



Duncanville City Council Meeting Agenda
City Council Briefing Room and City Council Chamber
Duncanville City Hall
203 E. Wheatland Road
Duncanville, TX 75116
(972) 780-5017

Tuesday, June 20, 2023

6:00 P.M. - Work Session/Briefing

7:00 P.M. - Regular Session

or immediately following the 6:00 pm Work Session/Briefing

City of Duncanville City Council meetings are available to all persons regardless of disability. The City of Duncanville offers Hearing Assistance Receivers for use during City Council Regular Sessions. If you require special assistance, please contact the City Secretary at (972)780-5017 or write 203 E. Wheatland Road, 75116, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purposes of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

Pursuant to Texas Government Code 551.127, one or more members of the governing body may appear via videoconference call. The presiding officer and a quorum of the City Council will be physically present at this meeting.

The City of Duncanville reserves the right to reconvene, recess or align the Regular Session or called Executive Session or order of business at any time prior to adjournment.

SUPPLEMENTAL NOTICE OF MEETING BY VIDEO CONFERENCE

In accordance with an Order of the Office of the Governor issued on March 16, 2020, as extended, the City Council for the City of Duncanville, Texas will conduct a City Council Regular Meeting in person, broadcast by website and social media channels, and by video conference at 6:00 pm on Tuesday, June 20, 2023 in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") in an effort to slow the spread of the Coronavirus (COVID-19) pandemic.

This is an open meeting conducted in-person and will be broadcast by website and social media channels.

Due to limited seating in council chambers, persons or participants may participate by live broadcast via Swagit in order to maintain safe social distance as provided in this notice.

To view the live meeting or previous meetings click on the link below.

<https://duncanvilletx.new.swagit.com/views/454/>

To submit a comment via email the following information is required:

- Submit a comment by 4:00 p.m. on Tuesday, June 20, 2023.
- Email citysecretary@duncanvilletx.gov
- Email title: Public Comment – Tuesday, June 20, 2023
- First Name, Last Name, and Address

WORK SESSION / BRIEFING

1. Updated 2023 City Council Calendar 5 - 8
[2023 City Council Calendar](#)
1. **DISCUSS AGENDA ITEMS**
2. **CITY COUNCIL CALENDAR**

Discussion and Review of City Council Calendar.
3. **BRIEFINGS / PRESENTATIONS**
 - A. Receive the Arts Commission Annual Report. 9
[Arts Commission Annual Report](#)
 - B. Briefing Item - Ladd Property Update to City Council 10 - 11
[Briefing Item - Ladd Property Update to City Council - Pdf](#)

EXECUTIVE SESSION

1. City Council shall convene into closed executive session pursuant to Section 551.074, of the Texas Government Code, Personnel, to deliberate the duties and/or appointment of the City Manager and Interim City Manager under the Home Rule Charter and, pursuant to Section 551.071 of the Texas Government Code, to seek legal advice from the City Attorney on the same topic.
2. City Council shall convene into closed executive session pursuant to Section 551.071, of the Texas Government Code, to seek legal advice on the requirements of the Fire Code.

REGULAR SESSION - CONVENE INTO THE COUNCIL CHAMBERS (7:00 P.M. OR IMMEDIATELY FOLLOWING THE 6:00 PM WORK SESSION/BRIEFING)

CALL TO ORDER

INVOCATION

PLEDGES - PLEDGE OF ALLEGIANCE; TEXAS PLEDGE OF ALLEGIANCE

1. REPORTS

The Mayor's Report, the Councilmembers' Reports, and the City Manager's Report are informational only. There is no Council deliberation or action taken on any of these items.

- A. Mayor's Report.
- B. Councilmembers' Reports
- C. City Manager's Report.

2. PROCLAMATIONS AND PRESENTATIONS

- A. Recognition of Mayor's Champion of the City.

3. CITIZENS' INPUT

In-person citizen comments will be heard during the Regular Session. In keeping with the City Council's Rules of Procedure adopted on October 18, 2022, electronic mail comments will no longer be read aloud. Paper copies will be provided to the City Council at the dais. The comments will be made a part of the public record in the minutes.

"Pursuant to Section 551.007 of the Texas Gov't Code, any member of the public has the opportunity to address the City Council concerning any matter of public business or any posted agenda item; however, the Act prohibits the City Council from deliberating any issues not on the public agenda and such non-agenda issues may be referred to City staff for research and any future action; all persons addressing are subject to council adopted rules and limitations permitted by law"

At this time, two-minute comments will be taken from the audience on any topic. To address the Council, please submit a fully-completed request card to the City Secretary prior to the beginning of the Citizens' Input portion of the Council meeting. In accordance with the Texas Open Meetings Act, the City Council cannot discuss issues raised or make any decisions at this time. Issues may be referred to City Staff for research and possible future action.

4. CONSENT AGENDA

The following may be acted upon in one motion. A City Councilmember may request items be removed from the Consent Agenda for individual consideration.

- A. Consider a Resolution approving the Interlocal Agreements between the City of Desoto, Texas and the City of Duncanville, Texas to partner in the Crisis Assessment and Resource Engagement (CARE) Team to provide prevention and follow-up activities in response to individuals and their families/support systems experiencing behavioral health needs in order to lessen the frequency of crisis interventions that require Police Patrol or Fire Rescue Response, Emergency Hospitalization, or Arrest/Incarceration. The term of the agreement shall begin on May 1, 2023, and end on April 30, 2024, unless terminated earlier under any provisions in the Interlocal Agreement. The parties may mutually agree on an extension to this agreement by written amendment and mutual approval of the parties. 12 - 46
[CARE Team \(Mental Health Unit\)](#)
- B. Consider a Resolution declaring the personal property as salvage and authorizing the Interim City Manager to donate to the SWAT Team and Cedar Hill Regional Fire Training Academy Center to transfer ownership. 47 - 51
[Donation of Vehicles](#)
- C. Consider a Resolution approving a contract between the City of Duncanville and Strategic Government Resources (SGR) for the consultant services of Ms. Cynthia Pearson to serve as the Interim 52 - 61

Fiscal Services Director. The anticipated term of the contract is for six months, including the three remaining months in Fiscal Year 2023.

[Interim Fiscal Services Director - SGR - Pdf](#)

5. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. Take any necessary action as a result of the Executive Session.
- B. Consider a resolution supporting and adopting the City of Duncanville's FY2023 Investment Policy. 62 - 124
[FY2023 Investment Policy - Pdf](#)
- C. Council to consider amending Ordinance No. 2297 and 2298 By Amending Chapter 5, Section 5-27 Building And General Building Regulations And Chapter 9, Section 9-51 Fire Prevention And Protection In The Portions Regarding Automatic Sprinkler System, and replacing it with the language provided by the City Attorney. 125 - 126
[Amendments to the Code of Ordinances - Pdf](#)
- D. Consider an Ordinance revising the operating budget for Fiscal Year 2022-2023 by appropriating supplemental revenues and revising expenditures. 127 - 132
[Ordinance amending the operating budget for Fiscal Year 2022-2023 - Pdf](#)

6. STAFF AND BOARD REPORTS

None.

ADJOURNMENT

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located outside the entrance to the City of Duncanville City Hall, next to the entryway doors, a place convenient and readily accessible to the general public, as well as to the City's website www.duncanvilletx.gov and said Notice was posted by the following date and time: **Friday, June 16 , by 6:00 P.M.** and remained posted for at least two hours after said meeting was convened.

Kristin Downs, Interim City Secretary

"Guns prohibited on these premises by state law unless licensed under Chapter 411, Tex. Gov. Code. Section 46.035 Texas Penal Code."

"Las armas de fuego están prohibidas en estas instalaciones por la ley estatal a menos que estén autorizadas bajo el Capítulo 411 del Código de Gobierno de Texas. Sección 46.035 del Código Penal de Texas."

2023

IMPORTANT DATES

JANUARY

SUN	MON	TUE	WED	THU	FRI	SAT
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	*18	*19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	*17	*18
19	20	21	22	23	24	25
26	27	28				

JANUARY 18

First Filing Date for Election Ballot

JANUARY 19

Celebrate Duncanville Event

FEBRUARY 17

Last Legal Filing Date for Election Ballot

MARCH 24 - 28

National League of Cities Congressional City Conference (NLC)

APRIL 24

First Day of Early Voting

MAY 2

Last Day of Early Voting

MAY 6

Election Day

MAY 21 - 23

International Council of Shopping Centers Conference (ICSC)

JULY 4

City Council Meeting: **CANCELED**

AUGUST 1

Submission of New Proposed Budget to Council

SEPTEMBER 30

End of Fiscal Year (FY23)

OCTOBER 1

Start of new Fiscal Year (FY24)

OCTOBER 4 - 6

Texas Municipal League Annual Conference and Exhibition (TML)

****ALL DATES ARE SUBJECT TO CHANGE ****

Color Key:	
Coffee with the Mayor	
City Holidays	
Election Day	
Conferences	
City Council Meetings	

Symbol Key:

- ★ Important Event/Occurrence
- S Special Called City Council Meeting
- C Town Hall / Community Meeting
- ▶ Further Action Needed from City Council



MARCH

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	C9	*10	11
12	13	S14	*15	16	17	18
19	20	*21	22	C23	24	*25
26	27	28	29	30	31	

APRIL

SUN	MON	TUE	WED	THU	FRI	SAT
						*1
2	3	4	5	6	7	*8
9	10	11	12	S13	14	*15
16	17	18	19	*20	21	22
23	*24	25	26	C27	28	*29
30						

MAY

SUN	MON	TUE	WED	THU	FRI	SAT
	1	*2	3	*4	5	*6
7	8	9	10	11	12	*13
14	*15	*16	17	18	19	*20
21	22	23	24	25	26	*27
28	*29	30	31			

JUNE

SUN	MON	TUE	WED	THU	FRI	SAT
				*1	2	*3
4	5	6	7	S8	9	*10
11	12	13	14	15	16	*17
18	19	*20	*21	22	23	24
25	26	27	28	29	30	

JULY

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	▶3	*4	5	▶6	7	8
9	10	11	12	13	14	15
16	17	18	19	▶20	21	*22
23	▶24	25	▶26	27	28	29
30	*31					

AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
		*1	2	3	4	5
6	7	8	9	▶10	11	12
13	14	15	16	17	18	19
20	21	22	23	▶24	25	26
27	28	▶29	30	31		

SEPTEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
					1	*2
3	4	5	6	7	*8	*9
10	11	12	13	14	15	*16
17	18	19	20	21	22	*23
24	25	26	27	28	29	*30

OCTOBER

SUN	MON	TUE	WED	THU	FRI	SAT
*1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

NOVEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	*23	24	25
26	27	28	29	30		

DECEMBER

SUN	MON	TUE	WED	THU	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2023

June 2023							July 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3							1
4	5	6	7	8	9	10	2	3	4	5	6	7	8
11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 28	29	30	31	Jun 1 9:30am Commercial Parking Lot Safety Meeting (City Council Chambers)	2	3 8:00am Keep Texas Waterways Clean (Waterview Park) 2:00pm Summer Reading Kickoff (Duncanville Public)
4	5	6 6:00pm City Council Meeting (City Hall Briefing Room / Chambers)	7	8 6:00pm Special Called City Council Meeting: Council Pre- Budget Workshop (FY23 and FY24)	9	10 9:00am Special Called City Council Meeting: CM Search Firm Meeting (Briefing Room)
11	12	13	14 DUE DATE: RSVP to City of Cedar Hill Juneteenth Celebration	15	16	17 5:00pm Juneteenth Celebration (Armstrong Park)
18	19 City Holiday	20 6:00pm City Council Meeting (City Hall Briefing Room / Chambers)	21 6:30pm Join City of Cedar Hill Juneteenth Celebration (Cedar Hill Government Center)	22 12:00pm Coffee with the Mayor (D.L. Hopkins Senior Center)	23	24
25	26	27	28	29	30	Jul 1

July 2023

July 2023							August 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 25	26	27	28	29	30	Jul 1
2	3 6:00pm Possible Date for Council Pictures	4 City Council Meeting: City Holiday 9:00am Independence 6:00pm Independence	5	6 6:00pm Possible Date for Council Pictures	7	8
9	10	11	12	13	14	15
16	17	18 5:00pm Possible Date for Council Pictures 6:00pm City Council Meeting (City Hall)	19	20 6:00pm Possible Date for Council Pictures	21	22 8:30pm Movies in the Park- Jumanji: The Next Level (Armstrong Park)
23	24 Boards and Commissions Interviews 5:00pm Possible Date for Council Pictures	25	26 Boards and Commissions Interviews	27 12:00pm Coffee with the Mayor (D.L. Hopkins Senior Center)	28	29
30	31 2:00pm Last Day of Summer Reading Activities (Duncanville Public Library (201	Aug 1	2	3	4	5

August 2023

August 2023							September 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	3	4	5	6	7	1	2
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jul 30	31	Aug 1 6:00pm City Council Meeting (City Hall Briefing Room / Chambers)	2	3	4	5
6	7	8	9	10 City Manager Budget Town Hall	11	12
13	14	15 6:00pm City Council Meeting (City Hall Briefing Room / Chambers)	16	17	18	19
20	21	22	23	24 Public Hearing on Tax Rate and Budget (tentative) 12:00pm Coffee with the Mayor (D.L. Hopkins)	25	26
27	28	29 Special Called City Council Meeting ??? Adoption of FY24 Budget	30	31	Sep 1	2



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Receive the Arts Commission Annual Report.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Advance: Marketing Strategy of the City and Community Engagement Plan**
 - ◻ **Strengthen communication and engagement within the community while championing the City of Duncanville regionally, nationally, and internationally.**

STAFF RESPONSIBLE:

Commissioner Ron Thompson

BACKGROUND/HISTORY:

n/a

POLICY EXPLANATION:

n/a

FUNDING SOURCE:

ORG and Object Number

n/a

Available Budget

\$0.00

Purchase Amount

\$0.00

After Encumber

\$0.00

ACTION ALTERNATIVES:

n/a



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Briefing Item - Ladd Property Update to City Council

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

STAFF RESPONSIBLE:

Agustin Garcia, Managing Director of Development Services

Jeremy Tennant, Director of Planning and Neighborhood Services

Nathan Warren, Senior Planner

BACKGROUND/HISTORY:

On December 20, 2022, the Planning staff provided the City Council with a draft timeline of the steps necessary to enact a zoning change and comprehensive plan amendment for the Ladd Property. The City Council requested monthly updates on the process.

Step 1	Conduct public meetings and meet with Municipal Boards and Commissions	January and February 2023
Step 2	Process public input pertaining to Opportunity Area 8 and implement strategy reflected in Five-year Comprehensive Plan Update	End of March/Beginning of April 2023
Step 3	Initiate zoning change request and text amendment	End of March/Beginning of April 2023
Step 4	An application for a zoning change and a text amendment will be filed with city staff, per the direction of the City Manager	End of March/Beginning of April 2023

Step 5	City staff will prepare a case report, send notification to property owners within 200 ft. of the subject property, notice by newspaper, and place the zoning change request on the next Planning and Zoning Commission regular meeting and define land use category for the zoning text amendment	End of April/Beginning of May 2023
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Step 6	The Planning and Zoning Commission will consider the zoning change request and text amendment, and make a recommendation to City Council	June 2023
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Step 7	City Council will consider the zoning change request and text amendment	July 2023
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POLICY EXPLANATION:

Council will use the information gathered by staff and recommended by the City's Boards and Commissions to determine the appropriate land use designation for the Ladd Property.

FUNDING SOURCE:

ORG and Object Number

N/A

Available Budget

\$0.00

Purchase Amount

\$0.00

After Encumber

\$0.00

ACTION ALTERNATIVES:

1. Provide feedback on the timeline and process.
2. Make recommendations on changes to the timeline and process.
3. Other actions as directed by Council.



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Consider a Resolution approving the Interlocal Agreements between the City of Desoto, Texas and the City of Duncanville, Texas to partner in the Crisis Assessment and Resource Engagement (CARE) Team to provide prevention and follow-up activities in response to individuals and their families/support systems experiencing behavioral health needs in order to lessen the frequency of crisis interventions that require Police Patrol or Fire Rescue Response, Emergency Hospitalization, or Arrest/Incarceration. The term of the agreement shall begin on May 1, 2023, and end on April 30, 2024, unless terminated earlier under any provisions in the Interlocal Agreement. The parties may mutually agree on an extension to this agreement by written amendment and mutual approval of the parties.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Emphasize: Government Accountability, Customer Service, Efficiency and Process Improvement**
 - **Develop a high performing organization that encourages innovation, transparency, and collaboration while delivering exceptional customer service.**

STAFF RESPONSIBLE:

Mark LiVigni, Chief of Police

BACKGROUND/HISTORY:

Update: On May 16, 2023, City Council approved Resolution 2022-013R. The City of DeSoto's CARES Team has requested Section V, 5.1, and 5.2 of the agreement be changed back to their original language for grant continuity purposes. To comply with these minor changes:

Article V (5.1) was modified *from* "During this period of assignment, Duncanville assigned personnel agrees that it will comply with the adopted Policies and Procedures implemented by the Program Manager and Program Coordinator assigned to the Regional CARE Team"

to "During this period of assignment, Duncanville assigned personnel will be under the direct supervision and control of the Program Manager and Program Coordinator, as DeSoto supervisory personnel assigned to the Regional CARE Team."

Article V (5.2) was modified *from* "The Regional Program Manager may request that assigned personnel be reassigned back to their employer organization at any time and for any reason should it be found to be in the best interest of the Regional CARE Team's operation,"
to The Regional Program Manager may release assigned personnel back to their employer organization at any time and for any reason should it be found to be in the best interest of the Regional CARE Team."

Other than the changes alluded to above in Section V (5.1 and 5.2), no other changes are being sought or considered by this action.

In May 2021, the City of DeSoto applied for and was awarded the Dallas County New Directions Public Safety Grant. This grant was created to "address the crisis of criminalization, mental health, poverty, and homelessness by using alternatives to police response and incarceration to address the needs of Dallas County residents more appropriately."

The awarded grant proposed a pilot of a Regional CARE Team composed of police officers from its regional partners who will work alongside licensed social service providers, care coordinators, and victim assistance coordinators. During the first year of the grant, the City of DeSoto concentrated on hiring and assigning key personnel and implementing an internal and regional infrastructure for the CARE team. In May 2022, a Duncanville Police Officer was assigned to the CARE Team. Since that time, and as proposed in this updated Interlocal Agreement, our officer's time, training, and equipment relevant to his CARE team duties was and will be reimbursed to the City of Duncanville based on quarterly invoices submitted to the City of DeSoto. The reimbursements will be budgeted in the General Fund as an Intergovernmental Reimbursement. For FY 2023, a revision to the budget will require approval by City Council to appropriate the estimated \$120,000 reimbursement due the City from DeSoto. Approximately \$45,000 has already been reimbursed by the City of DeSoto for the CARE team participation.

The CARE Team's primary objectives are prevention and follow-up services, providing/identifying appropriate resources and services, and lessening the frequency and/or diverting the need for emergency response.

The mission of the CARE Team is:

- Decrease community reliance on 9-1-1 for mental health services,
- Reduce direct police patrol response to mental health-related calls for service and repeat emergency detentions,
- Decrease mental health population in the courts/jail system,
- Connect persons who suffer from behavioral health issues to community-based resources,
- Provide support (education, intervention, referral) to families of those who suffer from behavioral health issues,
- Assist the victims of violent crime to receive applicable financial compensation and/or other resources, and
- Gather statistical information on an underserved population (those with undiagnosed behavioral health issues and those who are involuntary partakers of behavioral health services) to add to county-wide data for use in the allocation and/or addition of resources.

From October 2020 thru April 26, 2023, Duncanville patrol officers transported 396 patients who were in danger to themselves or others and exhibited mental illness. Since May 2022, our CARE Team officer

worked with CARE team colleagues to serve two hundred ten (210) citizens in Duncanville through one thousand three hundred forty-six (1,346) engagement attempts.

There is no financial impact for the City of Duncanville during the length of this updated Interlocal Agreement.

