

**AZLE MUNICIPAL DEVELOPMENT DISTRICT  
REGULAR MEETING**

**CITY COUNCIL CHAMBERS  
613 S.E. PARKWAY  
AZLE, TEXAS 76020**

**TUESDAY  
October 8, 2013**

**AGENDA**

**President Ray Ivey  
Vice President Kevin Ingle  
Secretary Joe McCormick**

**Jack Stevens  
Justin Berg  
Council Member Paul Crabtree  
Council Member William Chambers**

**REGULAR SESSION  
CALL TO ORDER**

**7:00 p.m.**

**ACTION ITEMS**

1. Consider approving the Minutes of the August 13, 2013 Azle MDD regular meeting  
**Secretary Joe McCormick**
2. Consider any action on approving Resolution M2013-02 adopting the Azle MDD's investment policy  
**Finance Director Renita Bishop**
3. Consider any action on approval of TexPool Participation Agreement and Resolution M2013-03 authorizing Azle Municipal Development District's participation in TexPool and designating authorized representatives  
**Finance Director Renita Bishop**

**DISCUSSION ITEMS**

4. Discuss/review other municipalities with Economic Development Corporations and Municipal Development Districts to see if there is a benefit to having both  
**Vice President Kevin Ingle**
5. Discuss/review City of Azle's travel & training policy  
**Vice President Kevin Ingle**
6. Discuss limiting the number of Azle MDD directors that can serve on the Azle Area Chamber of Commerce EDC  
**Vice President Kevin Ingle**

7. Discussion regarding Azle Municipal Development District plans/procedures/policies  
**Vice President Kevin Ingle**

**ADJOURNMENT**

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on October 4, 2013 at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.



**Susie Hiles**  
**Assistant to the City Manager**

\_\_\_\_\_  
**Date Agenda Removed from Posting**

*This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101.*

Complete MDD Agenda packet and background information are available for review at the City Secretary's Office and on our website [www.cityofazle.org](http://www.cityofazle.org).

# City Council Communication

Item # 1

<b>Submitted By:</b> Susie Hiles, Assistant to the City Manager	<b>Date:</b> October 4, 2013
<b>Subject:</b> Azle MDD Board Minutes.	

<b>Action Requested:</b> Consider approval of the Minutes from the August 13, 2013 MDD Board meeting.
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<b>Purpose (Outline – Who, What, Where, Why &amp; How).</b> Procedural.
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<b>Checklist of Attachments</b>			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo From Applicant	<input type="checkbox"/> P&Z Minutes	<input checked="" type="checkbox"/> Board Minutes	<input type="checkbox"/> Other Minutes
<input type="checkbox"/> Staff	<input type="checkbox"/> Checklist	<input type="checkbox"/> Federal Law	<input type="checkbox"/> Plans / Drawings
<input type="checkbox"/> <b>Other</b>	<input type="checkbox"/> State Law	<input type="checkbox"/> Bid Tabulations	<input type="checkbox"/> Maps
	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter

**MINUTES  
REGULAR MEETING  
AZLE MUNICIPAL DEVELOPMENT DISTRICT  
August 13, 2013**

**DRAFT**

STATE OF TEXAS §  
COUNTY OF TARRANT §  
CITY OF AZLE §

The Azle Municipal Development District of the City of Azle, Texas convened in Regular Session at 7:00 p.m. in the Council Chambers of City Hall, 613 Southeast Parkway, Azle, Texas, on the 13th day of August 2013 with the following members present:

Ray Ivey	President
Kevin Ingle	Vice President
Joe McCormick	Secretary
Council Member Paul Crabtree	Place 1
Council Member William Chambers	Place 2
Jack Stevens	Place 5
Craig Lemin	Executive Director

Constituting a quorum. Director Justin Berg was excused from tonight's meeting. Staff present was:

Lawrence Bryant	Assistant City Manager
Susie Hiles	Assistant to City Manager

The following items were considered in accordance with the official agenda posted on the 9th day of August 2013.

**REGULAR SESSION:**  
**CALL TO ORDER**

7:00 p.m.

President Ray Ivey called the session to order at 7:00 p.m.

**ACTION ITEMS**

**1. Consider approving the minutes of the July 9, 2013 regular Azle MDD Board meeting**

The Board reviewed the minutes, recommending they be approved as submitted.

Director Stevens moved to approve the minutes of the July 9, 2013 regular MDD Board meeting. Vice President Ingle seconded the motion. The motion was unanimously approved.

