AS OF THE END OF THE QUARTER			\$496,000				\$69	\$25,117
MATURED DURING THIS QUARTER								
NA							\$0	\$0
CD'S MATURED DURING THE QUARTER			\$0				\$0	\$0
GRAND TOTAL			496,000				69	25,117

LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT MARCH 2018

DESCRIPTION	BALANCE
<u>GENERAL FUND</u>	
LOGIC POOL- OPERATING CASH	\$418,245
<u>UTILITY FUND</u>	
LOGIC POOL- OPERATING CASH	\$2,702,713
<u>UTILITY FUND - CAPITAL PROJECTS</u>	
LOGIC POOL- WATER IMPACT FEES	\$2,284,119
LOGIC-RES CASH-UTILITY LINE RE	\$1,174
LOGIC - WW IMPACT FEES	\$676,708
<u>CAPITAL PROJECTS FUND</u>	
LOGIC POOL-ROADS SA I CASH	\$21,688
LOGIC-CAPITAL PROJ/STREET RESU	\$1,865,160
<u>DEBT SERVICE FUND</u>	
LOGIC POOL- OPERATING CASH	\$34,653
<u>DRAINAGE FUND</u>	
LOGIC POOL- OPERATING CASH	\$1,381,442
LOGIC- I&S FUND/DRAINAGE	\$122,378
LOGIC-2001 DRAINAGE BONDS	\$2,380
<u>TIF FUND</u>	
LOGIC POOL- OPERATING CASH	\$11,529,448
LOGIC-2001 TIF BONDS/CITY HALL	\$114,995
<u>CCCPD FUND</u>	
LOGIC POOL- OPERATING CASH	\$777,992
LOGIC - 99 CO BONDS	\$83

**LOCAL GOVERNMENT INVESTMENT COOPERATIVE / "LOGIC"
ACCOUNT ALLOCATION AT MARCH 2018**

CAPITAL EQUIPMENT REPLACEMENT FUND

LOGIC POOL- OPERATING CASH \$83,773

COLLEYVILLE TOMORROW FUND

LOGIC POOL- OPERATING CASH \$1,706,844

PARKS TOMORROW FUND

LOGIC POOL- OPERATING CASH \$1,038,882

STRATEGIC INITIATIVES FUND

LOGIC POOL- OPERATING CASH \$495,497

Subtotal - LOGIC balances excluding CEDC **\$25,258,174**

CEDC Logic Balance

LOGIC POOL- OPERATING CASH \$956,621

LOGIC - 97 BONDS \$65,091

Total LOGIC Balance **\$26,279,886**

INTEREST EARNED THIS QUARTER	\$104,205
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LOGIC Newsletter

March 2018

Performance

As of March 31, 2018

Current Invested Balance	\$6,902,175,938.22
Weighted Average Maturity (1)*	27 Days
Weighted Average Maturity (2)*	69 Days
Net Asset Value	0.999705
Total Number of Participants	563
Management Fee on Invested Balance	0.0975%
Interest Distributed	\$10,861,177.82
Management Fee Collected	\$582,576.15
% of Portfolio Invested Beyond 1 Year	0.00%
Standard & Poor's Current Rating	AAAm

March Averages:

Average Invested Balance	\$7,027,703,959.40
Average Monthly Yield, on a simple basis	1.7228%
Average Weighted Average Maturity (1)*	28 Days
Average Weighted Average Maturity (2)*	71 Days

*Definition of Weighted Average Maturity (1) & (2)

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
- (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

Rates reflect historical information and are not an indication of future performance.

News

In Memoriam

We are saddened at the passing of LOGIC Board member Judd Sanderson. Judd served as a LOGIC Governing Board member since 2002 and was the Deputy Director for the North Texas Municipal Water District. Judd attended Abilene Christian University and Harding University receiving a Bachelor of Business Administration in Accounting. He had previously been employed by Dallas Market Center and Upper Trinity Regional Water District. Judd was a dedicated board member and good friend who will be greatly missed. Our thoughts and prayers are with his family.

Conferences

LOGIC Representatives look forward to visiting with those of you attending these upcoming conferences.

- ★ GFOAT 2018 Spring Conference - April 15-17, Austin
- ★ County Treasurers Continuing Education Conference - April 17-19, San Marcos

Economic Commentary

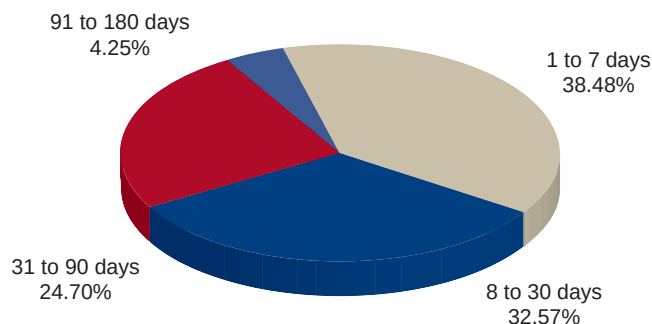
Synchronized global growth continued in the first quarter, but with the added excitement of increased market volatility. In spite of the generally positive economic backdrop, fears of runaway inflation, rising interest rates, and continued political noise from Washington led to a sharp selloff in global equities. The quarter closed as one of the weaker starts to the year for both credit and equities. During the course of the quarter, fears of a trade war came into focus. Potential tariffs by the US, first on steel and aluminum imports caused the Chinese to respond by announcing potential tariffs on \$3BN worth of goods ranging from agricultural products to steel pipes, as well as the EU to respond by announcing potential tariffs on US imports Harley Davidson, Levi's and bourbon whiskey. Later, the US exempted several allies from the steel and aluminum tariffs, but suggested it may impose quotas. Following the initial steel and aluminum tariffs, the US continued by announcing potential tariffs on as much as \$50 billion of Chinese imports in a wide variety of categories which were countered by the Chinese announcing 25% tariffs on \$50 billion of various US goods.

In Washington, Congress approved a federal budget incorporating substantial fiscal stimulus, which would add \$300 billion to the deficit over the next two years. The increase in U.S. government debt issuance needed to fund the tax cuts and increase in spending, combined with the unwinding of the Fed's balance sheet, is expected to put upward pressure on rates. The front end of the curve was hit by a large issuance of Treasury bills as well as the likelihood that there would be four rate hikes this year by the Federal Reserve Open Market Committee (FOMC), rather than the three previously telegraphed, increased as expansionary fiscal policy in a late-stage business cycle builds a stronger case for higher inflation going forward. Jay Powell became Chair of the Federal Reserve (Fed) and in his first official FOMC meeting in March raised rates by 25 bps to 1.50%-1.75%, a move that widely expected by market participants. The Fed increased expectations to three rates hikes in 2019 and two hikes in 2020. Growth forecasts were upgraded for both 2018 and 2019 to reflect the impact of fiscal stimulus, unemployment rate estimates were brought down through 2020, while inflation forecasts were revised higher in 2019 and 2020. Firming U.S. inflation along with strong growth, U.S. fiscal expansion, as well as less accommodative policy stance from central banks caused Treasury yields to steadily rise.

This information is an excerpt from an economic report dated March 2018 provided to LOGIC by JPMorgan Asset Management, Inc., the investment manager of the LOGIC pool.

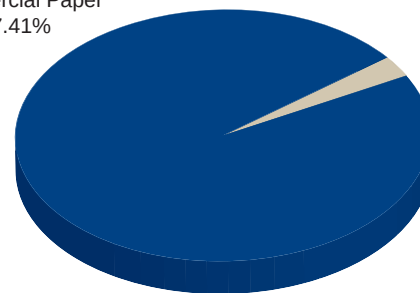
Information at a Glance

Portfolio by Type of Investment As of March 31, 2018

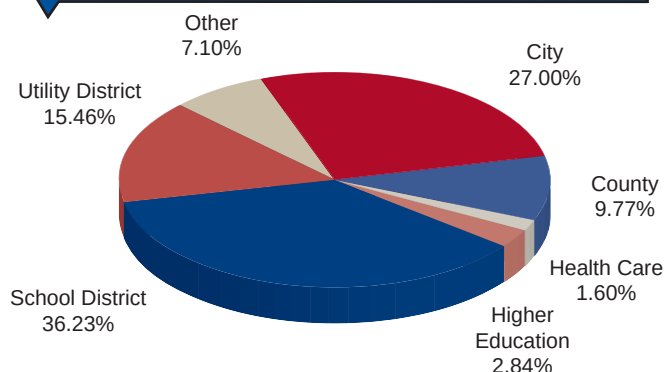


Commercial Paper
97.41%

Repurchase
Agreements
2.59%



Portfolio by Maturity As of March 31, 2018



Distribution of Participants by Type As of March 31, 2018

Historical Program Information

Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Mar 18	1.7228%	\$6,902,175,938.22	\$6,900,336,026.44	0.999705	28	71	563
Feb 18	1.5898%	7,170,298,263.14	7,170,001,932.73	0.999958	29	78	563
Jan 18	1.5224%	7,365,857,458.60	7,365,850,519.17	0.999999	29	80	561
Dec 17	1.3784%	6,465,455,192.00	6,464,452,719.35	0.999820	29	76	559
Nov 17	1.2913%	6,037,285,391.70	6,037,616,463.25	1.000054	35	75	557
Oct 17	1.2845%	6,047,571,709.48	6,047,976,206.51	1.000066	42	75	556
Sep 17	1.2827%	5,995,123,374.79	5,995,667,106.47	1.000070	40	77	551
Aug 17	1.2660%	5,912,248,825.24	5,912,933,387.09	1.000115	32	70	548
Jul 17	1.2408%	6,097,733,914.84	6,098,596,876.56	1.000141	29	71	543
Jun 17	1.1333%	5,904,028,106.60	5,904,946,555.34	1.000122	25	75	539
May 17	1.0761%	6,257,671,308.91	6,259,334,715.43	1.000265	27	71	535
Apr 17	1.0739%	6,573,201,990.89	6,574,453,965.11	1.000190	32	69	528

Portfolio Asset Summary as of March 31, 2018

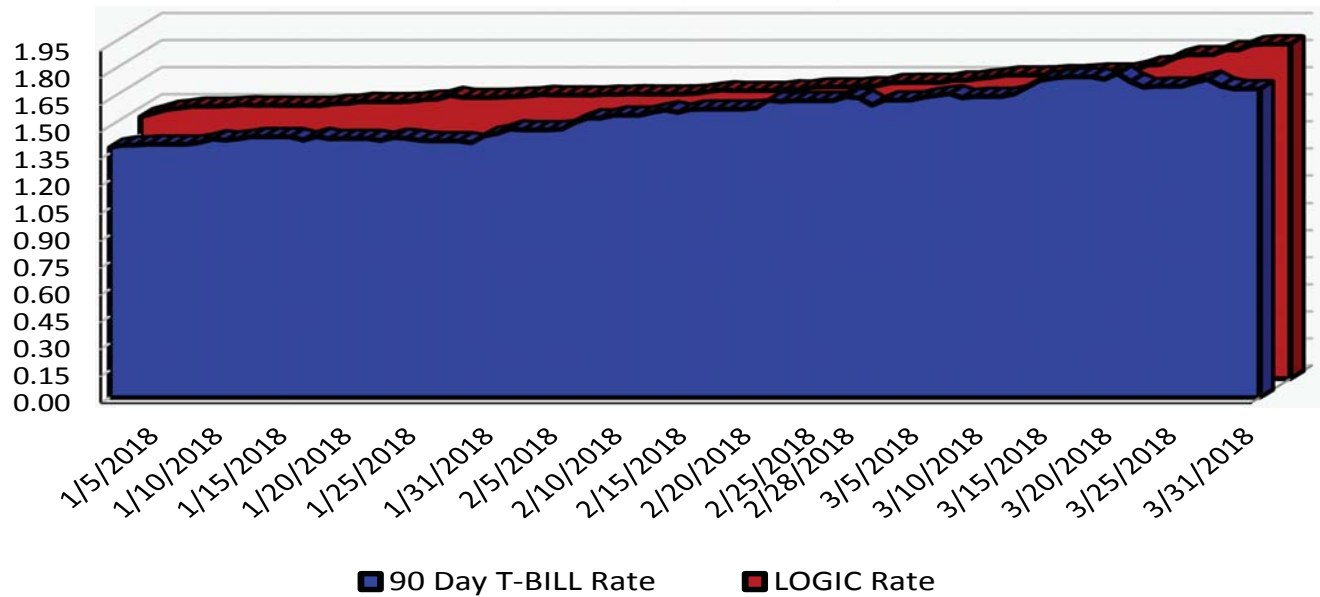
	Book Value	Market Value
Uninvested Balance	\$ (593,715.48)	\$ (593,715.48)
Accrual of Interest Income	2,836,135.59	2,836,135.59
Interest and Management Fees Payable	(10,969,352.72)	(10,969,352.72)
Payable for Investment Purchased	0.00	0.00
Receivable for Investment Sold	0.00	0.00
Repurchase Agreements	178,930,000.00	178,930,000.00
Commercial Paper	6,731,972,870.83	6,730,132,959.05
Government Securities	0.00	0.00
Total	\$ 6,902,175,938.22	\$ 6,900,336,026.44

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of LOGIC. The only source of payment to the Participants are the assets of LOGIC. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact LOGIC Participant Services.