POLICY EXPLANATION:

N/A

FUNDING SOURCE:

ORG and Object Number

001-508210 (For FY 2023)

Available Budget

\$0.00

Purchase Amount

\$60,000 (Revenue expected)

After Encumber

\$0.00

ACTION ALTERNATIVES:

N/A

ATTACHMENTS:

[Attachment 1 - SIGNED - Reso No 2022-013R - Interlocal Agreement - CARE Team \(Mental Health Unit\)](#)

[Attachment 2 - Resolution No. - 2022-013R - Renewal City of DeSoto ILA and Dallas County Sub-Recipient Agreement for the CARE Team \(Mental Health Unit\) - Pdf](#)

ATTACHMENT 1

RESOLUTION NO. 2022-013R

CONSIDER A RESOLUTION APPROVING THE INTERLOCAL AGREEMENTS BETWEEN THE CITY OF DESOTO, TEXAS AND THE CITY OF DUNCANVILLE, TEXAS TO PARTNER IN THE CRISIS ASSESSMENT AND RESOURCE ENGAGEMENT (CARE) TEAM TO PROVIDE PREVENTION AND FOLLOW-UP ACTIVITIES IN RESPONSE TO INDIVIDUALS AND THEIR FAMILIES/SUPPORT SYSTEMS EXPERIENCING BEHAVIORAL HEALTH NEEDS IN ORDER TO LESSEN THE FREQUENCY OF CRISIS INTERVENTIONS THAT REQUIRE POLICE PATROL OR FIRE RESCUE RESPONSE, EMERGENCY HOSPITALIZATION, OR ARREST/INCARCERATION. THE TERM OF THE AGREEMENT SHALL BEGIN ON MAY 1, 2023, AND END ON APRIL 30, 2024, UNLESS TERMINATED EARLIER UNDER ANY PROVISIONS IN THE INTERLOCAL AGREEMENT. THE PARTIES MAY MUTUALLY AGREE ON AN EXTENSION TO THIS AGREEMENT BY WRITTEN AMENDMENT AND MUTUAL APPROVAL OF THE PARTIES.

WHEREAS, the City Council for the City of Duncanville desires to enter into a Sub-Recipient Agreement, Dallas County New Directions in Public Safety Grant, with Dallas County for the Crisis Assessment and Resource Engagement Team; and

WHEREAS, the City Council for the City of Duncanville desires to enter into an Interlocal Agreement with the City of DeSoto for the Crisis Assessment and Resource Engagement Team; and

WHEREAS, the City Council for the City of Duncanville finds it in the best interest of the citizens of the City of Duncanville that entering into the Interlocal Agreement with the City of DeSoto and the Sub-Recipient Agreement with Dallas County, is necessary and in the best interest of the health, safety, and welfare of the citizens of the City of Duncanville; and

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

SECTION 1. That the City Council for the City of Duncanville hereby authorizes, approves, and accepts the terms and conditions of the Interlocal Agreement, the Crisis Assessment and Resource Engagement Team, with the City of DeSoto and the Sub-Recipient Agreement, the Dallas County New Directions in Public Safety Grant, with Dallas County as described in Exhibits A and B.

SECTION 2. That the City Council for the City of Duncanville authorizes the City Manager, as the authorized official, to execute said Interlocal Agreement, the Crisis Assessment and Resource Engagement Team, with the City of DeSoto and the Sub-

ATTACHMENT 1

Recipient Agreement, the Dallas County New Directions in Public Safety Grant, with Dallas County, and any necessary documents to conform to this Resolution.

SECTION 3. That this Resolution shall take effect immediately from and after its passage.

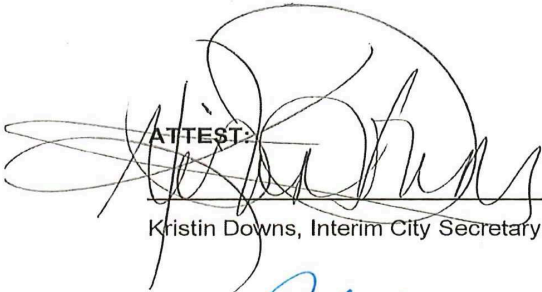
DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville, Texas, on the 16th day of May, 2023.

APPROVED:



Barry L. Gordon, Mayor

ATTEST:



Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:



Robert E. Hager, City Attorney

ATTACHMENT 1

STATE OF TEXAS §
 § **INTERLOCAL COOPERATION AGREEMENT**
COUNTY OF DALLAS § **(REGIONAL CARE TEAM)**

This Interlocal Cooperation Agreement ("Agreement") is made by and between the City of DeSoto, Texas ("DeSoto"), and the City of Duncanville, (each a "Party" and collectively the "Parties"), acting by and through their authorized representatives.

RECITALS:

WHEREAS, individuals suffering from behavioral health needs are too often the subject of emergency calls for service taxing the region's public safety resources and criminalizing or otherwise resulting in inadequate or inappropriate responses to behavioral health needs; and

WHEREAS, DeSoto with the support of Dallas County has developed a Regional Crisis Assessment and Resource Engagement (CARE) Team to engage in prevention and follow-up activities in response to individuals and their families/support systems experiencing behavioral health needs in order to lessen the frequency of crisis interventions that require a police patrol response, emergency hospitalization, or arrest/incarceration; and,

WHEREAS, Dallas County has awarded DeSoto a New Directions in Public Safety Grant to support the development of the Regional CARE Team, provide supportive regional resources, and develop data collection and analysis methods to quantify the benefit of the initiative;

WHEREAS, the Regional CARE Team is a community-based, multi-city, multidisciplinary team comprised of law enforcement officers, licensed social service providers (LMSWs, LCSWs, LPC-As, or LPCs), care coordinators, and victim assistance coordinators (where applicable).

WHEREAS, the Parties are experiencing similar challenges in the area of behavioral health needs and, therefore, desire to enter into this Agreement to maximize and benefit from the Regional CARE Team; and,

WHEREAS, this Agreement is made pursuant to and under the authority of the Interlocal Cooperation Act of 1971, as amended, and codified in Chapter 792 of the Texas Government Code (the "Act"); and

WHEREAS, the Parties are local governments as defined in §791.003 of the Act, and each are empowered by §791.011 of the Act to contract with each other to provide governmental functions and services such as community celebrations; and

WHEREAS, it is mutually advantageous for the Parties to enter into this Agreement; and

NOW THEREFORE, in consideration of the foregoing and on the terms and conditions hereinafter set forth, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ATTACHMENT 1

Article I Purpose

The purpose of this Agreement is to provide Duncanville with access to the Regional CARE Team to assist with the prevention and follow-up activities to individuals and their families who are experiencing behavioral health needs.

Article II Term

The Term of this Agreement shall commence on May 1, 2023, (the "Effective Date") and shall continue for a period of one (1) year, through April 30, 2024, unless sooner terminated as provided herein.

Article III Termination

Either Party may terminate this Agreement with or without cause by giving thirty (30) days' notice to the other Party. Billings for all outstanding obligations must be received by DeSoto within ninety (90) days of the date of termination of this Agreement. DeSoto will be responsible only for obligations incurred by Duncanville during the Term of this Agreement.

Article IV Regional CARE Team Responsibilities

The Regional CARE Team shall perform the activities and duties set forth below:

- (a) Engage in prevention and follow-up activities, including providing/identifying appropriate resources and services within the community, to individuals and families/support systems experiencing behavioral health needs in order to lessen the frequency of crisis interventions that require a police patrol response, emergency hospitalization, or arrest/incarceration;
- (b) Provide general engagement (to establish familiarity and trust with hard to reach/engage clients), brief time-limited solution-focused skills training/problem solving case management, and coordination and/or consultation with established community supports and providers;
- (c) Establish a standardized referral process with law enforcement, local behavioral health hospitals, community agencies & citizens to provide support services to identified individuals in need;
- (d) Gather statistical information on an underserved population (those with undiagnosed behavioral health issues and those who are involuntary partakers of behavioral health services) to add to county wide data for use in allocation and/or addition of resources;

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- (e) Provide training to first responders to assist them in identifying and effectively responding to incidents involving individuals experiencing behavioral health needs and similar concerns;
- (f) Gather statistical information regarding the dispatch activity/calls for service that are driven in part by individuals impacted by behavioral health needs. Analyze methods for identifying non-emergency calls for which an alternative to police or fire dispatch may be appropriate;
- (g) Establish and participate in diversion programming to offer individually crafted diversion plans with wrap-around recovery services alongside the Municipal Court Judge in order to divert criminal charges for identified individuals with behavioral health needs; and
- (h) Provide community educational opportunities on topics that are most prevalent within the Best Southwest region (example: navigating the education system for children with behavioral health needs).

**Article V
DeSoto and Duncanville Responsibilities**

5.1 To accomplish the objectives of the Regional CARE Team, Duncanville agrees to collaborate with CARE Team supervisory personnel to assign one (1) experienced Officer for a period of not less than one year. Though not required, the assignment of the Duncanville Victim's Assistance Coordinator (if applicable) to the Regional CARE Team, is encouraged. During this period of assignment, Duncanville assigned personnel agrees that it will comply with the adopted Policies and Procedures implemented by the Program Manager and Program Coordinator assigned to the Regional CARE Team.

5.2 Duncanville personnel assigned to the CARE Team shall adhere to the policies and procedures of their employer organization, the Regional CARE Team, and the operational expectation and direction of the Regional Program Manager and Coordinator not inconsistent therewith. The Regional Program Manager may request that assigned personnel be reassigned back to their employer organization at any time and for any reason should it be found to be in the best interest of the Regional CARE Team's operation. Upon release, if replacement personnel are not available for assignment, the Regional CARE Team will continue to address referrals from the City of Duncanville for a period of no longer that sixty (60) days. After this period the Regional CARE Team will not address additional referrals until replacement personnel is assigned.

5.3 To accomplish the objectives of the Regional CARE Team, DeSoto will assign, hire, contract for, or otherwise provide:

- Regional Program Manager,
- Regional Program Coordinator;
- Regional Licensed social service provider(s);
- Regional Care Coordinator(s); and

ATTACHMENT 1

- Administrative support.

5.4 DeSoto will also, subject to the availability of annually appropriated funds or any continuing resolution thereof, provide necessary funds and equipment to support the activities of the DeSoto provided staff and Duncanville Officer and Victim's Assistance Coordinators (if applicable) assigned to the Regional CARE Team. This support will include office space, use of vehicles, office supplies, office equipment, training, and other support items assigned to the Regional CARE Team.

5.5 During the period of assignment to the Regional CARE Team, Duncanville will remain responsible for establishing the salary and benefits, including overtime, of the Duncanville Officer assigned to the Regional CARE Team, and for making all payments due them. DeSoto will, subject to availability of funds and the separate Grant Sub-Recipient Agreement, reimburse Duncanville for actual salary and benefits, including overtime, of the Duncanville Officer assigned to the Regional CARE Team. Should Duncanville choose to assign the Victim's Assistance Coordinator to the Regional CARE Team, DeSoto is not responsible for the reimbursement of salary and benefits of this personnel.