**2. Consider any action on adopting the proposed FY2013-2014 Azle Municipal Development District Budget**

Executive Director Craig Lemin introduced the agenda item and gave an overview of the proposed budget noting it was prepared using the general budget format used for the City's budget. Since this is the first year for the District and revenue receipts will not begin until December 2013, this proposed budget is an estimate of revenues received and no expenditures have been budgeted. Revenue is estimated at \$225,200. As per the District Bylaws, The Board must present their adopted budget to the City Council for approval. Staff will present the proposed budget to Azle City Council at the September 3, 2013 council meeting.

Vice President Ingle moved to adopt the proposed FY2013-2014 budget as presented. Secretary McCormick seconded the motion.

The motion was unanimously approved.

**3. Consider any action on rescheduling or cancelling the September 10, 2013 MDD Board meeting**

Executive Director Craig Lemin informed the Board the Azle City Council will be holding a special council meeting on September 10 as part of the City's budget process. Since he and two council members would not be able to attend the September 10 MDD meeting, he asked if the Board would like to reschedule or cancel their meeting. After discussion, the Board chose to cancel their September meeting.

Director Chambers moved to approve cancelling the September 10, 2013 regular meeting. Director Stevens seconded the motion. The motion was unanimously approved.

**MINUTES  
REGULAR MEETING  
AZLE MUNICIPAL DEVELOPMENT DISTRICT  
August 13, 2013**

**DRAFT**

**DISCUSSION ITEMS**

**4. Review MDD plans/procedures utilized by other cities**

President Ivey introduced the agenda item noting staff had provided a list of all cities with a MDD so Board members could review different plans/procedures. Consensus was to review these different documents to see which ones the Board may want to adapt to the Azle MDD.

Director Stevens noted that several had an Economic Development Corporation as well as an MDD and wondered if Azle needed to adopt an EDC also. Executive Director Lemin stated staff would research to see if there is any benefit and bring back for discussion at the October meeting.

**5. Discussion regarding Municipal Development District**

Vice President Kevin Ingle asked at the July meeting if two MDD board members attended a council meeting, would that constitute a quorum since two council members were also on the Board, resulting in a need to post a joint meeting agenda. Staff consulted with the city attorney who advised as long as there was no MDD business on the council agenda for discussion, their attendance would not constitute a quorum present. When MDD business is on the council agenda, a joint meeting notice will be posted.

Executive Director Lemin reviewed the rules regarding electronic communications between board members.

Additional items discussed included establishing a web site, budget line items, travel & training, development in the City's ETJ, dedicated EDC staff.

President Ivey introduced Nate Simmons, president of the Azle Area Chamber of Commerce EDC.

Discussed placing the following items on future agendas:

- Present investment policy resolution for approval
- Discuss other municipalities having both Economic Development Corporation and MDD and clarify the reason
- Discuss the City's travel & training policy
- Discuss limiting Azle MDD members on the Azle Area Chamber of Commerce EDC
- Continue discussion regarding Azle MDD
- Discuss the properties highlighted in the marketing plan

**ADJOURNMENT**

President Ivey adjourned the meeting at 8:25 p.m.

**PRESENTED AND APPROVED this the 8th day of October 2013.**

**APPROVED:**

\_\_\_\_\_  
**Kevin Ingle, Vice President**

**ATTEST:**

\_\_\_\_\_  
**Joe McCormick, Azle MDD Secretary**

## Azle Municipal Development District Board Communication

Item #           2          

<b>Submitted By:</b>	Renita Bishop - Finance Director	<b>Date:</b>	October 8, 2013
<b>Subject:</b>	Resolution M2013-02 Adopting the Development District Investment Policy		

<b>Action Requested:</b>	Consider approving Resolution M2013-02 adopting the Municipal Development District's investment policy.
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**Purpose (Outline – Who, What, Where, Why & How).**

Chapter 2256 of the Texas Government Code, commonly known as the Public Funds Investment Act, requires that the governing body of an investing entity adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control. A copy of the policy as well as the proposed resolution is provided with this communicator for your review.

Mr. Bill Koch with Valley View Consulting, the City's investment advisors will be available at the meeting to answer any questions the Board may have regarding the Public Funds Investment Act.