History

Assets

LOGIC versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The LOGIC management fee may be waived in full or in part at the discretion of the LOGIC co-administrators and the LOGIC rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the LOGIC pool to the T-Bill Yield, you should know that the LOGIC pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill. The LOGIC yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for March 2018

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	LOGIC Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
3/1/2018	1.6370%	0.000044849	\$7,191,414,505.64	0.999956	28	75
3/2/2018	1.6381%	0.000044880	\$7,150,876,896.59	0.999879	28	72
3/3/2018	1.6381%	0.000044880	\$7,150,876,896.59	0.999879	28	72
3/4/2018	1.6381%	0.000044880	\$7,150,876,896.59	0.999879	28	72
3/5/2018	1.6510%	0.000045234	\$7,140,328,720.59	0.999950	29	73
3/6/2018	1.6506%	0.000045221	\$7,121,475,234.78	0.999966	30	73
3/7/2018	1.6609%	0.000045505	\$7,103,294,264.43	0.999966	30	73
3/8/2018	1.6673%	0.000045679	\$7,107,714,115.05	0.999985	31	73
3/9/2018	1.6783%	0.000045982	\$7,055,342,953.60	0.999926	30	73
3/10/2018	1.6783%	0.000045982	\$7,055,342,953.60	0.999926	30	73
3/11/2018	1.6783%	0.000045982	\$7,055,342,953.60	0.999926	30	73
3/12/2018	1.6799%	0.000046025	\$7,052,713,710.20	0.999966	29	72
3/13/2018	1.6863%	0.000046199	\$7,054,181,173.76	0.999966	29	72
3/14/2018	1.6854%	0.000046175	\$7,038,738,716.75	0.999952	28	72
3/15/2018	1.6904%	0.000046312	\$7,001,575,366.79	0.999967	28	71
3/16/2018	1.6954%	0.000046449	\$6,998,375,950.75	0.999919	25	69
3/17/2018	1.6954%	0.000046449	\$6,998,375,950.75	0.999919	25	69
3/18/2018	1.6954%	0.000046449	\$6,998,375,950.75	0.999919	25	69
3/19/2018	1.7100%	0.000046849	\$6,983,531,560.91	0.999958	27	69
3/20/2018	1.7334%	0.000047491	\$6,950,599,203.40	0.999943	27	70
3/21/2018	1.7377%	0.000047608	\$6,957,325,055.81	0.999921	27	69
3/22/2018	1.7721%	0.000048551	\$7,043,611,465.72	0.999892	26	68
3/23/2018	1.7912%	0.000049073	\$6,994,807,927.79	0.999801	28	69
3/24/2018	1.7912%	0.000049073	\$6,994,807,927.79	0.999801	28	69
3/25/2018	1.7912%	0.000049073	\$6,994,807,927.79	0.999801	28	69
3/26/2018	1.8186%	0.000049825	\$6,966,978,521.55	0.999837	28	71
3/27/2018	1.8181%	0.000049811	\$6,964,962,346.04	0.999813	28	71
3/28/2018	1.8461%	0.000050577	\$6,875,639,779.09	0.999804	30	73
3/29/2018	1.8510%	0.000050713	\$6,902,175,938.22	0.999705	27	69
3/30/2018	1.8510%	0.000050713	\$6,902,175,938.22	0.999705	27	69
3/31/2018	1.8510%	0.000050713	\$6,902,175,938.22	0.999705	27	69
Average	1.7228%	0.000047200	\$7,027,703,959.40		28	71



LOGIC Board

LOGIC Board Members

Philip G. Roberson	Arlington ISD	Board President
Fred L. Werner	Municipal Finance Director	Board Vice President
Judd R. Sanderson	North Texas Municipal Water District	Board Treasurer / Investment Officer
Sandra Newby	Tarrant Regional Water District	Board Member
Greg Jordan	City of Grapevine	Board Member

Contacts

For more information contact LOGIC Participant Services ★ 1-800-895-6442 ★ www.logic.org



EYE ON THE ECONOMY

Dallas–Fort Worth Economic Indicators

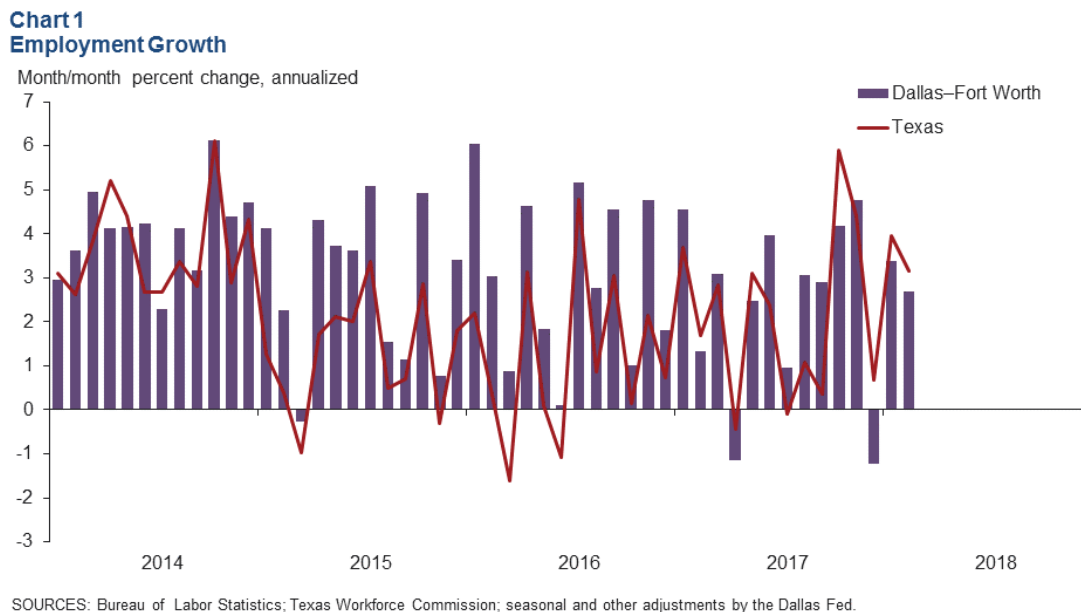
Federal Reserve
Bank of Dallas

March 28, 2018

DFW economic growth continued in February, with payroll employment expanding and unemployment staying low. Looking at the two-month period, employment growth has been strong at 3.0 percent. The Dallas and Fort Worth business-cycle indexes expanded last month. Housing affordability remained low in Dallas but improved slightly in Fort Worth in the fourth quarter. DFW house price gains outstripped those nationally last year, and home inventories remained very tight in February.

Labor Market

DFW employment continued to post strong growth in February, expanding an annualized 2.7 percent (8,000 jobs) following an upwardly revised 3.4 percent increase in January (*Chart 1*). Payrolls rose 2.2 percent (4,750 jobs) in Dallas and 3.9 percent (3,300 jobs) in Fort Worth last month.



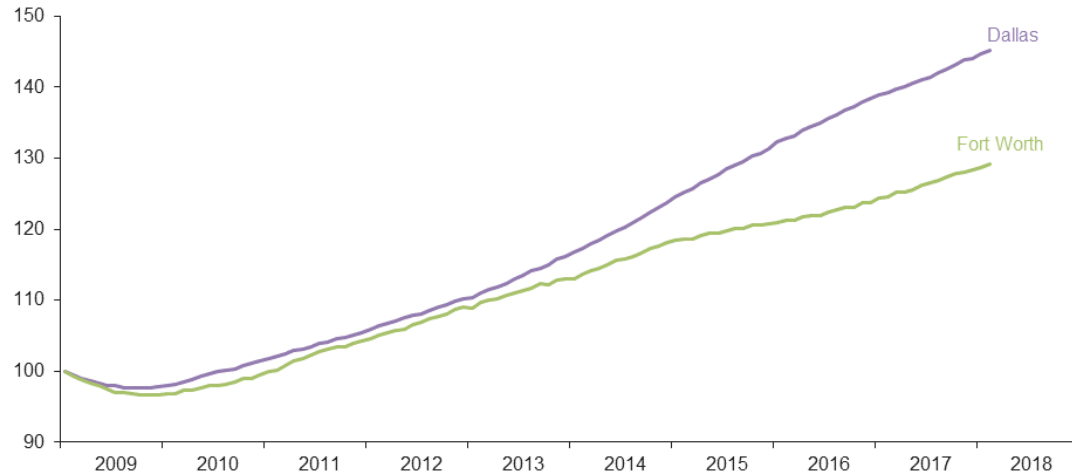
The labor market continued to be tight. Unemployment in February edged up to 3.6 percent in Dallas and in Fort Worth; however, the jobless rate in both metros remains near historic lows and is lower than the state and U.S. rates.

Business-Cycle Indexes

The business-cycle indexes for Dallas and Fort Worth continued to expand in February (*Chart 2*). The Dallas index rose 4.1 percent, and growth in the Fort Worth index accelerated to 4.4 percent in February following January's 2.9 percent increase. The Dallas index was up 4.3 percent and the Fort Worth index was 3.6 percent higher from year-ago levels, in part due to continued healthy job creation in the metroplex.

Chart 2
Business-Cycle Indexes

Index, January 2009 = 100*

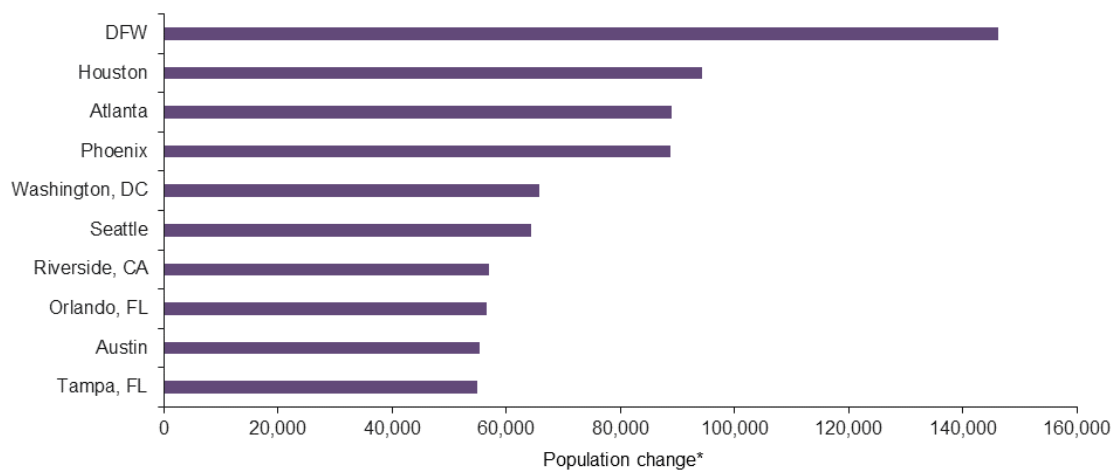


*Monthly, seasonally adjusted.
SOURCE: Dallas Fed.

Population

The Dallas–Fort Worth population continued to climb in 2017. Recently released census data show that from July 2016 to July 2017, the metroplex grew by 146,000 people—the largest numerical increase among metro areas in the U.S. (*Chart 3*). DFW's 2 percent gain was ahead of Texas' 1.4 percent increase last year. Net domestic migration accounted for 41 percent of the growth in DFW's population in 2017, and international migrants made up nearly 18 percent. This means that approximately 235 people moved to DFW every day last year. Collin, Dallas, Denton and Tarrant counties placed among the nation's top 10 counties with the largest numerical increase. DFW is the fourth-largest metropolitan statistical area in the U.S., with a population of 7.4 million in 2017.