5.6 In no event will Duncanville charge any indirect cost rate to DeSoto for the administration or implementation of this Agreement.

5.7 Duncanville shall maintain on a current basis complete and accurate records and accounts of all obligations and expenditures of funds under this agreement in accordance with generally accepted accounting principles and instructions provided by DeSoto to facilitate on-site inspection and auditing of such records and accounts.

5.8 Duncanville shall permit and have readily available for examination and auditing by DeSoto, and any of their duly authorized agents and representatives, any and all records, documents, accounts, invoices, receipts or expenditures relating to this Agreement. Duncanville shall maintain all such reports and records until all audits and examinations are completed and resolved, or for a period of three (3) years after termination of this Agreement, whichever is later.

5.9 Duncanville acknowledges that the Dallas County New Directions in Public Safety Grant awarded to DeSoto is scheduled to end April 30, 2024, and no funds will be awarded to Duncanville by DeSoto for obligations incurred after the Term of this Agreement.

Article VI Availability of Revenue

The Parties agree that the Party paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments only from current revenues legally available to the paying Party.

ATTACHMENT 1

**Article VII
Miscellaneous**

7.1 Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement.

7.2 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.3 Assignment. This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party.

7.4 Relationship of Parties. It is not the intent of the Parties to create, nor shall this Agreement be construed as creating, a partnership, association, joint venture or trust. No Party shall be under the control of, or shall be deemed to control, the other Party. Each Party shall be individually responsible for its own covenants, obligations and liabilities.

7.5 Force Majeure. In the event that any party shall be prevented from performing any of its obligations under this Agreement by any act of God, war, riot, civil commotion, strikes, fires, flood or by the occurrence of any event beyond the control of such party, then such party shall be excused from the performance of the obligations under this Agreement but only during such period of Force Majeure.

7.6 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas.

7.7 Amendment. This Agreement may be amended only by a mutual written agreement signed by both Parties hereto.

7.8 Notice. Any notice herein required or permitted to be delivered shall be deemed received when sent in the United States Mail, postage prepaid, certified mail, return receipt requested, or by hand delivery or facsimile transmission at the address set forth below:

ATTACHMENT 1

If Intended for DeSoto:

City of DeSoto, Texas
Attn: Brandon Wright, City Manager
211 East Pleasant Run Road, Suite A
DeSoto, Texas 75115
Phone: (972) 274-2489

Intended for Duncanville:

City of Duncanville
Attn: Robert D. Brown
Interim City Manager
203 E. Wheatland Rd.

Duncanville, TX 75116
Phone: 972-780-5000

With Copy to:

If

_____, Texas _____
Phone: _____

7.9 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 the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

7.10 Recitals. Recitals to this Agreement are incorporated herein.

7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

(signature page to follow)

ATTACHMENT 1

EXECUTED this ____ day of _____, 2023.

City of DeSoto, Texas

By: _____
Brandon Wright, City Manager

EXECUTED this 17th day of May, 2023.

City of Duncanville

By: Robert D. Brown
Robert D. Brown, Interim City Manager

ATTACHMENT 1

THE STATE OF TEXAS §
 §
 §
 THE COUNTY OF DALLAS §

**DALLAS COUNTY NEW DIRECTIONS IN PUBLIC SAFETY GRANT
 SUB-RECIPIENT AGREEMENT**

1. RECITALS:

This Agreement is entered into by and between City of DeSoto, Texas (hereinafter, "Grantee"), and the City of Cedar Hill, Texas, (hereinafter "Sub-Grantee"), herein referred to individually as a "Party" or collectively as the "Parties." This Agreement is made under the authority of Texas Government Code, Chapter 791, for certain management services, as identified in the New Directions Grant.

WHEREAS, the Dallas County, Texas (hereinafter, "Grantor") has authorized funding for its New Directions in Public Safety Grant program (hereinafter "New Directions"); and

WHEREAS, the Grantee was selected for the New Directions program and the Grantee will be provided funds by the Grantor ("Funds") as detailed herein in order for the Grantee to execute certain management services; and

WHEREAS, the Grantor has funded the New Directions program and seeks to work collaboratively with the Grantee in order to address the crisis of criminalization, mental health, poverty, homelessness, substance abuse, and utilize alternatives to police response and incarceration to more properly address the needs of Dallas County residents; and

WHEREAS, the proposals funded by this New Directions will in turn provide information and data for the Meadows Mental Health Policy Institute in their development of an evaluation tool to monitor the effectiveness of the management services developed by the cities; and

WHEREAS, the Grantee desires to contract with the Sub-Grantee to assist in fulfilling the responsibilities of Grantee as set out in the Interlocal Agreement between Dallas County and the City of DeSoto for the New Directions in Public Safety Grant Program (New Direction Grant); and

NOW THEREFORE, in consideration of the promises and agreements hereinafter set forth, the Parties agree as follows:

ATTACHMENT 1

2. TERM:

The term of this Agreement shall begin on May 1, 2023 and end on April 30, 2024, unless terminated earlier under any provision hereof. The Parties may mutually agree on an extension to this Agreement by written amendment and mutual approval of the Parties. This agreement is contingent upon and subject to the terms of the New Directions Grant.

- (a) This Agreement shall be contingent upon and shall be deemed terminated upon the termination of the Dallas County New Directions in Public Safety Grant Interlocal Agreement between the Grantor and the Grantee.

3. SCOPE OF SERVICES AND OBLIGATIONS:

- a) The Grantee shall distribute the Funds to Sub-Grantee in accordance with the guidance as detailed in New Directions Grant attached to and incorporated herein as **(Exhibit A)** as may be revised between Grantee and Grantor provided that such revision does not materially change the rights or obligations of the Sub-Grantee.
- b) Among other obligations, the Sub-Grantee shall provide any requested information related to this Agreement, the New Directions program, or any related details to the Meadows Mental Health Policy Institute.
- c) Sub-Grantee shall comply with any and all obligations detailed in the Regional Care Team Agreement Between City of DeSoto and City of Cedar Hill attached to and incorporated herein as **(EXHIBIT B)**.

4. TERMS AND CONDITIONS:

Grantee agrees to provide Funds to Sub-Grantee for approved expenses incurred and for documented units of services performed, subject to the following limitations:

- (a) Not to Exceed Amount. Sub-Grantee understands and agrees that the maximum total amount payable for the services and funds distributed that are described herein shall not exceed the amount set out in the Regional Care Team Agreement executed by the Parties unless a formal written amendment is executed by the Parties.
- (b) Sub-Grantee agrees to submit complete, fully documented, and accurate itemized receipts with appropriate documentation, as required by the New Directions Grant, on a quarterly basis to the Grantee. Specifically, the invoices shall be itemized and include supporting documentation, including any subcontractor invoices.
- (c) Grantee will make payment to Sub-Grantee upon receipt of Funds from Grantor and subject to all terms and conditions of the New Directions Grant.

ATTACHMENT 1

5. PARTIES TO BE BOUND:

Parties hereby agree to be bound by the terms and conditions included in the New Directions Grant attached to and incorporated herein as **(Exhibit A)**, as detailed in Section 31 Subcontracting, including but not limited to the following:

- (a) Indemnification. THE PARTIES AGREE TO BE RESPONSIBLE EACH FOR THEIR OWN NEGLIGENCE ACTS OR OMISSIONS, OR OTHER TORIOUS CONDUCT IN THE COURSE OF PERFORMANCE OF THIS AGREEMENT WITHOUT WAIVING ANY SOVEREIGN IMMUNITY, GOVERNMENTAL IMMUNITY, OR OTHER DEFENSES AVAILABLE TO THE PARTIES UNDER FEDERAL OR STATE LAW. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, IN OR TO ANY THIRD PERSONS OR ENTITIES. THE PARTIES AGREE THAT ANY SUCH LIABILITY OR DAMAGES OCCURRING DURING THE PERFORMANCE OF THIS AGREEMENT CAUSED BY THE JOINT OR COMPARATIVE NEGLIGENCE OF THE PARTIES, OR THEIR EMPLOYEES, AGENTS, OR OFFICERS, SHALL BE DETERMINED IN ACCORDANCE WITH COMPARATIVE RESPONSIBILITY LAWS OF TEXAS.
- (b) Insurance. Parties agree that they will, at all times during the Term of this Agreement, maintain in full force and effect insurance or self-insurance to the extent permitted by applicable laws, and that is maintained at appropriate levels of insurance commensurate with each Party's obligations hereunder and in accordance with sound accounting practices. Parties will be responsible for their respective costs of such insurance, any and all deductible amounts in any policy and any denials of coverage made by their respective insurers.
- (c) Governing Law and Venue. This Agreement is performable and enforceable in Dallas County, Texas and shall be interpreted according to the laws of the State of Texas. The Parties hereby consent to and waive any and all objections to venue in the District Court of Dallas County or the Federal District Court encompassing said county. Said Courts shall be the sole and exclusive venue for any and all litigation, special proceedings, or proceedings between parties arising out of or in connection with this Agreement.

6. TERMINATION:

- (a) This Agreement shall be subject to the same termination terms as included in the New Directions Grant with the Sub-Grantee having the authority to stand in the place of the Grantee and the obligation to comply with all relevant terms applicable thereto.

ATTACHMENT 1

7. NOTICE:

Any notice to be given under this Agreement shall be deemed to have been given if reduced to writing and delivered in person or mailed by overnight or Registered Mail, postage pre-paid, to the party who is to receive such notice, demand or request at the addresses set forth below. Such notice, demand or request shall be deemed to have been given three (3) days subsequent to the date it was so delivered or mailed.

If intended for Grantee:

City of DeSoto
Attn: Brandon Wright
City Manager
211 E. Pleasant Run Road, Suite A
DeSoto, Texas 75115
Phone: (972) 274-2489

With a copy to:

Joseph J. Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith, LLP
1800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Telephone: (214) 965-9900

If intended for Sub-Grantee:

City of Cedar Hill
Attn: Greg Porter
City Manager
285 Uptown Blvd., Bldg. 100
Cedar Hill, Texas 75104
Phone: (972) 291-5100 x1016

With a copy to:

Nichols, Jackson, Dillard, Hager & Smith, LLP
1800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Phone: (214) 965-9900

ATTACHMENT 1

8. ACCEPTANCES

By their signatures below, the duly authorized representatives of Grantee and Sub-Grantee accept the terms of this Agreement in full.