<b>Checklist of Attachments</b>							
<input type="checkbox"/>	Contract	<input type="checkbox"/>	Agreement	<input type="checkbox"/>	Ordinance	<input checked="" type="checkbox"/>	Resolution
<input checked="" type="checkbox"/>	Policy	<input type="checkbox"/>	Applications	<input type="checkbox"/>	Legal Opinion	<input type="checkbox"/>	Minute Order
<input type="checkbox"/>	Letter/ Memo From	<input type="checkbox"/>	P&Z Minutes	<input type="checkbox"/>	Council Minutes	<input type="checkbox"/>	Other Minutes
<input type="checkbox"/>	Applicant	<input type="checkbox"/>	Checklist	<input type="checkbox"/>	Federal Law	<input type="checkbox"/>	Plans / Drawings
<input type="checkbox"/>	Staff	<input type="checkbox"/>	State Law	<input type="checkbox"/>	Bid Tabulations	<input type="checkbox"/>	Maps
<input type="checkbox"/>	Other	<input type="checkbox"/>	Attachments	<input type="checkbox"/>	Notices	<input type="checkbox"/>	Charter

Exhibit A

**CITY OF AZLE, AZLE CRIME CONTROL & PREVENTION DISTRICT, AND AZLE MUNICIPAL DEVELOPMENT DISTRICT**

**INVESTMENT POLICY**

**PURPOSE:** To establish policies for the investment of funds of the City of Azle, the Azle Crime Control and Prevention District and the Azle Municipal Development District, collectively referred to as (the "CITY").

**POLICY:** Scope

This Investment Policy applies to the investment activities of the CITY. All financial assets of the CITY, including the following fund types, shall be administered in accordance with the provisions of these policies.

General Funds  
Special Revenue Funds  
Debt Service Funds  
Capital Project Funds  
Enterprise Funds  
Internal Service Funds  
Sinking Funds

Objectives:

The CITY shall manage and invest its cash with three objectives, listed in order of priority: safety, liquidity, and public trust. The safety of the principal invested will always remain the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and local law.

The CITY shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment in accordance with invoice terms, and prudent investment of available cash. Cash management is defined as the process of managing monies in order to insure maximum cash availability and optimum yield on short term investments of pooled idle cash.

1. Safety - The primary objective of the CITY's investment activity is the preservation and safety of principal. Each investment transaction shall seek to first avoid capital losses, whether they arise from issuer defaults or erosion of market value.

2. Liquidity - The CITY's investment portfolio will remain sufficiently liquid to meet operating requirements. Liquidity shall be achieved by matching investment maturities with estimated cash flow requirements, maintaining liquid reserves and by investing in instruments with active secondary markets.
3. Public Trust – Investment Officers shall act responsibly as public trust custodians and shall avoid transactions which might impair public confidence in the CITY's ability to govern effectively.

### Responsibility and Control

The Azle City Council, the Azle Crime Control and Prevention District and Azle Municipal Development District Boards of Directors shall designate the City of Azle Assistant City Manager and Finance Director as the Investment Officers. The Investment Officers shall establish procedures for the operation of the investment program consistent with this Investment Policy. The Investment Officers shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinates. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Investment Officers.

The Investment Committee, consisting of the City of Azle City Manager, the City of Azle Assistant City Manager, and the City of Azle Finance Director shall meet at least quarterly to determine appropriate strategies and to monitor results. The Committee shall monitor the investment activities; assist in the development of investment policies, strategies and procedures; and annually review and approve the CITY's broker/dealers and independent training sources.

In order to insure the quality and capability of investment management, all Investment Committee and Investment Officers shall attend an investment training session no less often than once every two years, aligned with the fiscal year end, and shall receive not less than 10 hours of instruction relating to investment responsibilities. A newly appointed Investment Officer must attend a training session of at least 10 hours of instruction within twelve months of the date the Investment Officer took office or assumed the Officer's duties. The investment training session shall be provided by an approved independent training source and comply with the investment training requirements of State law.

The Azle City Council, the Azle Crime Control and Prevention District and Azle Municipal Development District Boards of Directors shall annually review and adopt the Investment Policy and included investment



strategies.

### Prudence

Investments 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.

The CITY recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's return and that an Investment Officer acting in accordance with this Policy, written procedures, and exercising prudence shall be relieved of personal responsibility for an individual investment's performance.

### Ethics

Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to the Azle City Council and the Boards of Directors any material financial interests in financial institutions that conduct business with the CITY and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Investment Officers shall subordinate their personal investment transactions to those of the CITY.

If an Investment Officer has a personal business relationship with an entity seeking to sell an investment to the CITY, or is related within the second degree by affinity or consanguinity, to an individual seeking to sell an investment to the CITY, the Investment Officer shall file a statement of disclosure with the Azle City Council, the Boards of Directors, and the Texas Ethics Commission.