Chart 3
Major U.S. Metro Areas with Largest Population Gains, 2016–17



*July 1, 2016, to July 1, 2017.
NOTE: Data for each city cover the broader metropolitan statistical area.
SOURCE: Census Bureau.

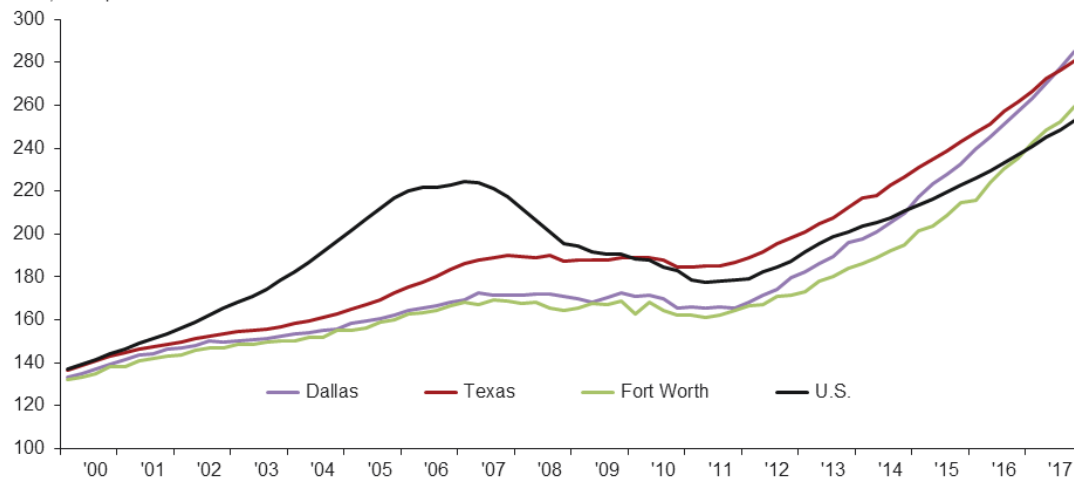
Housing Market

Home Prices Climb Further

Home price gains in the metroplex continue to outpace those in the U.S. (*Chart 4*). Prices rose 2.7 percent in both Dallas and Fort Worth in fourth quarter 2017, faster than the state's 1.7 percent gain and the nation's 1.6 percent increase, according to the most recent Federal Housing Finance Agency purchase-only house price index. On a year-over-year basis, prices rose 10.8 percent in Dallas and 10.3 percent in Fort Worth—both faster than the Texas rate of 7.3 percent and the nation's 6.7 percent figure. Continued healthy job creation and tight home inventories have propelled price increases in the area.

Chart 4
House Price Indexes

Index, first quarter 1991 = 100*



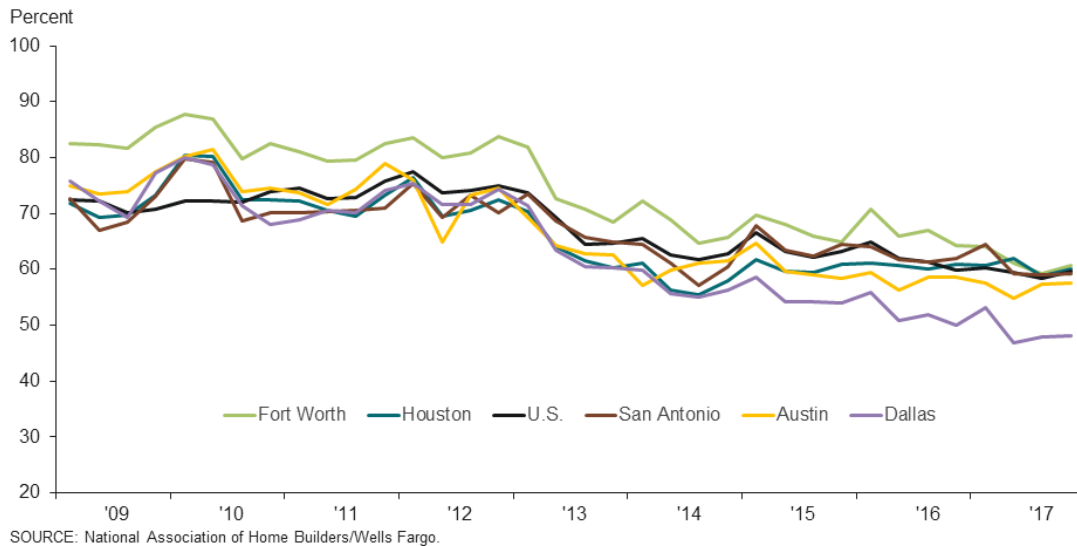
*Quarterly; seasonally adjusted.

SOURCE: Federal Housing Finance Agency.

Affordability in Dallas Remains Low

Record home-price appreciation following the Great Recession has eroded housing affordability in the metroplex. According to the National Association of Home Builders/Wells Fargo Housing Opportunity indexes, 48.2 percent of the homes (new and existing) sold in Dallas in fourth quarter 2017 were affordable for a median-income family (*Chart 5*). This is well below the national figure of 59.6 percent. Affordability has been declining in Dallas since 2010, and the index has dropped markedly from its peak, set in first quarter 2010. Despite having a lower median home sales price than Austin, Dallas has the lowest affordability among major Texas metros. Affordability in Fort Worth improved slightly to 60.7 percent in the fourth quarter.

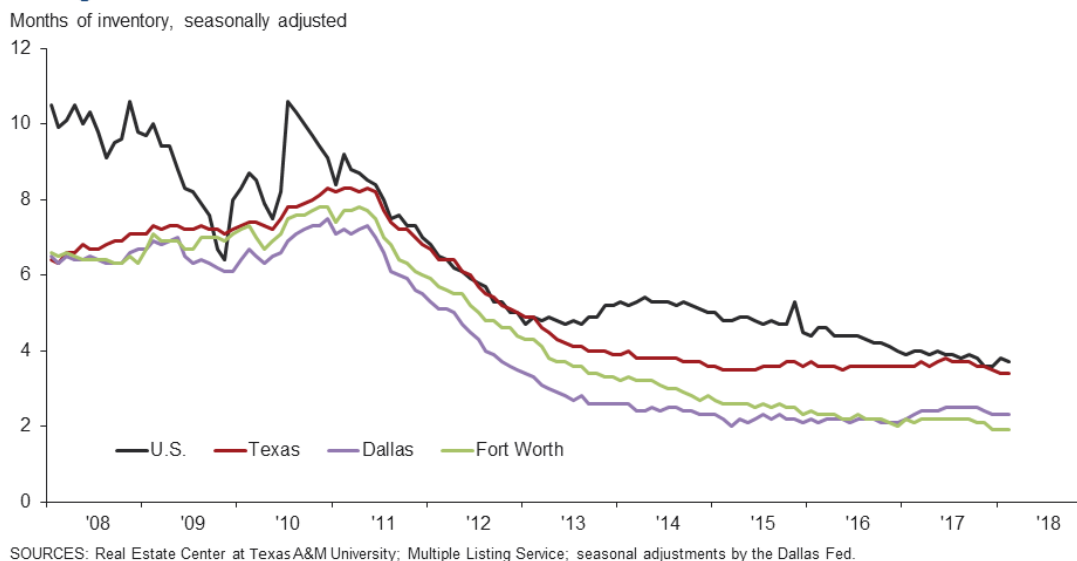
Chart 5
Housing Opportunity Indexes



Existing-Home Inventories Still Very Tight

DFW existing-home inventories remain tight at around two months, well below the six months' supply typically associated with a balanced market. In February, inventories were at 2.3 months in Dallas and 1.9 months in Fort Worth (*Chart 6*). Inventories in both Dallas and Fort Worth are the lowest among Texas' major metros and have been under three months since late 2014.

Chart 6
Existing-Home Inventories



NOTE: Data may not match previously published numbers due to revisions.

About Dallas–Fort Worth Economic Indicators

Questions can be addressed to Laila Assanie at laila.assanie@dal.frb.org. *Dallas–Fort Worth Economic Indicators* is published every month on the Tuesday after state and metro employment data are released.

March 26, 2018

Texas economic growth remained robust in February. The state posted strong job gains, and unemployment remained low. The Texas Leading Index ticked down following several months of strong growth. Home inventories remained low, and home sales rose in the month, while indicators of residential construction were mixed.

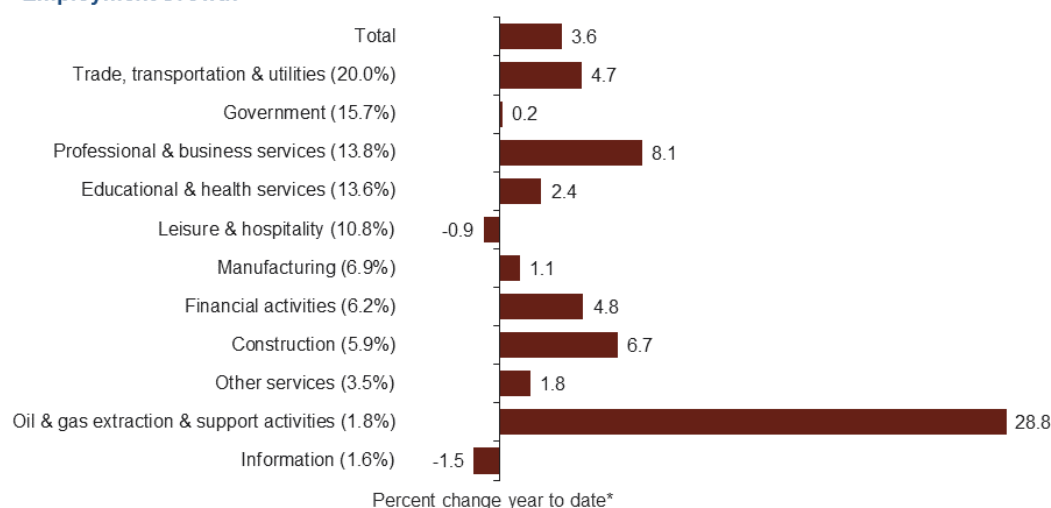
Labor Market

Employment Growth Solid

Texas employment expanded an annualized 3.2 percent in February after posting an upwardly revised 4.0 percent growth rate in January. The Dallas Fed's Texas Employment Forecast suggests 3.4 percent job growth in 2018 (December/December).

Employment in almost all sectors has expanded through February (*Chart 1*). Payrolls in the energy sector skyrocketed 42.3 percent in February following 16.6 percent growth in January. The industry has grown an annualized 28.8 percent so far this year, up from 12.7 percent expansion in 2017. The leisure and hospitality, government and information sectors all shed employment by more than 3 percent in February after expanding in January.

Chart 1
Employment Growth



*Seasonally adjusted, annualized rate.

NOTES: Year-to-date growth is December 2017–February 2018. Numbers in parentheses represent share of total employment in February 2018.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

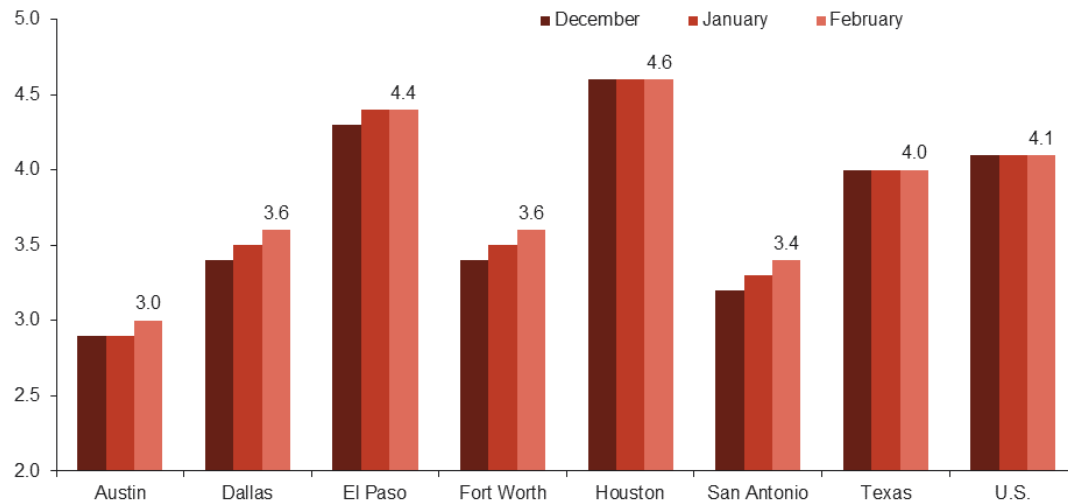
Payrolls expanded in all major metros in both January and February. Jobs in Austin soared 7.2 percent in February, the strongest increase among the major metros. San Antonio posted 1.6 percent job growth in the month, the slowest among the major metros.