EXECUTED this _____ day of _____, 20____.

City of DeSoto, Texas, Grantee

By: _____
Brandon Wright, City Manager

Approved as to form:

By: _____
Joseph J. Gorfida, Jr., City Attorney

EXECUTED this _____ day of _____, 20____.

City of Cedar Hill, Texas, Sub-Grantee

By: _____
Name: _____
Title: _____

ATTACHMENT 1

EXHIBIT A

Dallas County New Directions in Public Safety Grant

ATTACHMENT 1

EXHIBIT B

Regional Care Team Agreement Between City of DeSoto and City of Cedar Hill

RESOLUTION NO. 2022-013R

CONSIDER A RESOLUTION APPROVING THE INTERLOCAL AGREEMENTS BETWEEN THE CITY OF DESOTO, TEXAS AND THE CITY OF DUNCANVILLE, TEXAS TO PARTNER IN THE CRISIS ASSESSMENT AND RESOURCE ENGAGEMENT (CARE) TEAM TO PROVIDE PREVENTION AND FOLLOW-UP ACTIVITIES IN RESPONSE TO INDIVIDUALS AND THEIR FAMILIES/SUPPORT SYSTEMS EXPERIENCING BEHAVIORAL HEALTH NEEDS IN ORDER TO LESSEN THE FREQUENCY OF CRISIS INTERVENTIONS THAT REQUIRE POLICE PATROL OR FIRE RESCUE RESPONSE, EMERGENCY HOSPITALIZATION, OR ARREST/INCARCERATION. THE TERM OF THE AGREEMENT SHALL BEGIN ON MAY 1, 2023, AND END ON APRIL 30, 2024, UNLESS TERMINATED EARLIER UNDER ANY PROVISIONS IN THE INTERLOCAL AGREEMENT. THE PARTIES MAY MUTUALLY AGREE ON AN EXTENSION TO THIS AGREEMENT BY WRITTEN AMENDMENT AND MUTUAL APPROVAL OF THE PARTIES.

WHEREAS, the City Council for the City of Duncanville desires to enter into a Sub-Recipient Agreement, Dallas County New Directions in Public Safety Grant, with Dallas County for the Crisis Assessment and Resource Engagement Team; and

WHEREAS, the City Council for the City of Duncanville desires to enter into an Interlocal Agreement with the City of DeSoto for the Crisis Assessment and Resource Engagement Team; and

WHEREAS, the City Council for the City of Duncanville finds it in the best interest of the citizens of the City of Duncanville that entering into the Interlocal Agreement with the City of DeSoto and the Sub-Recipient Agreement with Dallas County, is necessary and in the best interest of the health, safety, and welfare of the citizens of the City of Duncanville; and

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

SECTION 1. That the City Council for the City of Duncanville hereby authorizes, approves, and accepts the terms and conditions of the Interlocal Agreement, the Crisis Assessment and Resource Engagement Team, with the City of DeSoto and the Sub-Recipient Agreement, the Dallas County New Directions in Public Safety Grant, with Dallas County as described in Exhibits A and B.

SECTION 2. That the City Council for the City of Duncanville authorizes the City Manager, as the authorized official, to execute said Interlocal Agreement, the Crisis Assessment and Resource Engagement Team, with the City of DeSoto and the Sub-

Recipient Agreement, the Dallas County New Directions in Public Safety Grant, with Dallas County, and any necessary documents to conform to this Resolution.

SECTION 3. That this Resolution shall take effect immediately from and after its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville, Texas, on the 20th day of June, 2023.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

STATE OF TEXAS §

COUNTY OF DALLAS §

**INTERLOCAL COOPERATION AGREEMENT
(REGIONAL CARE TEAM)**

This Interlocal Cooperation Agreement (“Agreement”) is made by and between the City of DeSoto, Texas (“DeSoto”), and the City of Duncanville (“Duncanville”), (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

RECITALS:

WHEREAS, individuals suffering from behavioral health needs are too often the subject of emergency calls for service taxing the region's public safety resources and criminalizing or otherwise resulting in inadequate or inappropriate responses to behavioral health needs; and

WHEREAS, DeSoto with the support of Dallas County has developed a Regional Crisis Assessment and Resource Engagement (CARE) Team to engage in prevention and follow-up activities in response to individuals and their families/support systems experiencing behavioral health needs in order to lessen the frequency of crisis interventions that require a police patrol response, emergency hospitalization, or arrest/incarceration; and,

WHEREAS, Dallas County has awarded DeSoto a New Directions in Public Safety Grant to support the development of the Regional CARE Team, provide supportive regional resources, and develop data collection and analysis methods to quantify the benefit of the initiative;

WHEREAS, the Regional CARE Team is a community-based, multi-city, multidisciplinary team comprised of law enforcement officers, licensed social service providers (LMSWs, LCSWs, LPC-As, or LPCs), care coordinators, and victim assistance coordinators (where applicable).

WHEREAS, the Parties are experiencing similar challenges in the area of behavioral health needs and, therefore, desire to enter into this Agreement to maximize and benefit from the Regional CARE Team; and,

WHEREAS, this Agreement is made pursuant to and under the authority of the Interlocal Cooperation Act of 1971, as amended, and codified in Chapter 792 of the Texas Government Code (the “Act”); and

WHEREAS, the Parties are local governments as defined in §791.003 of the Act, and each are empowered by §791.011 of the Act to contract with each other to provide governmental functions and services such as community celebrations; and

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- (d) Gather statistical information on an underserved population (those with undiagnosed behavioral health issues and those who are involuntary partakers of

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5.2 Duncanville personnel assigned to the CARE Team shall adhere to the policies and procedures of their employer organization, the Regional CARE Team, and the operational expectation and direction of the Regional Program Manager and Coordinator not inconsistent therewith. The Regional Program Manager may release assigned personnel back to their employer organization at any time and for any reason should it be found to be in the best interest of the Regional CARE Team's operation. Upon release, if replacement personnel are not available for assignment, the Regional CARE Team will continue to address referrals from the City of Duncanville for a period of no longer that sixty (60) days. After this period the Regional CARE Team will not address additional referrals until replacement personnel is assigned.

5.3 To accomplish the objectives of the Regional CARE Team, DeSoto will assign, hire, contract for, or otherwise provide:

- Regional Program Manager,
- Regional Program Coordinator;

- Regional Licensed social service provider(s);
- Regional Care Coordinator(s); and
- Administrative support.

5.4 DeSoto will also, subject to the availability of annually appropriated funds or any continuing resolution thereof, provide necessary funds and equipment to support the activities of the DeSoto provided staff and Duncanville Officer and Victim's Assistance Coordinators (if applicable) assigned to the Regional CARE Team. This support will include office space, use of vehicles, office supplies, office equipment, training, and other support items assigned to the Regional CARE Team.

5.5 During the period of assignment to the Regional CARE Team, Duncanville will remain responsible for establishing the salary and benefits, including overtime, of the Duncanville Officer assigned to the Regional CARE Team, and for making all payments due them. DeSoto will, subject to availability of funds and the separate Grant Sub-Recipient Agreement, reimburse Duncanville for actual salary and benefits, including overtime, of the Duncanville Officer assigned to the Regional CARE Team. Should Duncanville choose to assign the Victim's Assistance Coordinator to the Regional CARE Team, DeSoto is not responsible for the reimbursement of salary and benefits of this personnel.

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5.8 Duncanville shall permit and have readily available for examination and auditing by DeSoto, and any of their duly authorized agents and representatives, any and all records, documents, accounts, invoices, receipts or expenditures relating to this Agreement. Duncanville shall maintain all such reports and records until all audits and examinations are completed and resolved, or for a period of three (3) years after termination of this Agreement, whichever is later.

5.9 Duncanville acknowledges that the Dallas County New Directions in Public Safety Grant awarded to DeSoto is scheduled to end April 30, 2024, and no funds will be awarded to Duncanville by DeSoto for obligations incurred after the Term of this Agreement.

Article VI

Availability of Revenue

The Parties agree that the Party paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments only from current revenues legally available to the paying Party.

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7.1 Entire Agreement. This Agreement represents the entire agreement among the Parties with respect to the subject matter covered by this Agreement.

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7.5 Force Majeure. In the event that any party shall be prevented from performing any of its obligations under this Agreement by any act of God, war, riot, civil commotion, strikes, fires, flood or by the occurrence of any event beyond the control of such party, then such party shall be excused from the performance of the obligations under this Agreement but only during such period of Force Majeure.

7.6 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas.

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 Attn: Brandon Wright, City Manager
 211 East Pleasant Run Road, Suite A
 DeSoto, Texas 75115
 Phone: (972) 274-2489

If Intended for Duncanville:

With Copy to:

City of Duncanville
 Attn: Robert D. Brown
 Interim City Manager
 203 E. Wheatland Rd.
 Duncanville, TX 75116
 Phone: 972-780-5000

 _____, Texas _____
 Phone: _____

7.9 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 the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

7.10 Recitals. Recitals to this Agreement are incorporated herein.

7.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

(signature page to follow)

EXECUTED this ____ day of _____, 2023.

City of DeSoto, Texas

By: _____
Brandon Wright, City Manager

EXECUTED this ____ day of _____, 2023.

City of Duncanville

By: _____
Robert D. Brown, Interim City Manager

THE STATE OF TEXAS	§
	§
	§
THE COUNTY OF DALLAS	§

**DALLAS COUNTY NEW DIRECTIONS IN PUBLIC SAFETY GRANT
SUB-RECIPIENT AGREEMENT**

1. RECITALS:

This Agreement is entered into by and between City of DeSoto, Texas (hereinafter, "Grantee"), and the City of Duncanville, Texas, (hereinafter "Sub-Grantee"), herein referred to individually as a "Party" or collectively as the "Parties." This Agreement is made under the authority of Texas Government Code, Chapter 791, for certain management services, as identified in the New Directions Grant.