### Reporting

Within a reasonable time of each quarter's end, the Investment Officers shall submit to the Azle City Council and City Manager, and the Boards of Directors an investment report that contains the information required by State law. Said information shall include, but not be limited to:

1. Detailed description of the CITY's investment position,
2. Summary statement of each pooled fund group (if applicable),
3. Ending book and market value of each separately invested

- asset by fund and asset type,
- 4. Maturity date of each asset, and
- 5. Signatures of each Investment Officer attesting to the portfolio's compliance with the Investment Policy and State law.

The market value of the portfolio will be calculated, and investment credit ratings will be confirmed on a quarterly basis in compliance with the reporting requirements. In determining market value and credit ratings, sources independent of the investment provider will be pursued.

“Weighted average yield to maturity” shall be the standard on which investment performance is calculated.

The CITY shall, in conjunction with its annual financial audit, perform a compliance audit of management controls on investments and adherence to the CITY's Investment Policy. The CITY's independent auditor shall report to the Azle City Council and the Boards of Directors the results of this audit.

### Investments

1. Authorized Investment Instruments – Financial assets of the CITY may be invested in:
  - a. Obligations of the United States or its agencies or instrumentalities; and other 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 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;
  - b. Fully insured or collateralized deposits at financial institutions properly secured in accordance with State law and federal regulations;
  - c. Certificates of deposit and other evidences of deposit at a financial institution that, a) has its main office or a branch office in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, b) is secured by obligations in a manner and amount provided by law for deposits of the CITY, or c) is placed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the Act.

- d. SEC registered, no load money market mutual funds that comply with the requirements of State law;
- e. Texas local government investment pools that seek to maintain a stable dollar asset value, would be described as “government” portfolios, are specifically authorized by the Azle City Council, and that comply with the requirements of State law;
- f. Investment pools that provide fixed maturity, fixed yield investments, are specifically authorized by the Azle City Council, and that comply with the requirements of State law; and
- g. Repurchase agreements (direct security repurchase agreements) collateralized by obligations of the United States or its agencies or instrumentalities and that comply with the requirements of State law.

2. Not Authorized

Investments including interest-only or principal-only strips of obligations with underlying mortgage-backed security collateral, or collateralized mortgage obligations with an inverse floating interest rate coupons or a maturity date of over 10 years are strictly prohibited.

With respect to authorized investments, this Policy is more restrictive than the Public Funds Investment Act.

- 3. Maximum Investment Maturity - The maximum maturity for each fund-type group is set forth in the investment strategies.
- 4. All security transactions shall be executed using the delivery versus payment method. That is, funds shall not be wired or paid until verification has made that the correct security was received by the CITY’s safekeeping agent. All securities shall be held in safekeeping at a third party institution approved by the Investment Committee.
- 5. In order to create a competitive pricing environment for each investment transaction, the CITY shall solicit quotations from multiple authorized broker/dealers or financial institutions.
- 6. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the CITY is not required to liquidate investments that were authorized at the time of purchase.

7. Investment Officers may not purchase any investments from business organizations that have not delivered a written certification to the CITY as required by State law and that have not been authorized by the Investment Committee.

### Financial Institution Deposits

Primary depositories shall be selected through the CITY's banking services procurement process, which shall include a formal Request for Applications (RFA) issued in compliance with applicable State law. This contract can be extended as per the RFA specifications. In selecting depositories, the credit worthiness of institutions shall be considered, and the CITY shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history.

All depository deposits shall be insured or collateralized in compliance with applicable State law. The CITY reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as CITY Depositories will be required to sign a depository agreement with the CITY. The collateralized deposit portion of the agreement shall define the CITY's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and the CITY contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the CITY; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

With the exception of deposits secured with irrevocable letters of credit at 100% of amount, the market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the CITY has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating

to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities.

## STRATEGIES:

### General

The CITY's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, the CITY shall invest in instruments with limited credit risk and invest in maturities that do not exceed anticipated cash flow requirements.

The objective of liquidity stems from the need of the CITY to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the certainty of projected cash flows.

It is also the policy of the CITY to diversify its investment portfolios. Whenever practical and appropriate, assets held in the investment portfolio shall be diversified to minimize the risk of loss resulting from one concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

CITY funds shall seek to achieve a competitive yield appropriate for each fund-type. A comparably structured treasury security portfolio shall represent the minimum yield objective. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax exempt debt proceeds shall be invested to maximize the interest earnings retained by the CITY, while at the same time, fully complying with all applicable State laws and federal regulations.