Unemployment Remains Low

The Texas unemployment rate held steady at 4.0 percent for the third consecutive month in February, near a four-decade low (*Chart 2*). Unemployment ticked up in Austin, Dallas, Fort Worth and San Antonio last month but was stable in El Paso and Houston.

Chart 2
Unemployment

Percent*



*Seasonally adjusted.

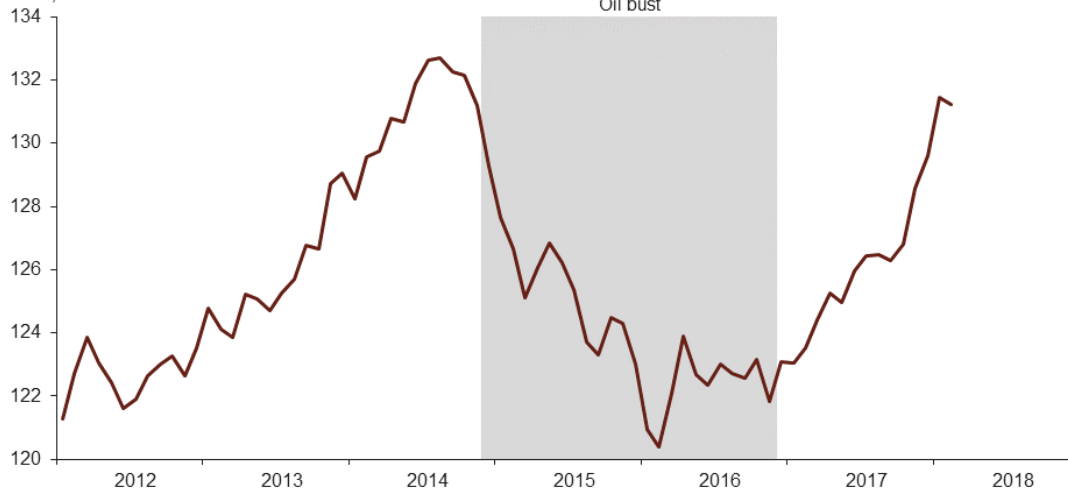
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Texas Leading Index

The Texas Leading Index, a composite of eight indicators that tend to change direction before the overall economy does, sheds light on the future of the state's economy. In February, the estimated value of the index dipped 0.2 percent following four months of expansion, but its three-month growth was 2.1 percent (*Chart 3*). The Texas Leading Index is 1.1 percent below its oil-boom peak in August 2014.

Chart 3
Texas Leading Index

Index, 1987 = 100*



*Seasonally adjusted.

NOTES: Oil-bust shading represents Texas energy-sector employment peak to trough, December 2014 to November 2016.

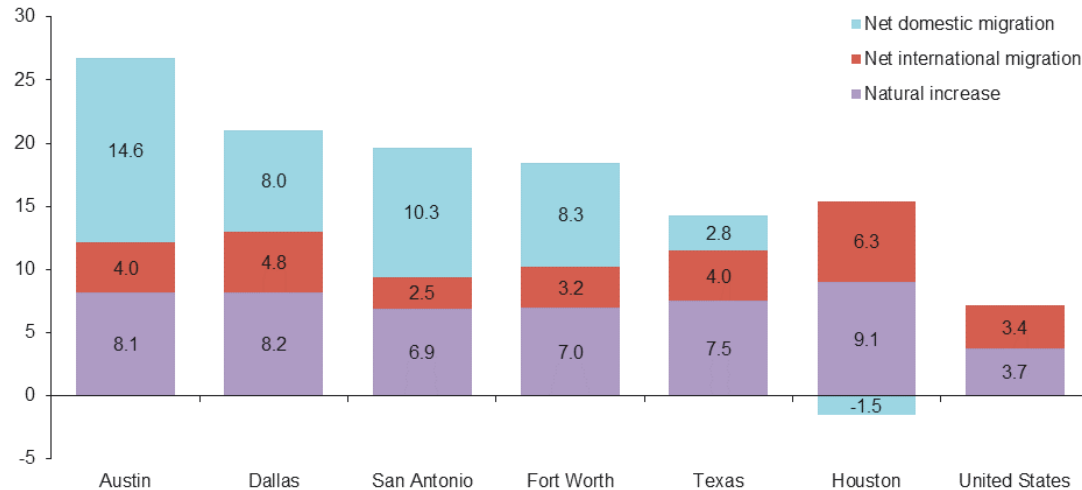
SOURCE: Dallas Fed.

Population Change

For every 1,000 Texas residents in 2016, there were an additional 14.3 residents in 2017 (*Chart 4*). Natural increase, measured as births minus deaths, accounted for 7.5 of these new residents, net international migration accounted for 4.0 residents, and net domestic migration accounted for 2.8 residents.

Chart 4
Population

Per capita population change*



*July 1, 2016, to July 1, 2017, per 1,000 residents in previous year.
SOURCE: Census Bureau, 2016 and 2017 American Community Survey 1-Year Estimates.

Austin's population growth of 26.8 new residents per 1,000 existing residents was the highest per capita population increase among the major Texas metros in 2017. The increase was driven by strong net domestic migration. Houston had the highest per capita natural increase and net international migration among the major metros, though it lost domestic migrants on net during the year. All the major Texas metros had higher rates of natural increase than the U.S., and all but San Antonio and Fort Worth had higher rates of net international migration.

Housing Market

Home Inventories Hold Steady at Record-Low Levels

Texas and U.S. home inventories are both at historic lows, well below the six months of inventory considered balanced (*Chart 5*). Texas home inventories reached a new low of 3.4 months' supply in January and held steady in February. U.S. home inventories reached a low point of 3.6 months in November and ticked up to 3.7 months in February. Among major Texas metros, Fort Worth had the lowest supply at 1.9 months, while Houston had the highest at 3.6 months.

Chart 5
Housing Inventory

Single-family home supply (months)*

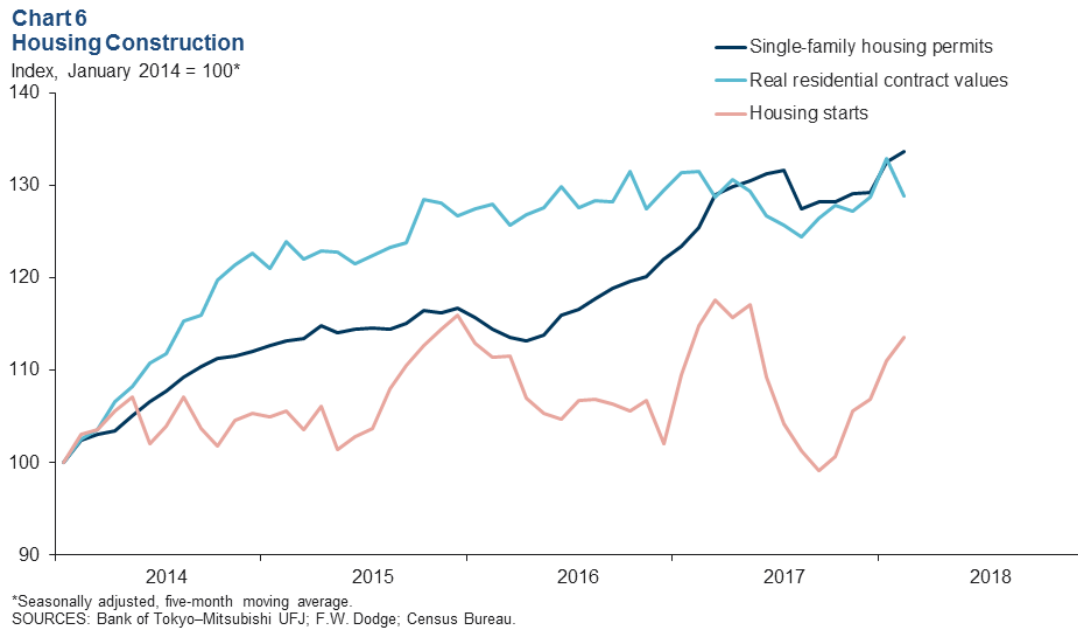


*Seasonally adjusted.
SOURCES: Real Estate Center at Texas A&M University; Multiple Listing Service.

Texas' existing-home sales rose 2.7 percent in February and have grown 2.1 percent year to date compared with the same period in 2017. The median existing-home sales price in Texas inched up 0.3 percent and was 2.9 percent above year-ago levels in February.

Residential Construction Activity Mixed

Indicators of Texas housing construction activity varied in February (*Chart 6*). The five-month moving average of single-family housing permits edged up 0.9 percent in the month, and total permits issued so far in 2018 are 5.2 percent higher than the same period in 2017. The five-month moving average of housing starts expanded 2.2 percent in the month; however, year to date, there have been 11.9 percent fewer housing starts than the same period in 2017. The five-month moving average of residential construction contract values dropped 3.1 percent in the month; year to date, the total value is 1.3 percent lower than the same period last year.



NOTE: Data may not match previously published numbers due to revisions.

About Texas Economic Indicators

Questions can be addressed to Stephanie Gullo at stephanie.gullo@dal.frb.org. *Texas Economic Indicators* is published every month on the Monday after Texas employment data are released.

U.S. Economic Outlook Improves in First Quarter

March 23, 2018

The U.S. economic outlook has slightly improved since January, owing to strong gross domestic product (GDP) and employment growth. Forecast GDP growth has ticked higher as recent changes to federal tax law have provided fiscal stimulus. Inflation expectations have remained firmly anchored, with inflation gradually rising in recent months.

Real GDP Continues Expansion at Year-End 2017

The second release of real (inflation-adjusted) GDP growth in fourth quarter 2017 stood at 2.5 percent, down from the initial release of 2.6 percent. Improving personal consumption expenditures (PCE) and residential/nonresidential investment contributed the most to overall GDP growth, while private inventories and net exports were restraining influences (*Chart 1*).

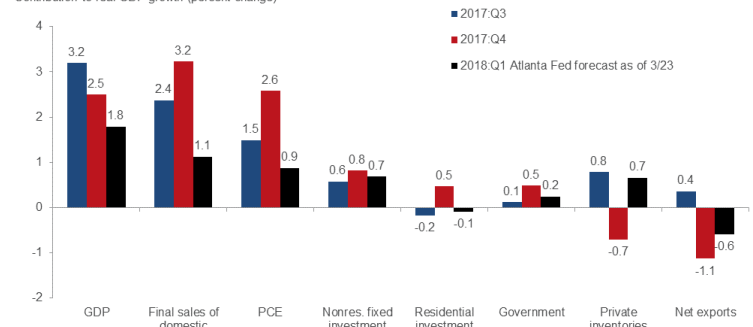
Of concern for first-quarter growth are relatively weak releases of real PCE and real retail sales. Real PCE declined 1.7 percent on an annualized basis during January, a sharp contrast from a 3 percent gain in December, while real retail sales growth slumped to 0.1 percent in February, below consensus estimates. This weakness explains why the Atlanta Fed's GDP Nowcast for first-quarter growth is low. However, both PCE and retail sales are likely to improve in February and March as some consumers begin receiving tax refunds.

Survey-based indicators for investment and consumption remain buoyant. The Institute for Supply Management (ISM) manufacturing composite index rose from 59.1 in January to 60.8 in February, while the non-manufacturing composite index declined from 59.9 to 59.5. A reading above 50 indicates expansion. *Chart 2* shows ISM nonmanufacturing values since 2014, with the last two months (highlighted in red) at relatively high levels. The three-month moving average is also rising.

The Conference Board's Consumer Confidence Index continues increasing, reaching 130.8 in February from 124.3 in January. February's value is the highest since November 2000. The University of Michigan's Consumer Sentiment Index also increased, from 99.7 in February to 102.0 in March, both relatively high readings. Overall, these indicators point to optimism about future growth.