WHEREAS, the Dallas County, Texas (hereinafter, "Grantor") has authorized funding for its New Directions in Public Safety Grant program (hereinafter "New Directions"); and

WHEREAS, the Grantee was selected for the New Directions program and the Grantee will be provided funds by the Grantor ("Funds") as detailed herein in order for the Grantee to execute certain management services; and

WHEREAS, the Grantor has funded the New Directions program and seeks to work collaboratively with the Grantee in order to address the crisis of criminalization, mental health, poverty, homelessness, substance abuse, and utilize alternatives to police response and incarceration to more properly address the needs of Dallas County residents; and

WHEREAS, the proposals funded by this New Directions will in turn provide information and data for the Meadows Mental Health Policy Institute in their development of an evaluation tool to monitor the effectiveness of the management services developed by the cities; and

WHEREAS, the Grantee desires to contract with the Sub-Grantee to assist in fulfilling the responsibilities of Grantee as set out in the Interlocal Agreement between Dallas County and the City of DeSoto for the New Directions in Public Safety Grant Program (New Direction Grant); and

NOW THEREFORE, in consideration of the promises and agreements hereinafter set forth, the Parties agree as follows:

2. TERM:

The term of this Agreement shall begin on May 1, 2023 and end on April 30, 2024, unless terminated earlier under any provision hereof. The Parties may mutually agree on an extension to this Agreement by written amendment and mutual approval of the Parties. This agreement is contingent upon and subject to the terms of the New Directions Grant.

- (a) This Agreement shall be contingent upon and shall be deemed terminated upon the termination of the Dallas County New Directions in Public Safety Grant Interlocal Agreement between the Grantor and the Grantee.

3. SCOPE OF SERVICES AND OBLIGATIONS:

- a) The Grantee shall distribute the Funds to Sub-Grantee in accordance with the guidance as detailed in New Directions Grant attached to and incorporated herein as **(Exhibit A)** as may be revised between Grantee and Grantor provided that such revision does not materially change the rights or obligations of the Sub-Grantee.
- b) Among other obligations, the Sub-Grantee shall provide any requested information related to this Agreement, the New Directions program, or any related details to the Meadows Mental Health Policy Institute.
- c) Sub-Grantee shall comply with any and all obligations detailed in the Regional Care Team Agreement Between City of DeSoto and City of Duncanville attached to and incorporated herein as **(EXHIBIT B)**.

4. TERMS AND CONDITIONS:

Grantee agrees to provide Funds to Sub-Grantee for approved expenses incurred and for documented units of services performed, subject to the following limitations:

- (a) Not to Exceed Amount. Sub-Grantee understands and agrees that the maximum total amount payable for the services and funds distributed that are described herein shall not exceed the amount set out in the Regional Care Team Agreement executed by the Parties unless a formal written amendment is executed by the Parties.
- (b) Sub-Grantee agrees to submit complete, fully documented, and accurate itemized receipts with appropriate documentation, as required by the New Directions Grant, on a quarterly basis to the Grantee. Specifically, the invoices shall be itemized and include supporting documentation, including any subcontractor invoices.
- (c) Grantee will make payment to Sub-Grantee upon receipt of Funds from Grantor and subject to all terms and conditions of the New Directions Grant.

5. PARTIES TO BE BOUND:

Parties hereby agree to be bound by the terms and conditions included in the New Directions Grant attached to and incorporated herein as **(Exhibit A)**, as detained in Section 31 Subcontracting, including but not limited to the following:

- (a) Indemnification. **THE PARTIES AGREE TO BE RESPONSIBLE EACH FOR THEIR OWN NEGLIGENCE ACTS OR OMISSIONS, OR OTHER TORIOUS CONDUCT IN THE COURSE OF PERFORMANCE OF THIS AGREEMENT WITHOUT WAIVING ANY SOVEREIGN IMMUNITY, GOVERNMENTAL IMMUNITY, OR OTHER DEFENSES AVAILABLE TO THE PARTIES UNDER FEDERAL OR STATE LAW. NOTHING IN THIS PARAGRAPH SHALL BE CONSTRUED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, IN OR TO ANY THIRD PERSONS OR ENTITIES. THE PARTIES AGREE THAT ANY SUCH LIABILITY OR DAMAGES OCCURRING DURING THE PERFORMANCE OF THIS AGREEMENT CAUSE BY THE JOINT OR COMPARATIVE NEGLIGENCE OF THE PARTIES, OR THEIR EMPLOYEES, AGENTS, OR OFFICERS, SHALL BE DETERMINED IN ACCORDANCE WITH COMPARATIVE RESPONSIBILITY LAWS OF TEXAS.**
- (b) Insurance. Parties agree that they will, at all times during the Term of this Agreement, maintain in full force and effect insurance or self-insurance to the extent permitted by applicable laws, and that is maintained at appropriate levels of insurance commensurate with each Party's obligations hereunder and in accordance with sound accounting practices. Parties will be responsible for their respective costs of such insurance, any and all deductible amounts in any policy and any denials of coverage made by their respective insurers.
- (c) Governing Law and Venue. This Agreement is performable and enforceable in Dallas County, Texas and shall be interpreted according to the laws of the State of Texas. The Parties hereby consent to and waive any and all objections to venue in the District Court of Dallas County or the Federal District Court encompassing said county. Said Courts shall be the sole and exclusive venue for any and all litigation, special proceedings, or proceedings between parties arising out of or in connection with this Agreement.

6. TERMINATION:

- (a) This Agreement shall be subject to the same termination terms as included in the New Directions Grant with the Sub-Grantee having the authority to stand in the place of the Grantee and the obligation to comply with all relevant terms applicable thereto.

7. NOTICE:

Any notice to be given under this Agreement shall be deemed to have been given if reduced to writing and delivered in person or mailed by overnight or Registered Mail, postage pre-paid, to the party who is to receive such notice, demand or request at the addresses set forth below. Such notice, demand or request shall be deemed to have been given three (3) days subsequent to the date it was so delivered or mailed.

If intended for Grantee:

City of DeSoto
Attn: Brandon Wright
City Manager
211 E. Pleasant Run Road, Suite A
DeSoto, Texas 75115
Phone: (972) 274-2489

With a copy to:

Joseph J. Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith, LLP
1800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Telephone: (214) 965-9900

If intended for Sub-Grantee:

City of Duncanville
Attn: Robert D. Brown, Jr.
Interim City Manager
203 E. Wheatland Rd.
Duncanville, Texas 75116
Phone: (972) 780-5000

With a copy to:

Nichols, Jackson, Dillard, Hager & Smith, LLP
1800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201
Phone: (214) 965-9900

8. ACCEPTANCES

By their signatures below, the duly authorized representatives of Grantee and Sub-Grantee accept the terms of this Agreement in full.

EXECUTED this _____ day of _____, 20____.

City of DeSoto, Texas, Grantee

By: _____
Brandon Wright, City Manager

Approved as to form:

By: _____
Joseph J. Gorfida, Jr., City Attorney

EXECUTED this _____ day of _____, 20____.

City of Duncanville, Texas, Sub-Grantee

By: _____
Name: _____
Title: _____

EXHIBIT A

Dallas County New Directions in Public Safety Grant

EXHIBIT B

Regional Care Team Agreement Between City of DeSoto and City of Duncanville



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Consider a Resolution declaring the personal property as salvage and authorizing the Interim City Manager to donate to the SWAT Team and Cedar Hill Regional Fire Training Academy Center to transfer ownership.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Emphasize: Government Accountability, Customer Service, Efficiency and Process Improvement**
 - **Develop a high performing organization that encourages innovation, transparency, and collaboration while delivering exceptional customer service.**

STAFF RESPONSIBLE:

Mark LiVigni, Chief of Police

BACKGROUND/HISTORY:

The City of Duncanville is in possession of five (5) vehicles that Financial Services has determined are of nominal value and which are no longer needed for public use. Neighborhood Services towed the vehicles to the city pound, and the city pound needs to have them removed from their lot to free up space. The City of Duncanville would like to donate the vehicles to the SWAT team and the Cedar Hill Regional Fire Training Academy Center.

POLICY EXPLANATION:

The SWAT Team and Cedar Hill Regional Fire Training Academy Center will use the vehicles for training purposes.

FUNDING SOURCE:

ORG and Object Number

n/a

Available Budget

\$0.00

Purchase Amount

\$0.00

After Encumber

\$0.00

ACTION ALTERNATIVES:

1. Approve the out of service vehicles be donated to the SWAT Team and Regional Fire Academy
2. Do not approve the out of service vehicles to be donated and place vehicle for bid for nominal value.
3. Other actions as directed by Council.

ATTACHMENTS:

[Attachment 1 - Pictures of Vehicles](#)

[Attachment 2 - Resolution No. - 2023-052 - Donation of Vehicles](#)



RESOLUTION NO. 2023-052

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, DECLARING THE PERSONAL PROPERTY AS SALVAGE AND AUTHORIZING THE INTERIM CITY MANAGER TO DONATE TO THE SWAT TEAM AND CEDAR HILL REGIONAL FIRE TRAINING ACADEMY CENTER TO TRANSFER OWNERSHIP; AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE APPROPRIATE AND NECESSARY DOCUMENTS; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Duncanville (the "City") has received forfeited personal property and has possession of five (5) vehicles in the city pound; and, Financial Services has determined said property has no or nominal value and which no longer has any useful operable motor vehicles; and, such are for salvage purposes only; and

WHEREAS, pursuant to state law, if the estimated fair value of salvage personal property does not exceed the applicable bid threshold in any one sale, the City may dispose of the property in a commercially reasonable manner or donate for public purposes as training without compensation; and

WHEREAS, the Southwest regional SWAT Team and Cedar Hill Regional Fire Training Academy can use the vehicles for training purposes, which will result in the destruction of said property as instruction asset at no cost to the City; and

WHEREAS, Financial Services reviewed the request, and the Interim City Manager approves that the salvaged personal property, which is more specifically identified herein, be donated to the SWAT Team and Cedar Hill Regional Fire Training Academy, respectively.

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

SECTION 1. The City Council of the City of Duncanville, Texas, hereby declares the below listed City personal property as salvage and authorize the Interim City Manager to donate to the SWAT Team and Cedar Hill Regional Fire Training Academy; and to transfer ownership of the following personal property:

- | | | | |
|---------------|-----------------|-----------------|---------------------|
| 1. Year: 2003 | Make: Honda | Model: CHY | VIN# xxxxxxxxxx5607 |
| 2. Year: 1999 | Make: Saturn | Model: SL1 | VIN# xxxxxxxxxx2323 |
| 3. Year: 1996 | Make: Chevrolet | Model: C/K15000 | VIN# xxxxxxxxxx6635 |
| 4. Year: 2002 | Make: Acura | Model: TL | VIN# xxxxxxxxxx9636 |
| 5. Year: 1991 | Make: Chevrolet | Model: S10 | VIN# xxxxxxxxxx5536 |

SECTION 2. The salvage personal property as identified shall be donated in “as is” condition without express or implied warranties.