The Investment Officer will insure that marketability maintained in the fund-type portfolios is sufficient to reasonably assure that investments could be liquidated if cash needs occur prior to the maturity date of the investments.

The CITY will group investment instruments into a number of "fund-type investment groups". These groups will reflect similar needs as to maturity limits, diversity, and liquidity.

All investment-specific restrictions shall be measured at the time of purchase and based on portfolio book value.

### Fund-Types:

**Short Term/Operating** – Most of the CITY's functional accounts maintain fund balances to perform normal operations. Cash flow projections are reasonably accurate, but occasional circumstances may create unpredicted requirements. To reduce market risk and assure liquidity, anticipated cash flows shall be matched with investment maturities. The dollar weighted average maturity of operating funds may not exceed nine months. The maximum maturity of an individual investment shall not exceed two years. To further offset the risk of unpredictable events and to anticipate market movements, additional fund balances shall be invested in short-term deposits, investment pools or money market mutual funds.

**Capital Project Funds** – Fund balances designated for capital projects may be scheduled for expenditure separate from the flow of operating funds. Bond proceeds (which may be subject to the arbitrage rebate regulations) are a main source of capital project funds. As with operating funds, a key strategy is to assure that anticipated cash flows are matched with investment maturities. The maximum weighted average maturity of capital project funds shall not exceed two years. The maximum maturity of an individual investment shall not exceed three years. To further offset the risk of unpredictable events and to anticipate market movements, additional fund balances shall be invested in short-term deposits, investment pools or money market mutual funds.

Bond Proceeds subject to the arbitrage regulations may necessitate an altered investment strategy under some market conditions. Investment selection for these funds may be dependent on market conditions, cash flow needs, and State law and federal regulation compliance.

**Debt Service Reserve Funds** – These reserves are usually specifically defined in terms of amount and size. Bond document covenants may require that reserve balances be maintained with a third party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of investment advisor. These relationships will be approved by the Azle City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of fund and the applicable bond documents.

A primary investment strategy for debt service reserve funds is to provide emergency funds to meet debt service requirements. Since the investments may be subject to the arbitrage regulations, the secondary investment strategy is to attempt to maximize the amount of retained interest earnings. The maximum maturity of an individual investment shall not exceed the lesser of ten years, the call date of the bonds, the maturity date of the bonds, or any applicable restriction in the bond documents. In

the unlikely event Debt Service Reserve Funds would be required to fund a debt service payment, only instruments with historical bid/offer price spreads of 25 basis points or less shall be considered for investment.

**Debt Service Funds** – These funds are specifically defined in terms of amount, size and cash flow need. Bond document covenants may require that these funds be maintained with a third party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of investment advisor. These relationships will be approved by the Azle City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of funds and the applicable bond documents.

The primary investment strategy for debt service funds is to match investment maturities with debt service payment requirements. The instruments need not have an active secondary market. The maximum maturity of an individual investment shall be the next unfunded debt service date.

**Sinking Funds** – These funds are usually defined in terms of amount, size and cash flow need. Sinking Fund document covenants may require that these funds be maintained with a third party financial institution or paying agent. In such instances, the CITY may contract with such parties to operate in the capacity of investment advisor. These relationships will be approved by the Azle City Council in compliance with State law. The investment advisors will be confined to the particular instruments and parameters specified as appropriate for this type of funds and the applicable documents.

The primary investment strategy for sinking funds is to match investment maturities with payment requirements. The instruments need not have an active secondary market. The maximum maturity of an individual investment shall be the next unfunded payment date.

SAMPLE

**CERTIFICATE OF INVESTMENT PROVIDER**

1. The City of Azle, the Azle Crime Control and Prevention District and Azle Municipal Development District collectively referred to as (the "CITY") have presented a copy of its Investment Policy to the undersigned.
2. The undersigned has received the Investment Policy and reviewed it.
3. The undersigned has implemented reasonable procedures and controls in an effort to preclude imprudent investment transactions conducted between the CITY and the undersigned that are not authorized by the CITY's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the CITY's portfolio or requires an interpretation of subjective investment standards.