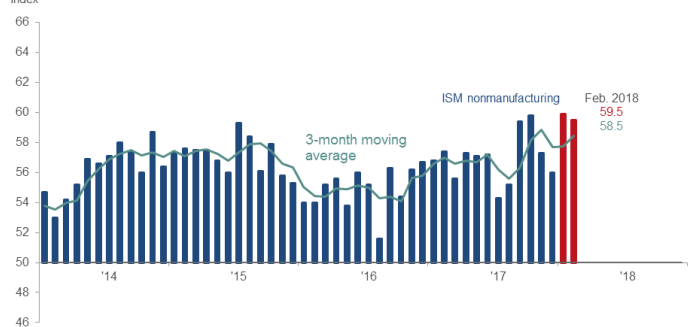
Looking forward, real GDP growth is expected to increase each quarter this year, with forecasts moving higher. *Chart 3* shows recent GDP growth on a yearly basis and comparisons to recent Survey of Professional Forecasters (SPF) releases. The SPF's latest release in February of 2.8 and 2.5 percent year-over-year growth in 2018 and 2019, respectively, reflects an upward revision from November's 2.5 and 2.1 percent.

Chart 1
Consumption and Investment Contribute to GDP Growth
Contribution to real GDP growth (percent change)*



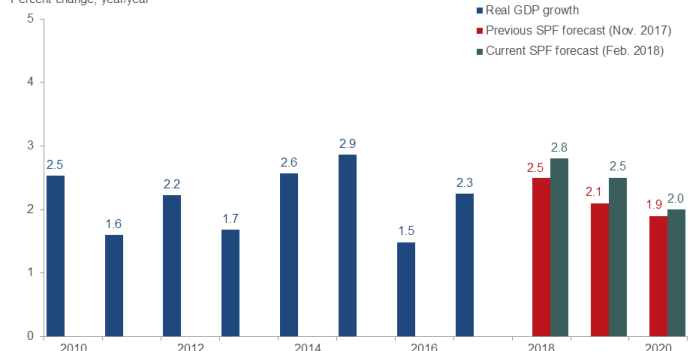
*Quarter/quarter, seasonally adjusted annual rate.
NOTE: PCE refers to personal consumption expenditures.
SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Atlanta.

Chart 2
ISM Nonmanufacturing Index Remains in Expansionary Territory
Index*



*Values above 50 indicate expansion.
SOURCE: Institute for Supply Management (ISM).

Chart 3
GDP Growth Forecasts Revised Upward
Percent change, year/year



NOTE: SPF is the Survey of Professional Forecasters.
SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Philadelphia.

On a quarterly basis, the SPF's latest report in February predicts real GDP growth will reach 3.0 percent in first quarter 2018 and 2.9 percent in second quarter 2018.

Solid Employment Growth

Payrolls increased by 313,000 in February, the latest employment report shows (*Chart 4*). The result exceeds consensus estimates, with the headline unemployment (the U-3 rate) remaining at 4.1 percent.

The broader U-6 rate, which includes discouraged workers, other marginally attached workers and those working part time for economic reasons, remained at 8.2 percent. The labor force participation rate ticked upward, from 62.7 percent to 63 percent, but demographic developments imply a gradual softening in coming years. The latest SPF release forecasts unemployment to decline further to 3.8 percent in 2019—levels last seen in early 2000.

Despite the strong employment report, wage growth is still only softly trending upward. Both the Atlanta Fed's wage growth tracker and the noisier average-hourly-earnings measure have moved slightly higher but remain below pre-Great Recession rates. On a year-over-year basis, the wage growth tracker increased from 2.9 percent in December to 3.0 percent in January, while average hourly earnings declined slightly, from 2.8 percent in January to 2.6 percent in February. In contrast, the wage growth tracker grew 4.3 percent in March 2007, prior to the Great Recession, while average hourly earnings increased 3.4 percent.

Inflation Bottoming Out

Although most inflation measures remain below the Federal Reserve's 2 percent target, recent releases have suggested that inflation has bottomed out and will trend toward the target rate. Core Consumer Price Index (CPI) inflation, which excludes food and energy, was little changed at 1.9 percent on a year-over-year basis in February (*Chart 5*).

Core PCE inflation was unchanged at 1.5 percent in January on a year-over-year basis. Meanwhile, the Federal Reserve Bank of Dallas' Trimmed Mean PCE year-over-year inflation measure was also unchanged, at 1.7 percent. Overall, *Chart 5* shows that inflation will likely increase.

Inflation expectations remain largely unchanged since January's Federal Open Market Committee meeting. The SPF forecasts core PCE inflation to reach the Fed's 2 percent target by 2019, while the implied five-year/ five-year-forward (expected average inflation over the five-year period that begins five years from now) CPI inflation rate stands at 2.3 percent, up from the previous forecast of 2.2 percent in November. The five-year/five-year-forward Treasury inflation-protected securities (TIPS) breakeven inflation rate, a market-based measure of expected inflation, stood at 2 percent as of March 19, little changed from January.

—Daniel Chapman

About the Author

Chapman is a research assistant in the Research Department at the Federal Reserve Bank of Dallas.

Chart 4
Payroll Growth Shows Employment Strength

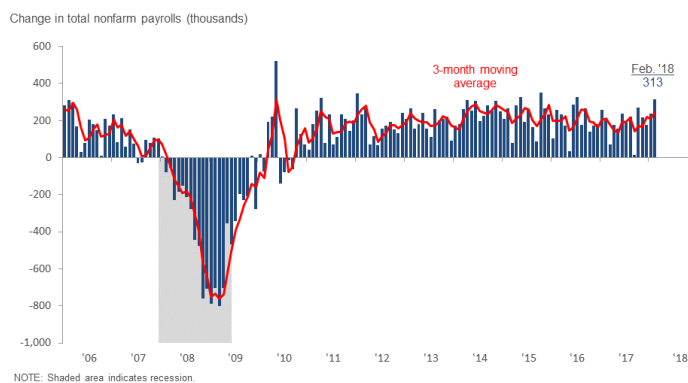
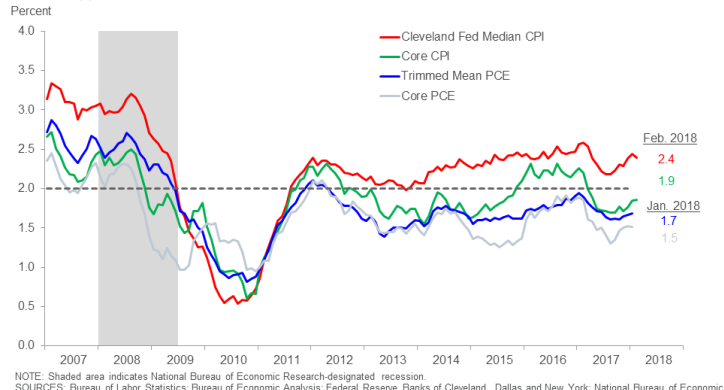


Chart 5
Inflation Appears to Have Bottomed Out





City of Colleyville City Council Agenda Briefing

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

Agenda Number
Type Report
Department City Manager

Agenda Date 05/15/2018

Number 10

Title

Quarterly Performance Management Report

Strategic Plan

- 1.3 Assure convenient access to public information
- 1.4 Communicate thoroughly and strategically

Explanation

The purpose of this item is to report on performance of the programs and services identified in the City's strategic plan and the general operations of the City through the use of performance measures. In addition to performance measures, additional metrics called vital statistics are included in the report. Performance measures are measures of efficiency or effectiveness and represent outcomes that can be directly influenced by staff. Vital statistics represent data that is important to track for overall understanding of how a program is performing and for decision making, but is not necessarily a reflection of efficiency or effectiveness, and is not something that staff has significant control over. The presentation of both performance measures and vital statistics provides a well-rounded look at performance and trends in programs and services, while also furthering the City's efforts of accountability and transparency to those we serve.

The attached spreadsheet includes the second quarter of actual data for FY 2018. For performance measures, the FY 2018 year-to-date (YTD) actual numbers are compared to the FY 2018 target that was established by the responsible department and are color coded as listed below. Vital statistics do not have a FY 2018 target and are therefore not color coded, as those metrics represent information that is important to track, but are not necessarily appropriate to set targets for.

Gray - Data not available at this time

Green - Performance expected to meet or exceed the target

Yellow - Performance expected to be near the target, but not meet it

Red - Performance not expected to meet the target, or come close to meeting it

Dashboard reports are also included and offer a more visual presentation of highlighted performance measures and vital statistics.

Attachments

1. FY 2018 Q2 Performance Management Report

PUBLIC SAFETY

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	Percentage of code violations located proactively	Code Enforcement	Safeguard Colleyville's identity	69%	80%	69%	70%	79%	≥ 50%	88%
	Number of UCR Part 1 Crimes	Police Administration	Deliver high quality core services	175	160	141	158	146	≤ 180	81
	Percentage of UCR Part 1 Offenses cleared	Criminal Investigations	Deliver high quality core services	20%	30%	31%	28%	29%	≥ 20%	57%
	Percentage of crime victims contacted by investigators within 3 days	Criminal Investigations	Deliver high quality core services	92%	98%	100%	100%	97%	≥ 95%	99%
	Average Priority 1 response time (call dispatch to arrival)	Police Patrol	Deliver high quality core services	4:11	4:03	3:12	3:25	3:36	≤ 5:00	3:42
	Fire/Ambulance average response time	Fire and EMS Operations	Deliver high quality core services	(Previously reported percentage of response times under 6 minutes)			4:43	4:40	≤ 6:00	4:48
	Percentage of plans reviewed within 48 hours	Fire Prevention / Investigations	Deliver high quality core services	100%	100%	99%	99%	99%	≥ 98%	99%
	Percentage of fire investigations cleared within 30 days	Fire Prevention / Investigations	Deliver high quality core services	100%	100%	100%	100%	100%	≥ 95%	100%
	Percentage of inspections performed within 48 hours of request	Fire Prevention / Investigations	Deliver high quality core services	100%	100%	100%	100%	100%	≥ 95%	98%

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
Vital Statistics	Injury accidents per 1,000 population	Police Patrol	Deliver high quality core services	2.84	2.76	3.04	3.4	3.04	1.8
	Number of self-initiated calls for service (proactive, community policing)	Police Patrol	Operate Transparently	54,231	50,897	43,781	35,652	37,273	17,911
	Total number of outstanding warrants in system since 1/1/03	Warrant Officer	Deliver high quality core services	3,971	4,056	3,657	3,006	2,457	2,352
	Number of warrants served	Warrant Officer	Deliver high quality core services	1,452	2,767	2,610	2,350	2,874	826
	Fire Related Responses	Fire Operations	Deliver high quality core services	381	500	542	566	610	67
	Fire Related Responses - Mutual Aid	Fire Operations	Deliver high quality core services	New measure	New measure	New measure	New measure	New measure	11
	Service Related Responses	Fire Operations	Deliver high quality core services	357	127	152	180	191	295
	Service Related Responses - Mutual Aid	Fire Operations	Deliver high quality core services	New measure	New measure	New measure	New measure	New measure	47
	EMS Related Responses	EMS Operations	Deliver high quality core services	829	950	959	1037	967	509
	EMS Related Responses - Mutual Aid	EMS Operations	Deliver high quality core services	New measure	New measure	New measure	New measure	New measure	21
	Ambulance billing revenue	EMS Operations	Deliver high quality core services	\$323,672	\$399,312	\$354,239	\$388,803	\$318,738	\$168,947
	Percentage of billed services recovered	EMS Operations	Deliver high quality core services	30%	32%	29%	31%	59%	50%
	Total number of volunteer hours from CFAAA and Rehab Team	Fire Administration	Operate Transparently	900	418.5	672.5	491.75	482	156.5
	Community Fire Prevention Events	Fire Prevention / Operations	Operate Transparently	N/A	116	125	122	118	28
	Average hours of training per employee	Fire Operations	Deliver high quality core services	160.9	160.99	134.77	166	170	45