SECTION 3. The City Council of the City of Duncanville, Texas hereby authorizes the City Manager, or her designee, to execute the appropriate and necessary documents.

SECTION 4. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville, Texas, on the 20th day of June, 2023.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Consider a Resolution approving a contract between the City of Duncanville and Strategic Government Resources (SGR) for the consultant services of Ms. Cynthia Pearson to serve as the Interim Fiscal Services Director. The anticipated term of the contract is for six months, including the three remaining months in Fiscal Year 2023.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Emphasize: Government Accountability, Customer Service, Efficiency and Process Improvement**
 - **Develop a high performing organization that encourages innovation, transparency, and collaboration while delivering exceptional customer service.**

STAFF RESPONSIBLE:

Todd C. Siegel, HR Director

Robert D. Brown, Jr., Interim City Manager

BACKGROUND/HISTORY:

Due to the resignation of the City of Duncanville’s Fiscal Services Director effective May 26, 2023, the City partnered with SGR to seek services for an Interim replacement for the position during the finalization of the Financial Audit process and the fiscal year budgetary processes. SGR solicited the Interim position to its pool of consultants and Ms. Cynthia Pearson was presented to staff as a candidate.

POLICY EXPLANATION:

Currently, there is a shortage of viable, qualified Financial/Fiscal Services consultants within SGR's pool and nationwide. SGR presented the City with only a few candidates for consideration, and one candidate removed himself from consideration after being interviewed. Ms. Pearson was interviewed by staff and was found to be highly qualified for the position. Her resume is attached.

FUNDING SOURCE:

ORG and Object Number

01022000 (Fiscal Services) 700450 (Contractual Services)

Available Budget

- \$137,284.84

Purchase Amount

\$69,810.00

After Encumber

- \$207,094.84

ACTION ALTERNATIVES:

1. Approve the contract with SGR and provide funding in the amount of \$139,620 to perform the scope of work in the agreement, including an estimated \$69,810.00 for FY23.
2. Do not approve the contract with SGR.
3. Other actions as directed by Council.

ATTACHMENTS:

[Resolution No. - 2023-55 - Finance Director Contract with SGR](#)
[Cynthia Pearson Resume 2023](#)

RESOLUTION NO. 2023-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, APPROVING A CONTRACT WITH STRATEGIC GOVERNMENT RESOURCES TO PROVIDE A HIGHLY EXPERIENCED LOCAL GOVERNMENT PROFESSIONAL TO SERVE AS INTERIM FISCAL SERVICES DIRECTOR FOR THE CITY, WITH AN ESTIMATED COST OF \$139,620.00; AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE THE CONTRACT DOCUMENTS; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City's Fiscal Services Director resigned effective May 26, 2023; and,

WHEREAS, the City Council recognizes the importance of having a qualified professional fill the Interim Fiscal Services Director position to help complete the FY2021-2022 audit, assist with preparations of the FY2023-2024 annual budget, and guide the Fiscal Services Department through the closeout of the 2022-2023 Fiscal Year; and,

WHEREAS, the Interim Fiscal Services Director will provide much needed direction and leadership as a search for a permanent Fiscal Services Director continues;

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

SECTION 1. The City Council hereby approves entering into a contract with Strategic Government Resources to provide a highly experienced local government professional to serve as interim Fiscal Services Director for the city, with an estimated cost of \$139,620.00.

SECTION 2. The Interim City Manager is hereby authorized to execute any documents associated with the contract.

SECTION 3. This resolution shall take effect upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville,
Texas, on the 20th day of June, 2023.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

Date: June 16, 2023

Agreement for Interim Fiscal Services Director Services
By and Between Strategic Government Resources and the City of Duncanville, Texas

City of Duncanville, Texas

Robert D. Brown, Jr., Interim City Manager

Robert.Brown@DuncanvilleTX.gov

Strategic Government Resources

Wendle Medford, President

Interim, Embedded and Consulting Services

WendleMedford@GovernmentResource.com

("City")

("SGR")

Scope of Services. The City of Duncanville, Texas, (referred to as "City") seeks an Interim Fiscal Services Director to perform related duties for City. Strategic Government Resources (referred to as "SGR") will provide a highly experienced local government professional to serve as Interim Fiscal Services Director for City.

Recommended Candidate. SGR and City will work together to determine a final candidate for consideration. Should City wish to consider an alternate candidate, SGR can provide other experienced local government professionals for City to interview. City may interview candidate(s) by phone, Skype, or in person. City will reimburse all travel, lodging, and per diem expenses for any in-person interviews.

If at any time during the assignment, City wishes to have another candidate provided to serve as Interim Fiscal Services Director, SGR will produce additional experienced local government professionals to fill the position, to the satisfaction of City, pending availability of suitable candidates.

Directions and Control. The City is responsible for the direction, supervision, and control of the contractor. It is the City's responsibility to provide a safe workplace and to furnish the contractor with any equipment/ training needed to perform their role.

Terms and Conditions. SGR will provide an Interim Fiscal Services Director at a rate of \$112.00 per hour. The Interim Fiscal Services Director will work a maximum of 40 hours per week unless approved by City. Any hours worked in excess of 40 hours per week, will be billed at the standard contract rate of \$112.00 per hour.

City Contact for Invoicing:

Name: _____

Email: _____

Phone: _____

1. SGR will perform a Comprehensive Media Search on the candidate selected by City and provide a comprehensive media report to City. This media report is compiled from information gathered using our proprietary online search process. This is not an automated process and produces far superior results than a standard media or simple Google search. The report length may be as long as 350 pages and may include news articles, links to video interviews, blog posts by residents, etc.

2. The City's final approval of the interim candidate will be dependent upon client acceptance of results of the media and background searches conducted, and we recommend a start date after completion of all elements of our background checking process.

Should an organization choose to start an interim candidate prior to completion of media searches and/or any other elements of the standard background investigation, SGR will be held harmless for any unexpected findings.

3. SGR will perform a comprehensive background investigation on the candidate selected by the City. SGR uses a licensed private investigation firm for these services. Through SGR's partnership with FirstCheck, we are able to provide our Cities with comprehensive background screening reports that include detailed information such as:

- Social Security number trace
- Address history
- Driving history/motor vehicle records
- Credit report
- Federal criminal search
- National criminal search
- Global homeland security search
- Sex offender registry search
- State criminal search (for current and previous states of residence)
- City criminal search (for every City in which candidate has lived or worked)
- City civil search (for every City in which candidate has lived or worked)
- Education verification

4. City is responsible for the cost of any drug screening that City may require.
5. All routine business expenses incurred by SGR's representative in their role as Interim Fiscal Services Director, will be reimbursed under the same terms and conditions that such expenses would be reimbursed for any other employee of City, such as mileage, hotel, and per diem when traveling at the request of City, and business meals incurred for local meetings. Commute time will not be billed by SGR.
6. The City will provide temporary housing such as a local hotel, direct billed to City, with a roundtrip mileage/travel reimbursement of four times per month between Interim Fiscal Services Director's permanent residence and City. Mileage is reimbursed by City at the current IRS mileage reimbursement rate.
7. City will be billed bi-weekly for the previous 2 week's work and any travel/housing reimbursement. Payment will be due within 14 days of each billing. SGR will not be compensated for holidays, vacation time, sick leave, etc.
8. If City hires the candidate placed as Interim Fiscal Services Director for a permanent position during the term of this agreement or within 12 months after the conclusion of this agreement, City will pay SGR an employment placement fee of \$10,000.00. This fee is waived if SGR conducts a full-

service executive search for this position. An Interim Fiscal Services Director who applied and competed against the general public for the Fiscal Services Director position will not be deemed a conversion to a permanent position.

9. City or SGR may terminate the agreement for Interim Fiscal Services Director Services with a fourteen (14) day written notice, without cause or penalty.

Cost Summary. SGR will provide Interim Fiscal Services Director Services to City as follows:

<i>Interim Fiscal Services Director Services</i>	<i>\$112.00 per hour</i>
<i>Comprehensive Media Search Report</i>	<i>\$500.00</i>
<i>Background Investigation</i>	<i>\$400.00</i>
<i>Mileage/Temporary Housing</i>	<i>TBD*</i>
<i>Travel expenses for in-person interviews, if needed</i>	<i>TBD</i>
<i>Per diem for in-person interview, if needed</i>	<i>\$15 breakfast, \$20 lunch, \$30 dinner</i>

**Mileage will be billed at the Standard Mileage Reimbursement Rate established by the IRS. City will provide temporary housing or a housing stipend, if necessary.*

Confidentiality Agreement. The Interim Fiscal Services Director will perform services for City which may require City to disclose confidential and proprietary information to Interim Fiscal Services Director or which may require City to grant authorization to the Interim Fiscal Services Director to make financial and legal transactions on behalf of the City. Confidential information includes, but is not limited to, any information of any kind, nature, or description concerning any matters affecting or relating to Interim Fiscal Services Director's services for City, the business or operations of City, and/or the products, projects, drawings, plans, processes, or other data of City. Financial and legal information includes, but is not limited to, financial institution wire transfers, deposits, withdrawals, cash handling, investment handling, real property transactions, or other financial or legal transactions of City. The Interim Fiscal Services Director, through his/her contract with SGR agrees:

- To hold any and all confidential information received from City in strict confidence and shall exercise a reasonable degree of care to prevent disclosure to others.
- Not to disclose or divulge, either directly or indirectly, the confidential information to others unless first authorized to do so in writing by City. For financial and legal transactions, Interim Fiscal Services Director must receive authorization from City verbally and in writing, other than by email, and Interim Fiscal Services Director shall maintain reasonable data security controls to protect Interim Fiscal Services Director and City from social engineering attacks.
- Not to reproduce the confidential information, nor use this information commercially, or for any purpose other than the performance of his/her duties for City.
- That upon request or upon termination of his/her relationship with City, deliver to City, any drawings, notes, documents, equipment, and materials received from City or originating from his/her activities for City.
- That City shall have the sole right to determine the treatment of any information that is part or project specific received from Interim Fiscal Services Director, including the right to keep the same as

confidential and proprietary.

Venue. The venue for any disputes shall reside in Dallas County, Texas.