Signed this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Organization

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title



**RESOLUTION NO. M2013-02**

**A RESOLUTION OF THE BOARD OF THE AZLE MUNICIPAL DEVELOPMENT DISTRICT OF AZLE, TEXAS, ADOPTING AND APPROVING A WRITTEN INVESTMENT POLICY.**

**WHEREAS**, Chapter 2256 of the Texas Government Code, commonly known as the "Public Funds Investment Act" requires the City to adopt an investment policy by rule, order, ordinance or resolution annually; and

**WHEREAS**, the Public Funds Investment Act requires the chief financial officer and investment officers of the City to attend investment training; and

**WHEREAS**, the chief financial officer, investment officers and any official participating in the investment process have attended an investment training course approved by the Investment Committee as provided in the Investment Policy; and

**WHEREAS**, the City of Azle Investment Policy includes the Azle Crime Control Prevention District and Azle Municipal Development District to allow for the prudent investment of funds, as authorized by the Azle City Council, Azle Crime Control Prevention District Board and the Azle Municipal Development District Board; and

**WHEREAS**, the attached Investment Policy complies with the Public Funds Investment Act and authorizes the investment of funds in safe and prudent investments.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL DEVELOPMENT DISTRICT BOARD OF AZLE, TEXAS:**

That the Azle Municipal Development District has complied with the requirements of the Public Funds Investment Act and the Investment Policy, attached hereto as "Exhibit A", is hereby adopted as the Investment Policy of the District, effective October 8, 2013.

APPROVED this 8<sup>th</sup> day of October, 2013.

\_\_\_\_\_  
Kevin Ingle, Board Vice President

ATTEST:

\_\_\_\_\_  
Joe McCormick, Board Secretary

## Azle Municipal Development District Board Communication

Item #           3          

<b>Submitted By:</b>	Renita Bishop - Finance Director	<b>Date:</b>	October 8, 2013
<b>Subject:</b>	Authorization for Participation in TexPool		

<b>Action Requested:</b>	Consider approval of TexPool Participation Agreement and Resolution M2013-03 authorizing participation in TexPool and designating authorized representatives
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**Purpose (Outline – Who, What, Where, Why & How).**

TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act. The State Comptroller oversees TexPool which is managed by Federated Investors under a contract with the Comptroller. TexPool currently provides investment services to over 2,000 communities throughout the State.

The attached Participation Agreement and Resolution authorizes the Municipal Development District to participate in TexPool. Upon approval by the Board, staff will contact the State Comptroller's office to have the District's sales tax disbursements directly deposited into the new TexPool account.

<b>Checklist of Attachments</b>			
<input type="checkbox"/> Contract	<input checked="" type="checkbox"/>	Agreement	<input type="checkbox"/> Ordinance
<input type="checkbox"/> Policy	<input type="checkbox"/>	Applications	<input type="checkbox"/> Legal Opinion
<input type="checkbox"/> Letter/ Memo	<input type="checkbox"/>		<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> From	<input type="checkbox"/>	P&Z Minutes	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Applicant	<input type="checkbox"/>	Checklist	<input type="checkbox"/> Council Minutes
<input type="checkbox"/> Staff	<input type="checkbox"/>	State Law	<input type="checkbox"/> Federal Law
<input type="checkbox"/> Other	<input type="checkbox"/>	Attachments	<input type="checkbox"/> Bid Tabulations
			<input type="checkbox"/> Notices
			<input type="checkbox"/> Other Minutes
			<input type="checkbox"/> Plans / Drawings
			<input type="checkbox"/> Maps
			<input type="checkbox"/> Charter



## 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.  
PARTICIPATION REQUIREMENTS**

**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 Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Telephone \_\_\_\_\_ 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 10<sup>th</sup> 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 notified, 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.

**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**

**TEXAS TREASURY SAFEKEEPING TRUST COMPANY**

Comptroller of Public Accounts

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

**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\_13

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_



**Resolution M2013-03**  
**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 it’s 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.

List of the authorized representatives of the Participant. These individuals will be issued P.I.N. numbers to transact business via the phone with a Participant Service Representative.

1. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_  
Signature: \_\_\_\_\_

2. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_  
Signature: \_\_\_\_\_

3. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_  
Signature: \_\_\_\_\_

4. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_  
Signature: \_\_\_\_\_

5. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_  
Signature: \_\_\_\_\_

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.

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.