DEVELOPMENT

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	Percentage of residential plan reviews completed in seven days or less (was 5 through FY16)	Building Inspection	Enable Responsible Development	21%	41%	77%	75%	84%	≥ 75%	57%
	Percentage of commercial plan reviews completed in seven days or less (was 10 through FY16)	Building Inspection	Enable Responsible Development	44%	55%	77%	80%	80%	≥ 75%	56%
	Percentage of inspections performed within 24 hours	Building Inspection	Enable Responsible Development	97%	98%	99%	98%	98%	≥ 95%	93%
	Percent of online department survey respondents satisfied with overall service	Planning and Zoning/Building Inspection	Deliver high quality core services	89%	98%	100%	70%	100%	= 100%	100%
	Retail occupancy rate	Economic Development	Enable Responsible Development	88%	90%	90%	96%	97%	≥ 90%	97%
	Office occupancy rate	Economic Development	Enable Responsible Development	89%	89%	90%	92%	93%	≥ 90%	93%
	Percentage growth in sales tax revenue (General Fund)	Economic Development	Enable Responsible Development	7.6%	9.0%	3.1%	8.0%	0.50%	≥ 1.05%	7.1%
Vital Statistics		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD	
	Number of Inspections Performed	Building Inspection	Enable Responsible Development	6,832	4,621	7,194	9,977	9,978	5,475	

LEISURE

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	Percentage of competitive athletic fields meeting departmental maintenance standards	Athletic Field Maintenance	Safeguard Colleyville's identity	New Measure	80%	80%	85%	100%	≥ 85%	79%
	Percentage of park inspections meeting standards	Park Maintenance	Safeguard Colleyville's identity	87%	80%	95%	96%	96%	≥ 85%	97%
	Percentage of library materials requests filled within 30 days	Library Services	Deliver high quality core services	86%	96%	93%	94%	98%	≥ 80%	Annual
	Percentage of library patrons who come to the library looking for items and find them	Library Services	Deliver high quality core services	79%	80%	81%	83%	83%	≥ 80%	82%
	Children’s program attendance	Library Services	Safeguard Colleyville's identity	21,955	18,363	17,173	18,888	19,471	≥ 18,000	10,076
	Adult and teen program attendance	Library Services	Safeguard Colleyville's identity	910	795	651	800	1,113	≥ 650	471
	Children’s summer reading program participation	Library Services	Safeguard Colleyville's identity	1,182	1,188	987	1,278	1,127	≥ 1,000	Annual
	Adult and teen summer reading program participation	Library Services	Safeguard Colleyville's identity	118	114	84	148	228	≥ 100	Annual
	Library patron visits	Library Services	Safeguard Colleyville's identity	123,211	134,314	133,076	120,202	94,649	≥ 90,000	44,808
	Library patron visits - In Person	Library Services	Safeguard Colleyville's identity	New Measure	New Measure	New Measure	New Measure	New Measure	New Measure	42,077
	Library patron visits - Online	Library Services	Safeguard Colleyville's identity	New Measure	New Measure	New Measure	New Measure	New Measure	New Measure	2,229
	Reference questions answered	Library Services	Deliver high quality core services	35,048	34,073	25,025	28,717	33,280	≥ 25,000	12,948
	Circulation of the library materials collection	Library Services	Deliver high quality core services	250,737	234,667	228,160	222,123	227,252	≥ 220,000	105,443
	Percentage of offered classes/programs held	Recreation	Safeguard Colleyville's identity	65%	71%	73%	77%	79%	≥ 60%	76%
	Number of participants	Senior Center	Safeguard Colleyville's identity	1,751	3,734	3,767	4,574	4,148	≥ 1,500	1,936
	Percentage of resident membership visits	Senior Center	Safeguard Colleyville's identity	58%	60%	59%	51%	50%	≥ 60%	50%
	Percentage of cost recovery	Colleyville Center	Deliver high quality core services	66%	81%	75%	62%	65%	≥ 70%	55%
	Percentage of customer satisfaction ratings of “excellent”	Colleyville Center	Deliver high quality core services	96.3%	96.4%	97.3%	98%	97%	≥ 97%	98%
	Number of events held	Colleyville Center	Safeguard Colleyville's identity	386	412	452	376	405	≥ 400	193

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
Vital Statistics	Percentage of Colleyville households with at least one active library card holder	Library Services	Safeguard Colleyville's identity	50%	50%	50%	50%	50%	64%
	Library materials collection size	Library Services	Safeguard Colleyville's identity	69,736	74,525	77,664	80,452	82,182	74,312
	Number of staff hours dedicated to athletic field maintenance and game preparation	Athletic Field Maintenance	Safeguard Colleyville's identity	4,884	3,697	4,032	4,007	3,804	1,492
	Number of youth sports participants	Athletic Field Maintenance	Safeguard Colleyville's identity	4,063	4,315	4,434	4,302	4,517	4,386
	Percentage of non-resident youth sports participants	Athletic Field Maintenance	Safeguard Colleyville's identity	49%	52%	52%	59%	49%	49%
	Percentage of revenue recovery	Athletic Field Maintenance	Deliver high quality core services	12%	12%	20%	18%	18%	18%
	Number of classes/programs offered	Senior Center	Safeguard Colleyville's identity	151	212	191	172	179	81
	Average membership visits per month	Senior Center	Safeguard Colleyville's identity	534	544	827	1,019	913	826
	Number of Metroport Meals on Wheels participants	Senior Center	Safeguard Colleyville's identity	1,727	1,607	1,695	1,553	1,284	599
	Percentage of Meals on Wheels participants who are residents	Senior Center	Safeguard Colleyville's identity	52%	49%	47%	43%	45%	45%
	Percentage of resident class participants	Recreation	Safeguard Colleyville's identity	49%	42%	44%	43%	43%	46%
	Revenue generated from bookings	Colleyville Center	Deliver high quality core services	\$246,797	\$230,793	\$226,901	\$209,919	\$230,612	\$98,445
	Percentage of events generating economic impact for local business	Colleyville Center	Safeguard Colleyville's identity	57%	59%	59%	60%	70%	63%
	Percent of total events held: Colleyville residents	Colleyville Center	Safeguard Colleyville's identity	9%	10%	11%	23%	13%	10%
	Percent of total events held: Non-residents	Colleyville Center	Safeguard Colleyville's identity	41%	36%	30%	25%	34%	22%
	Percent of total events held: Non-profits	Colleyville Center	Safeguard Colleyville's identity	44%	47%	50%	45%	46%	63%
	Percent of total events held: City departments	Colleyville Center	Safeguard Colleyville's identity	6%	7%	9%	7%	7%	6%
	Percent of revenue: Colleyville residents	Colleyville Center	Deliver high quality core services	N/A	N/A	N/A	18%	20%	14%
	Percent of revenue: Non-residents	Colleyville Center	Deliver high quality core services	N/A	N/A	N/A	61%	53%	44%
	Percent of revenue: Non-profits	Colleyville Center	Deliver high quality core services	N/A	N/A	N/A	20%	27%	43%
	Percent of revenue: City departments	Colleyville Center	Deliver high quality core services	N/A	N/A	N/A	1%	0%	0%

PUBLIC WORKS

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	Percent of internal customers satisfied with facility environment	Building Services	Deliver high quality core services	89%	84%	86%	96%	92%	≥ 90%	N/A
	Percentage of work orders responded to within one business day	Building Services	Deliver high quality core services	78%	51%	83%	89%	91%	≥ 90%	91%
	Percent of scheduled lane miles of public streets swept	Stormwater Management	Assure adequate infrastructure	98%	99%	99%	94%	100%	≥ 98%	100%
	Percent of storm drain inlets inspected	Drainage Maintenance	Assure adequate infrastructure	New Measure	20%	51%	55%	50%	≥ 50%	51%
	Percentage of storm sewer lines inspected	Drainage Maintenance	Assure adequate infrastructure	New Measure	<1%	<1%	<1%	<1%	≥ 10%	0%
	Meter reading accuracy	Utility Support	Deliver high quality core services	99%	99%	98%	99%	98%	≥ 98%	98%
	Percentage of total waste water lines cleaned annually	Waste Water Collection	Assure adequate infrastructure	93%	78%	91%	94%	93%	≥ 95%	N/A
	Percentage of water valves exercised	Water Distribution	Assure adequate infrastructure	New Measure	12%	0.05%	15%	34%	≥ 20%	2%
	Percentage of water meters replaced	Utility Support	Deliver high quality core services	New Measure	New Measure	New Measure	New Measure	New Measure	≥8%	2%
	Average age of street and traffic signs	Street Maintenance	Deliver high quality core services	New Measure	New Measure	New Measure	New Measure	New Measure	≤10 Years	73%
	Average age of long line pavement markings	Street Maintenance	Deliver high quality core services	New Measure	New Measure	New Measure	New Measure	New Measure	≤5 Years	42%
	Percent of street and traffic signs replaced	Street Maintenance	Deliver high quality core services	12%	15%	15%	7%	5.00%	≥ 10%	3.00%
	Percentage of pavement markings renewed	Street Maintenance	Deliver high quality core services	New Measure	20%	4%	15%	12.2%	≥ 20%	1.0%

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
Vital Statistics	Percentage of monthly water samples testing negative for coliform bacteria	Water Distribution	Deliver high quality core services	99.36%	99%	98%	100%	100%	100%
	Percentage of fleet time available	Fleet Maintenance	Deliver high quality core services	98%	98%	98%	99%	99%	98%
	Ratio of scheduled maintenance to unscheduled repairs	Building Services	Deliver high quality core services	68%	41%	68%	50%	51%	50%
	Number of infrastructure repairs needed within two- year maintenance bond period	Engineering Services	Assure adequate infrastructure	0	0	0	0	2	0
	Value of newly-constructed public infrastructure in place	Engineering Services	Assure adequate infrastructure	New Measure	\$5.82M	\$17.3M	\$11.7 M	\$19.4M	\$8.9M
	Percentage of construction time with City staff present	Engineering Services	Assure adequate infrastructure	New Measure	18%	23%	30%	25%	22%
	Percentage of time preventative maintenance is completed on schedule	Fleet Maintenance	Assure adequate infrastructure	New Measure	95%	96%	96%	99%	100%
	Water loss ratio	Water Distribution	Assure adequate infrastructure	4.33%	4.34%	3.08%	2.50%	2.96%	N/A

ADMINISTRATION

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	City-initiated news leads	Communications	Operate transparently	31	23	29	31	52	≥ 30	48
	Number of public information campaigns	Communications	Operate transparently	6	4	6	6	9	≥ 8	4
	Achieve GFOA's Distinguished Budget Award	City Manager's Office	Deliver high quality core services	Yes	Yes	Yes	Yes	Yes	Yes	N/A
	Percentage of board, commission, and committee members that have completed Texas Open Meeting Act training	City Secretary	Operate transparently	< 50%	89%	91%	86%	94%	≥ 95%	94%

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
Vital Statistics	Tax rate per hundred dollars of valuation	City Council	Deliver high quality core services	\$0.3559	\$0.3559	\$0.3559	\$0.3559	\$0.33913	\$0.33383
	Number of household hazardous waste collections (at Fort Worth ECC and Clean Sweep event)	City Manager's Office	Deliver high quality core services	572	553	658	752	702	199
	Visits to Colleyville.com	Communications	Operate transparently	300,605	318,759	317,793	321,567	294,099	238,449
	E-newsletter subscribers	Communications	Operate transparently	1,679	2,621	2,839	3,225	3,819	3,447
	Social Media Followers on City of Colleyville Government	Communications	Operate transparently	New Measure	New Measure	1,000	1,836	2,546	2,790
	Number of public information requests	City Secretary	Operate transparently	217	260	283	296	255	86
	Number of citizen survey responses	City Manager's Office	Operate transparently	N/A	1,323	N/A	N/A	907	N/A

FINANCE

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
	Achieve GFOA's Certificate of Achievement for Excellence in Financial Reporting	Finance	Deliver high quality core services	Yes	Yes	Yes	Yes	Yes	Yes	N/A
	Percentage warrants issued within 10 day (formerly 8 day) period after due date or court date	Municipal Court	Deliver high quality core services	New Measure	97%	99%	99%	99.0%	≥ 97%	99.0%
	Billing accuracy rate	Utility Billing	Deliver high quality core services	99.0%	98.6%	99.8%	99.9%	99.6%	≥ 99.5%	99.0%