6. Name \_\_\_\_\_ Title \_\_\_\_\_  
Phone/Fax/Email: \_\_\_\_\_

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 8<sup>th</sup> 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

**OFFICIAL SEAL**

# City Council Communication

Item # 4

<b>Submitted By:</b> Kevin Ingle – MDD Vice President	<b>Date:</b> October 4, 2013
<b>Subject:</b> Economic Development Corporations and Municipal Development Districts	

<b>Action Requested:</b> Discuss/review other municipalities with Economic Development Corporations and Municipal Development Districts to see if there is a benefit to having both
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<b>Purpose (Outline – Who, What, Where, Why &amp; How).</b>  In researching other Municipal Development Districts, the Board has noticed that several municipalities also have Economic Development Corporations. The Board would like to discuss any benefits to having both
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<b>Checklist of Attachments</b>			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo			
<input type="checkbox"/> From	<input type="checkbox"/> P&Z Minutes	<input type="checkbox"/> Council Minutes	<input type="checkbox"/> Other Minutes
<input type="checkbox"/> Applicant	<input type="checkbox"/> Checklist	<input type="checkbox"/> Federal Law	<input type="checkbox"/> Plans / Drawings
<input type="checkbox"/> Staff	<input type="checkbox"/> State Law	<input type="checkbox"/> Bid Tabulations	<input type="checkbox"/> Maps
<input type="checkbox"/> Other	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter

# City Council Communication

Item # 5

<b>Submitted By:</b> Kevin Ingle – MDD Vice President	<b>Date:</b> October 4, 2013
<b>Subject:</b> Discuss travel policy for Board	

<b>Action Requested:</b> Discuss/review City of Azle's travel & training policy
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<b>Purpose (Outline – Who, What, Where, Why &amp; How).</b>  Azle MDD Board would like to review the current City of Azle travel & training policy to discuss how it may apply to the Board
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<b>Checklist of Attachments</b>			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input checked="" type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo From	<input type="checkbox"/> P&Z Minutes	<input type="checkbox"/> Council Minutes	<input type="checkbox"/> Other Minutes
<input type="checkbox"/> Applicant	<input type="checkbox"/> Checklist	<input type="checkbox"/> Federal Law	<input type="checkbox"/> Plans / Drawings
<input type="checkbox"/> Staff	<input type="checkbox"/> State Law	<input type="checkbox"/> Bid Tabulations	<input type="checkbox"/> Maps
<input type="checkbox"/> Other	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter

## **ARTICLE XV. MEAL AND TRAVEL EXPENSE POLICY**

### **Sec. 15.01. Expense Reimbursement.**

Each employee of the City of Azle shall be reimbursed for expenses incurred while performing duties related to his/her job, when such expenditure is approved by the employee's supervisor. Prior approval for all expenditures must be obtained before any expenses are incurred. Prepayment is an option of the City.

Any request to attend a meeting or other City related activity which requires the absence of the employee from regularly assigned duties must be submitted to the employee's supervisor for approval prior to the absence. Request to attend any meeting beyond a 20 mile radius of Azle, attend any all day meeting out of the City or any meeting which requires reimbursement must be approved by the appropriate supervisor, or City Manager. An advance/expense report must be approved and received at least five working days in advance of the meeting date or pre-payment deadline. The form must include all information requested.

### **Sec. 15.02. Attendance Guidelines.**

Authorization to travel may be granted to employees for the following purposes:

- (A) City Business: Any meeting at which attendance of the employee is required by the City.
- (B) Professional Development: Any meeting at which attendance of the employee is optional, i.e., attendance is at the request of the employee but is not required.

### **Sec. 15.03. Funding.**

Funding for City related travel is furnished through the annual budget process. It is the responsibility of the City Manager with input from the City employees, to provide an equitable procedure to follow in the allocation of funds for travel to professional meetings.

### **Sec. 15.04. Schedule for Reimbursement.**

Reimbursement for expenses incurred while attending City-related meetings shall be limited to the amount shown in the appropriate section below. Items of a personal nature such as snacks, newspapers, alcoholic beverages, etc. are not reimbursable.

A long distance call limited to three (3) minutes may be made to your spouse or other appropriate person' to acknowledge safe arrival at your destination, also a call may be made prior to your departure for the return trip home. If actual

expenses incurred are less than the authorized rate, the employee will be reimbursed only for the lesser amount. It is the employee's responsibility to maintain all records for reimbursement.