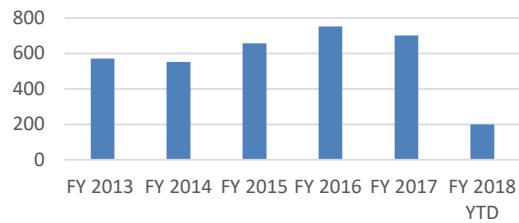
		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD
Vital Statistics	Percent of ACH payments to total accounts payable	Finance	Deliver high quality core services	New Measure	16%	26%	26%	28%	29%
	Number of citations filed per FTE	Municipal Court	Deliver high quality core services	4,268	4,610	4,609	4,220	4,268	1,615
	Number of citations going into warrant	Municipal Court	Deliver high quality core services	New Measure	New Measure	New Measure	New Measure	New Measure	577
	Percentage of automatic draft customers/total customers	Utility Billing	Deliver high quality core services	15%	19%	16%	17%	19%	19%
	Percentage of customers paying before cutoff	Utility Billing	Deliver high quality core services	97%	97%	97%	97%	96%	97%
	Uncollectible accounts written off at year end (water & sewer)	Utility Billing	Deliver high quality core services	\$30,500	\$26,080	\$27,178	\$19,150	\$22,069	N/A

INTERNAL SERVICES

		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Target	FY 2018 YTD
Performance Measures	Percentage turnover (per fiscal year)	Human Resources	Deliver high quality core services	22%	15%	17%	14%	14%	≤ 15%	9%
	Percentage of annual performance evaluations completed on time	Human Resources	Deliver high quality core services	25%	98%	73%	99%	95%	≥ 90%	N/A
	Percentage of employees who participate in wellness program	Human Resources	Deliver high quality core services	78%	86%	85%	92%	91%	≥ 80%	N/A
	Workers' compensation experience modification factor (actual losses compared to expected losses)	Human Resources	Deliver high quality core services	0.48	0.45	0.83	0.84	0.84	≤ 0.85	0.58
	Medical and pharmacy loss ratio (paid claims divided by premiums)	Human Resources	Deliver high quality core services	66%	75.8%	87.4%	75.5%	102.4%	≤ 85%	96.5%
	Percentage of product requests completed on time	Graphical Information Services (GIS)	Deliver high quality core services	82%	88%	93%	93.4%	92%	≥ 85%	94%
	Percentage of broadcast uptime	Network/Desktop Services	Deliver high quality core services	99.82%	99.86%	99.88%	99.99%	99.999%	≥ 99%	99%
	Percentage of work orders completed on time	Network/Desktop Services	Deliver high quality core services	87%	78%	87%	92.9%	91%	≥ 95%	97%
	Percentage of network data and telecommunications uptime	Network/Desktop Services	Deliver high quality core services	99.83%	99.73%	99.80%	99.99%	99.997%	≥ 99%	99%
	Percentage of IT work plan projects completed on time	Network/Desktop Services	Deliver high quality core services	100%	97%	94%	95%	100%	= 100%	100%
	Percentage of data backup success	Network/Desktop Services	Deliver high quality core services	91%	91%	92%	94.2%	97%	= 100%	97%
Vital Statistics		Program	Goal	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 YTD	
	Total number of equipment pieces maintained by department	Network/Desktop Services	Deliver high quality core services	419	569	589	609	609	615	

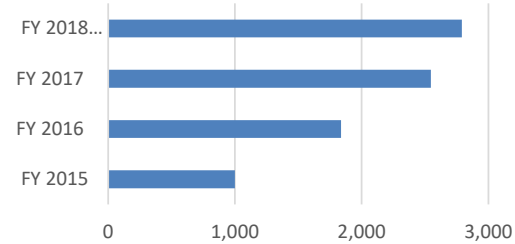
Solid Waste & Recycling

Number of household hazardous waste collections (at Fort Worth ECC and Clean Sweep event)



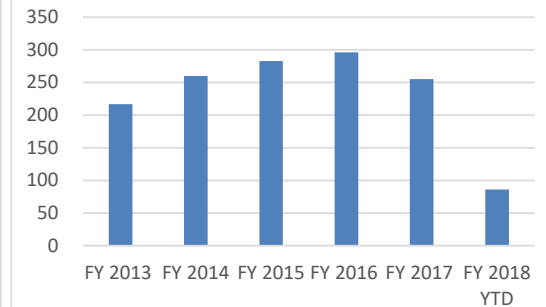
Communications

Social Media Followers on City of Colleyville Government



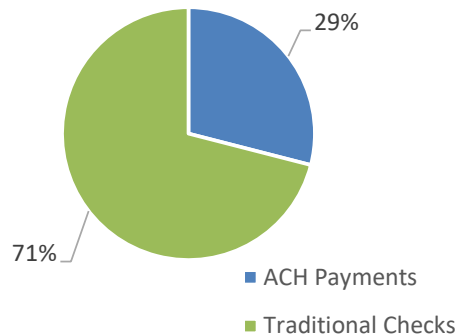
City Secretary

Number of public information requests



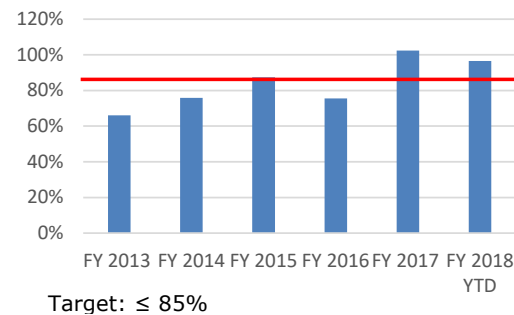
Finance

Percent of ACH payments to total accounts payable



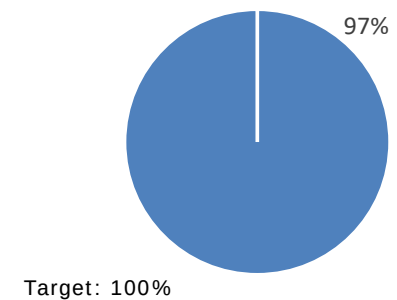
Human Resources

Medical and pharmacy loss ratio (paid claims divided by premiums)

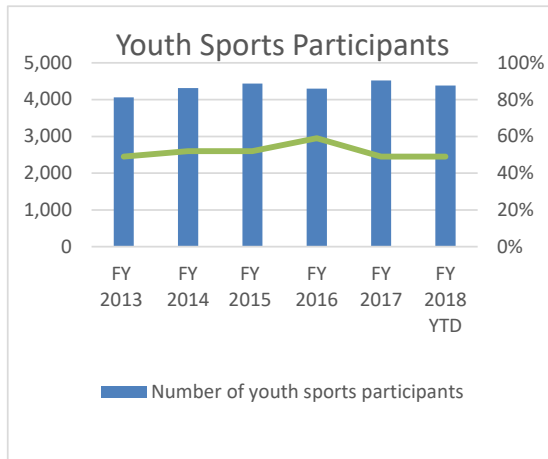


Technology

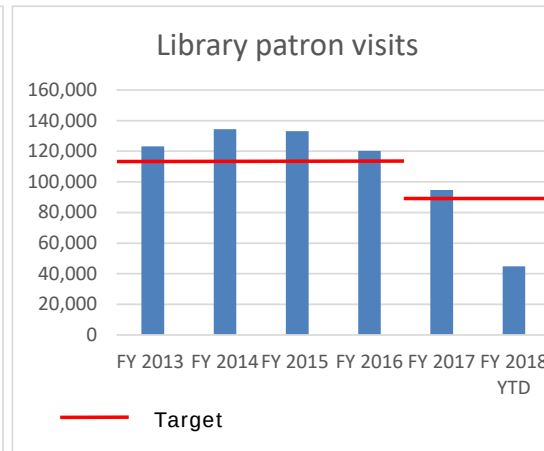
Percentage of data backup success



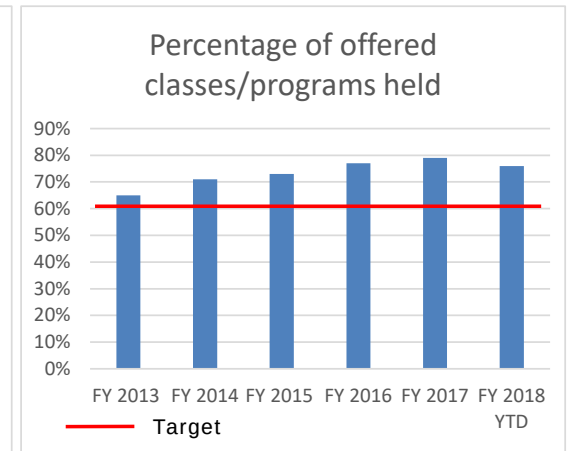
Parks



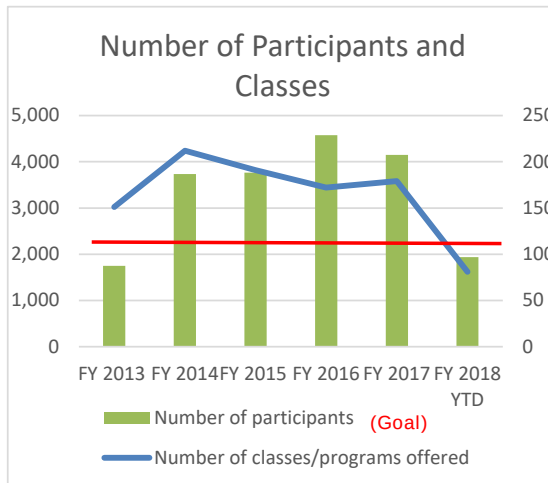
Library



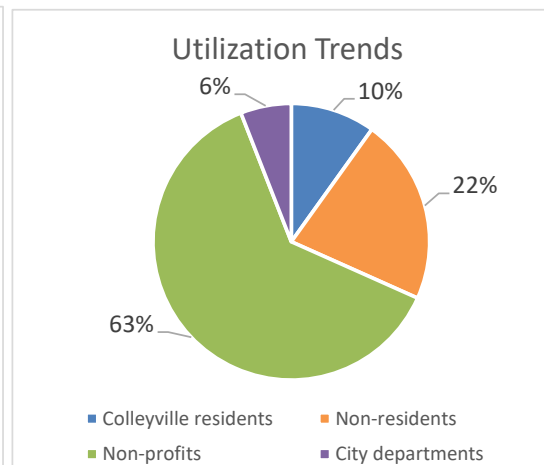
Recreation



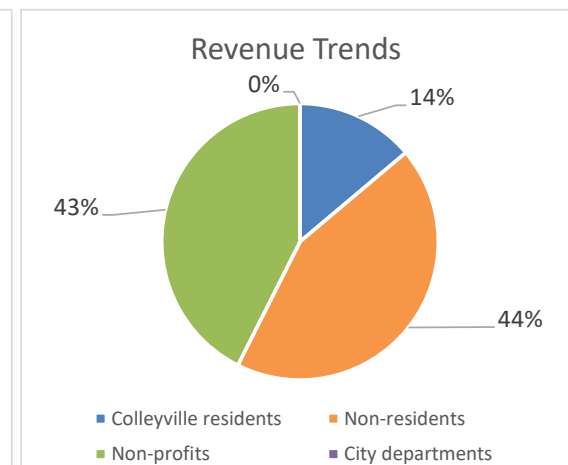
Senior Center



Colleyville Center

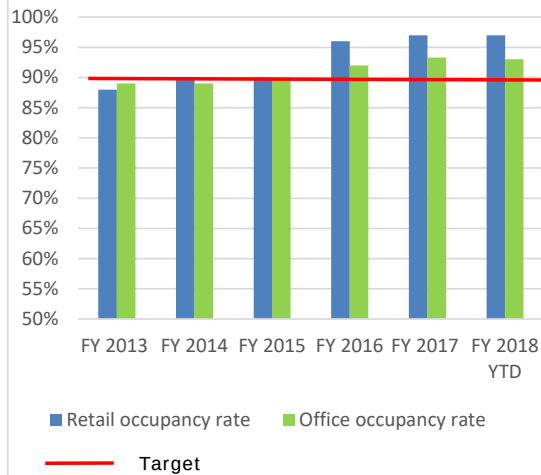


Colleyville Center

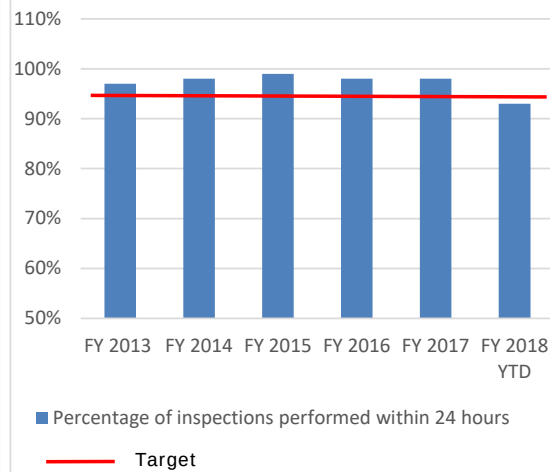


Dashboard: Development & Infrastructure FY 2018 Q2

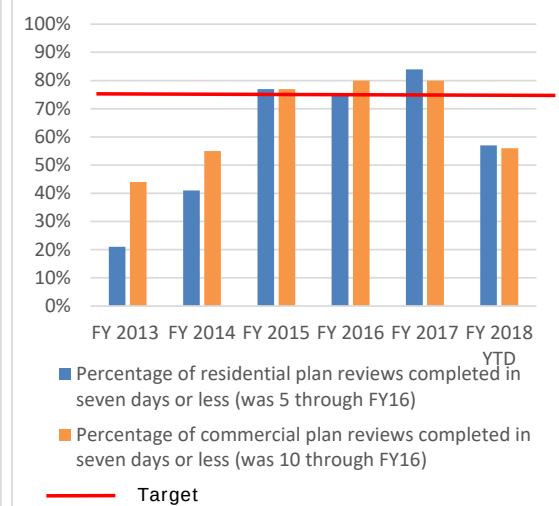
Retail & Office Occupancy Rate



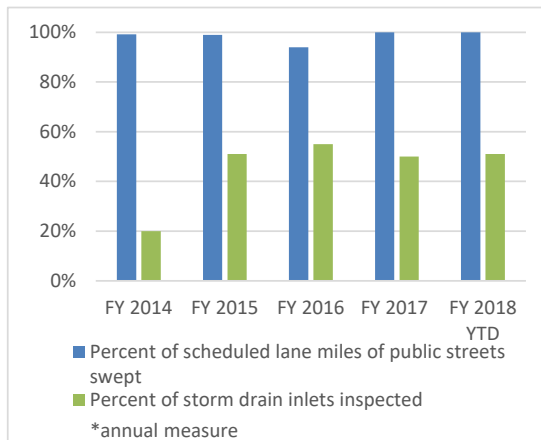
Inspections Performed within 24 hours



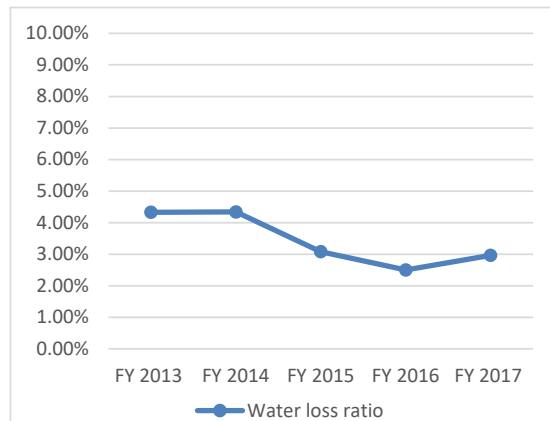
Plan Review & Inspections Timeliness



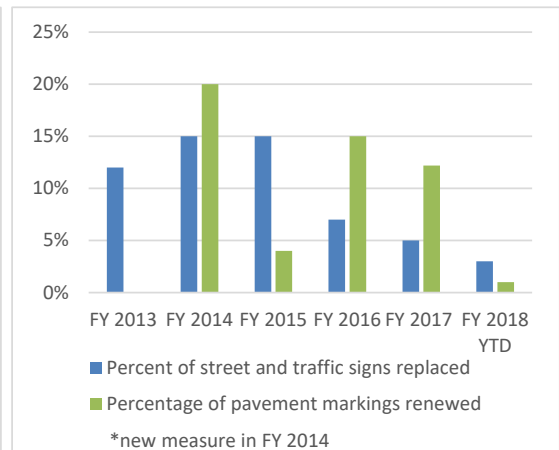
Stormwater & Drainage



Water Loss Ratio

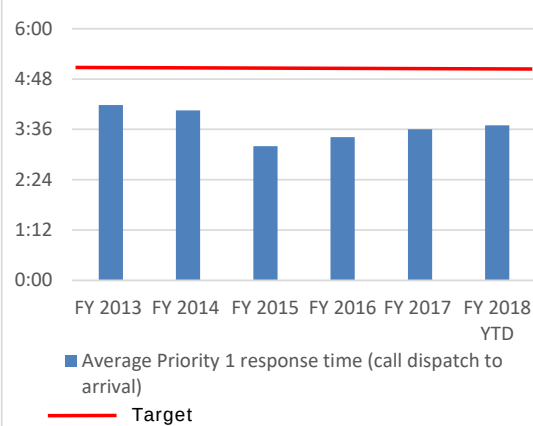


Street Maintenance

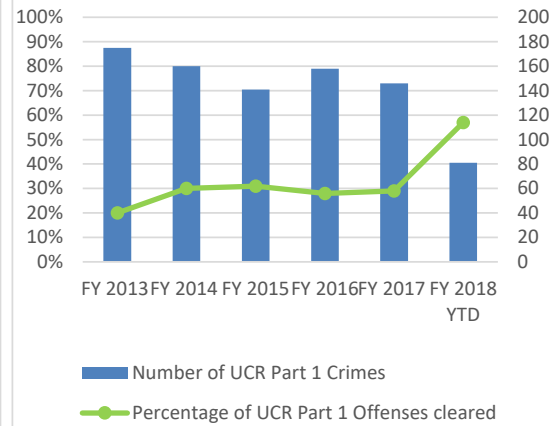


Dashboard: Public Safety FY 2018 Q2

Police Response Time

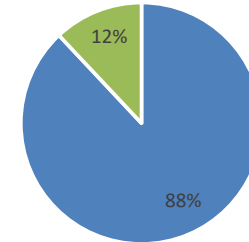


UCR Part 1 Crimes



Code Enforcement

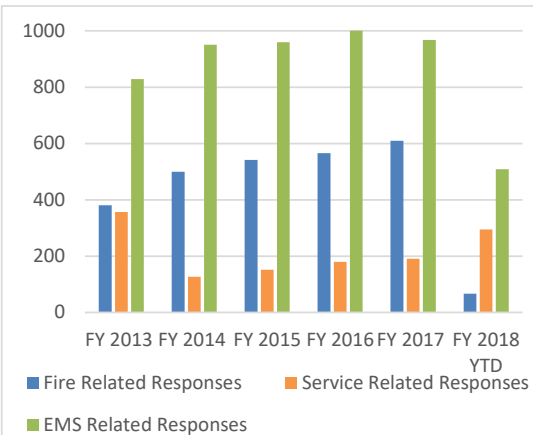
Percentage of code violations located proactively



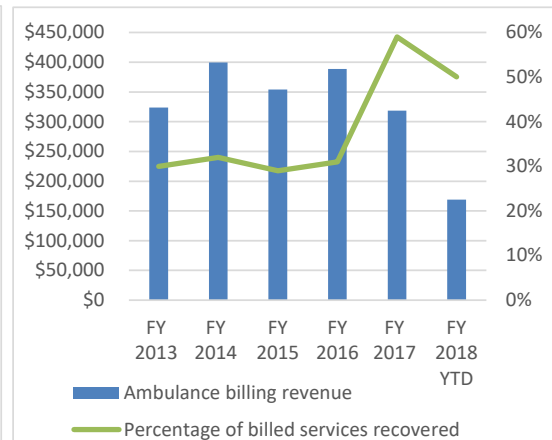
Target: $\geq 50\%$

■ Proactive ■ Reactive

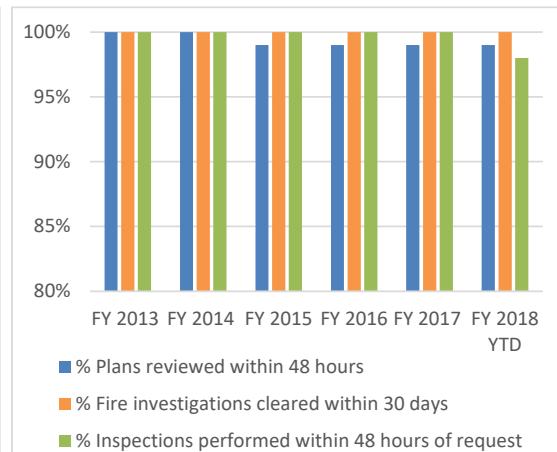
Fire & EMS Responses



Ambulance Billing



Fire Prevention / Investigation





City of Colleyville City Council Agenda Briefing

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

Agenda Number 10

Agenda Date 05/15/2018

Type Report

Department City Secretary

Title

Sign Board of Appeals Meeting Minutes - April 11, 2017

Attachments

1. April 11, 2017 SBA Minutes



City of Colleyville Sign Board of Appeals Minutes

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Tuesday, April 11, 2017

City Council Chambers

Call to Order

The Sign Board of Appeals meeting of the City of Colleyville was called to order by Board member McNosky on May 11, 2017 at 8:00 p.m.

Roll Call

Present: Board members Dee Kamerman, Richard Vallario, Wayne Maynard, Dee McNosky, Raymond Allee, Kimberly Holt, Alternate 1, and Michael Deakin, Alternate 2

Staff Present: Shane Pace, Amy Shelley, and Araceli Botello

1. APPROVAL OF MINUTES

Board member Maynard made a motion to approve the March 14, 2017 minutes. Board member Allee seconded.

The motion to approve the March 14, 2017 minutes carried by the following vote:

Aye: 5 – Vallario, Maynard, Allee, Kamerman, and McNosky

2. PUBLIC HEARING AGENDA ITEMS

- 2a** Request for a variance to the provisions of Section 7-150, Permanent Freestanding Signs – Sign Classification and Regulations of the Land Development Code, specifically the construction design and maximum height, on Lot 1R and 2R, Block 1, of the C-D Subdivision, located at 6513 and 6515 Colleyville Boulevard, Case SC17-001

Board member Kamerman stated a need to abstain from the item and recused herself from the meeting. Staff noted that Board member Kimberly Holt would step as an alternate.

Shane Pace presented the case and briefed the Board.

The public hearing was opened at 8:18 p.m.

The applicant, Ken Green, 2900 Sherwood Lane, came forward and briefed the Board.

Kenneth Lecroy, 2804 Summertree Lane, came forward and spoke in support of the case.

Steven Bush, 6709 Carriage Lane, came forward and spoke in support of the case.

Mark Cooke, 6710 Carriage Lane, came forward and spoke in support of the case.

Board member Allee referred to photos provided by the applicant and questioned the applicant if there is a restriction for the sign to be placed to the right of the proposed location, between the drainage wall and Colleyville Boulevard. The applicant replied 'no'. The applicant added that a line-of-sight, or an unobstructed line-of-sight, was required by the Texas Department of Transportation.

There being no one else wishing to speak, the public hearing was closed at 8:24 p.m.

Board member Maynard made a motion to approve Case SC17-001. Board member Vallario seconded.

The motion to approve Case SC17-001 was carried by the following vote:

Aye: 5 – Holt, Vallario, Allee, Maynard, and McNosky

3. ADJOURNMENT

The meeting adjourned at 8:28 p.m.

The minutes were written and prepared by:



Araceli Botello

Planning Technician

The meeting minutes were approved on May 8, 2018 by a vote of 4-0.

RESOLUTION R-18-4265

**A RESOLUTION APPROVING CITY COUNCIL ACTION
UNDER BUSINESS AT THE REGULAR CITY COUNCIL MEETING OF
MAY 15, 2018**

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:**

a. THAT

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF _ AYES, _ NAYS AND _ ABSTENTIONS ON THIS
THE 15TH DAY OF MAY 2018.

Mayor Richard Newton	_____	Mayor Pro Tem Bobby Lindamood	_____
Place 1, Tammy Nakamura	_____	Place 3, Kathy Wheat	_____
Place 4, George Dodson	_____	Place 5, Chuck Kelley	_____
Place 6, Callie Rigney	_____		

ATTEST:

CITY OF COLLEYVILLE

Christine Loven, TRMC
City Secretary

Richard Newton
Mayor