- (A) **Transportation.** City owned vehicles shall be utilized whenever available. Any request for reimbursement of personal automobile transportation must be approved by the Department Head prior to transportation. Mileage for personal automobile use at will be paid per mile at the prevailing IRS rate. If a City vehicle is used, only the actual cost of gas or other vehicle-related expenses will be reimbursed. If air travel is required, reservations should be made in such a manner as to secure the best available fare. The City will prepay or reimburse the actual cost of a round-trip coach airline ticket, plus other stated costs (i.e., parking at airport and ground transportation at destination). With the exception of mileage for personal automobile use, a receipt(s) is required for all reimbursements.
- (B) **Lodging.** Employees will be reimbursed for the actual cost of lodging in a hotel/motel that is appropriate for the particular meeting or purpose of the trip. A receipt(s) is required for reimbursement. The room rate must be pre-approved by the employee's Department Head, or in the case of a Department Head, approved by the City Manager. Overnight stays will only be authorized for travel to destinations in excess of 100 miles from the City, unless otherwise approved in writing by the City Manager. Room service and mini-bar charges will only be reimbursed consistent with subsection (c), below.
- (C) **Meals.** When City business requires an employee to travel more than 60 miles from the City, the employee's actual meal expenses will be reimbursed, up to a maximum of \$36.00 per day. The daily meal allowance will be reduced by \$12.00 for each pre-paid meal included in a conference registration fee. When travel begins after 2:00 p.m. or ends before 2:00 p.m., the maximum meal allowance shall be reduced to \$18.00. An itemized receipt(s) is required for reimbursement. The City will not pay for alcoholic beverages.
- (D) **Registration.** Actual expense (receipt required unless pre-paid) will be reimbursed, not to include the cost of membership in the hosting organization, but may include any additional expenses directly related to the meeting which may be a part of the registration fee.
- (E) **Local Mileage Reimbursement.** Employees must recover their travel expenses on a direct reimbursement basis. Official travel mileage must be shown on the proper form and submitted each month.

- (F) **City Credit Card.** With prior approval by appropriate supervisor a City credit card will be issued to the requesting employee. Employees who have a City-issued credit card should charge their expenses when traveling, to the extent possible. Within three business days of returning from travel, employees must provide receipts for all charges made to a City-issued credit card, or the employee will be held personally liable for the charge(s).
- (G) **Non-reimbursable Expenses.** The following items are examples of non-reimbursable expenses:
- (1) Spouse expenses are not covered by the City, but may be prepaid by the City for official City business and reimbursed to the City in a timely manner by the employee or official.
  - (2) Upgrades to air travel, car rentals, or hotel rooms.
  - (3) Purchase of clothing, luggage, toiletries and other miscellaneous personal items.
  - (4) Supplemental travel or car rental insurance.
  - (5) Fines, penalties, or legal fees.
  - (6) Personal entertainment or recreational expenses.
- (H) **Timely Submission of Receipts.** The suggested time frame for submission of receipts for expense reimbursement is within two weeks of travel. Receipts filed more than 30 days after expenses are incurred will not be reimbursed without the approval of the City Manager.



# City Council Communication

Item # 6

<b>Submitted By:</b> Kevin Ingle – MDD Vice President	<b>Date:</b> October 4, 2013
<b>Subject:</b> Limiting the number of Azle MDD directors serving on the Azle Area Chamber of Commerce EDC	

<b>Action Requested:</b> Discuss limiting the number of Azle MDD directors that can serve on the Azle Area Chamber of Commerce EDC
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<b>Purpose (Outline – Who, What, Where, Why &amp; How).</b>  Currently, at least one Azle MDD Director is serving on the Azle Area Chamber of Commerce EDC. Board would like to discuss whether or not to limit or prohibit Azle MDD Directors from serving on that Board.
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<b>Checklist of Attachments</b>			
<input type="checkbox"/> Contract	<input type="checkbox"/> Agreement	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution
<input type="checkbox"/> Policy	<input type="checkbox"/> Applications	<input type="checkbox"/> Legal Opinion	<input type="checkbox"/> Minute Order
<input type="checkbox"/> Letter/ Memo	<input type="checkbox"/> P&Z Minutes	<input type="checkbox"/> Council Minutes	<input type="checkbox"/> Other Minutes
<input type="checkbox"/> From Applicant	<input type="checkbox"/> Checklist	<input type="checkbox"/> Federal Law	<input type="checkbox"/> Plans / Drawings
<input type="checkbox"/> Staff	<input type="checkbox"/> State Law	<input type="checkbox"/> Bid Tabulations	<input type="checkbox"/> Maps
<input type="checkbox"/> Other	<input type="checkbox"/> Attachments	<input type="checkbox"/> Notices	<input type="checkbox"/> Charter