Applicable law. This agreement shall be governed by the laws of the State of Texas.

This agreement represents the full and complete agreement between Strategic Government Resources and the City of Duncanville, Texas, and supersedes any and all prior written or verbal agreements. This agreement may be modified or amended only by a written instrument signed by the parties.

Approved and Agreed to on _____, by and between Strategic Government Resources and the City of Duncanville, Texas.

Robert D. Brown, Jr., Interim City Manager
City of Duncanville, Texas

Wendle Medford, President
Interim, Embedded and Consulting Services
Strategic Government Resources

Cynthia Alexander Pearson

Focused, innovative, results-oriented professional with progressive experience in Governmental finance and accounting; outstanding organizational skills and the ability to plan effectively. Strong leadership talents and a demonstrated capability to interact with individuals of diverse backgrounds.

PROFESSIONAL EXPERIENCE

City of Pearland, Texas

DIRECTOR OF FINANCE (February 2016 – July 2020 – Retired) – Responsible for the management and supervision of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Coordinated the preparation and presentation of the Comprehensive Annual Financial Report (CAFR). Areas of responsibility included Accounting, Budget, Cash and Debt Management, Purchasing and Utility Billing. *Software Systems*

City of Lancaster, Texas

DIRECTOR OF FINANCE (February 2014 – February 2016) – Responsible for the management and supervision of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Coordinated the preparation and presentation of the Comprehensive Annual Financial Report (CAFR). Areas of responsibility included Accounting, Cash and Debt Management and Utility Billing. *STW Software Systems*

CAP Fiscal Consulting (City of Forney, Texas)

ASSISTANT FINANCE DIRECTOR (*Interim Position*: November 2012 – November 2013) – Assisted the Director of Administrative Services in the management and supervision of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Areas of responsibility included Accounting and Utility Billing Divisions. *Incode Software Systems*

City of Baytown, Texas

DIRECTOR OF FINANCE (November 2008 – January 2011) – Responsible for the direction and management of the full spectrum of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Directed the preparation of and presented the Annual Budget and the Comprehensive Annual Financial Report (CAFR). Areas of responsibility included Accounting, Budget, Treasury, Purchasing, and Utility Billing Divisions. *Pentamotion Software Systems*

City of League City, Texas

DIRECTOR OF FINANCE (October 2006 – October 2008) – Responsible for the direction and management of the full spectrum of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Directed the preparation of and presented the Annual Budget and the Comprehensive Annual Financial Report (CAFR). Areas of responsibility included Finance, Budget, Municipal Court, Cash and Debt Management, Information Technology, Purchasing, Tax, and Utility Billing Divisions. *HTE Software Systems*

City of La Porte, Texas

ASSISTANT CITY MANAGER (September 2003 – September 2006) – Responsible for the direction and participation in the development, prioritization, and implementation of goals, objectives, policies, and procedures. Relieved City Manager of direct responsibility over coordination of various City administrative functions by assuming delegated authority for controlling operations and directing resolution of personnel, budgetary, and general administrative issues and programs. Conferred with Department Directors and employees regarding policy and procedure changes, and provided staff support to City Council. Assisted the City Manager in planning and directing the financial and administrative functions of the City including Finance, Budget, Human Resources, Risk Management, Municipal Court, Information Technology, and Purchasing.

Cynthia Alexander Pearson

Page 2

DIRECTOR OF FINANCE (April 2000 – September 2003) – Responsible for the direction and management of the full spectrum of the City's financial operations. Developed and implemented goals, objectives, policies, procedures and priorities. Directed the preparation of and presented the Annual Budget and the Comprehensive Annual Financial Report (CAFR). Areas of responsibility included Accounting, Cash and Debt Management, Tax (multiple-entity collections), and Utility Billing Divisions. **HTE Software Systems**

ASSISTANT FINANCE DIRECTOR (November 1994 – March 2000) - Assist in all managerial aspects of the Finance Department. Developed and implemented all related goals, objectives, policies, procedures and priorities. Administration and coordination of Accounting, Tax, Cash Management, and Utility Billing Divisions. Assisted in preparation of the Comprehensive Annual Financial report (CAFR) and the Annual Budget. **HTE Software Systems**

City of Baytown, Baytown, Texas

SENIOR ACCOUNTANT (August 1992 - November 1994) -Administration and coordination of Accounting operations including Fixed Assets, General Accounting, Payroll and Accounts Payable. Responsible for the analysis, development, monitoring, enhancement and maintenance of all interfacing applications of **Pentamotion System Government Software**.

Kelly Enterprises, Inc., Jackson, Mississippi

COMPENSATION/BENEFITS ADMINISTRATOR (January 1989 - March 1991) - Assisted in the development of the company's compensation policies, procedures, and related support systems. Administration of flexible benefit and saving and retirement plan (401K); supervision of payroll processing and general ledger interface and reconciliation using **Automated Data Processing System (ADP)**.

City of LaPorte, Texas

ACCOUNTING SUPERVISOR (March 1986 - July 1988) - Responsible for records of general ledger and the preparation of periodic financial statements. Supervision and training of accounting staff, assisted in preparation of Comprehensive Annual Financial Report, and the Comprehensive Annual Budget. **H.M.S. Software Systems**.

City of LaPorte, Texas

ACCOUNTANT I (May 1982 - March 1986) - Preparation of monthly financial statements and journal entries as necessary. Training and lead supervision of clerical personnel, general direction and coordination of accounting activity. Responsible for Payroll processing and accounts payable lead supervisory functions. **H.M.S. Software Systems**.

PROFESSIONAL AFFILIATIONS

Government Finance Officer's Association (GFOA) of U.S. and Canada; Budget Committee; Debt Committee; Women's Network; **Government Finance Officer's Association of Texas** (GFOAT); Past President; **Texas Municipal League** (TML); Board of Directors(former); **Gulf Coast Finance Officers Association**; Past President; **Board of Tax Professional Examiners** (BTPE); **Texas Association of Assessing Officers** (TAAO); **Government Treasurer's Organization of Texas** (GTOT).

EDUCATION/TRAINING

Jackson State University, Jackson, Mississippi

Texas Tech University, Lubbock, Texas



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Consider a resolution supporting and adopting the City of Duncanville's FY2023 Investment Policy.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Emphasize: Government Accountability, Customer Service, Efficiency and Process Improvement**
 - **Develop a high performing organization that encourages innovation, transparency, and collaboration while delivering exceptional customer service.**

STAFF RESPONSIBLE:

Denise Hickman, Interim Managing Director of Fiscal Services

BACKGROUND/HISTORY:

The Investment Policy guides investments and internal controls surrounding investment activity. Our investment advisor, Valley View Investments, reviews our policy annually to ensure compliance with the Public Funds Investment Act (PFIA). The contract with Valley View Investments is renewed periodically by City Council. The policy presented for Council consideration contains minor wording changes, and both a “red-line/marked change” version and a clean version are provided for Council review.

POLICY EXPLANATION:

The investment policy is reviewed annually by the City's investment advisors and the City's certified investment officers for compliance with PFIA and any other process and wording changes. The Investment Policy is then presented to the City Council for review and approval. The City's authorized and trained (semi-annual PFIA training) investment officers are the Managing Director of Financial Services (Denise Hickman, Interim), Fiscal Services Manager (vacant), and the Managing Director of Development Services, (Agustin "Gus" Garcia). Internal controls require all funds being invested be approved by the City Manager or his/her designee.

FUNDING SOURCE:

ORG and Object Number

n/a

Available Budget

n/a

Purchase Amount

n/a

After Encumber

n/a

ACTION ALTERNATIVES:

1. Approve the resolution to accept and adopt the City of Duncanville's FY2023 Investment Policy, as presented.
2. Amend and approve the resolution to accept and adopt the City of Duncanville's FY2023 Investment Policy.
3. Other actions as directed by Council.

ATTACHMENTS:

[Resolution No. 2023-049 Investment Policy](#)

[FY2023 Investment Policy - revisions](#)

[FY2023 Investment Policy - ppt](#)

RESOLUTION NO. 2023-049

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, APPROVING AND ADOPTING THE CITY OF DUNCANVILLE INVESTMENT POLICY; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Duncanville reviews its Investment Policy annually; and,

WHEREAS, as a result of such review the City has determined that sound fiscal management requires the management of municipal funds in order to protect principal while maximizing yield.

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

SECTION 1. That the City of Duncanville Investment Policy attached hereto as Attachment A is hereby approved and adopted.

SECTION 2. That all provisions of the Resolutions of the City of Duncanville, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 3. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville,
Texas, on the 20th day of June, 2023.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

Exhibit A

CITY OF DUNCANVILLE, TEXAS

INVESTMENT POLICY

October 2022 - September 2023

Prepared by the Financial Services Department

CITY OF DUNCANVILLE, TEXAS INVESTMENT POLICY

PREFACE

It is the policy of the City of Duncanville (the "City") that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted Investment Policy. The City will invest public funds in a manner which will provide the safety of principal and a market rate of return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code [the "Act"]) to adopt a formal written Investment Policy for the investment of public funds. These policies serve to satisfy the statutory requirement to define, adopt and review a formal investment strategy and policy.

CITY OF DUNCANVILLE INVESTMENT POLICY

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Attachments:

- A. Investment Strategy Statement
- B. Certification of Business Organization Sample Form
- C. Authorized Broker/Dealers

INVESTMENT POLICY

1. **PURPOSE.** The purpose of this investment policy (the Policy) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety, liquidity, rate of return, and public trust for all investment activities.

2. **INVESTMENT STRATEGY.** The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of Investment Officers. The allowable investment instruments as defined in Section 6 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of alternatives offering independent returns. This strategy uses financial institution demand deposits, local government investment pools and money market mutual funds to achieve cash equivalent liquidity. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require.

2.1. **The primary investment strategy and objectives** of the City as specified in this Policy (See Section 4.) are listed below, in their order of importance:

- Safety and preservation of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- A market rate of return on the investment portfolio; and
- Public trust.

2.2. **The list of investments authorized** by this Policy intentionally excludes some investments allowed by State law. The restrictions limit possible credit risk, increase individual security marketability, and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the City. To increase the interest earnings for funds identified as being available for investment over longer periods of time, based upon a cash requirement projection, the City will consider the following strategies:

2.2.1. **Strategy No. 1.** Maintaining liquidity through the use of financial institution deposits, local government investment pools and money market mutual funds as authorized by this Policy. An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority match those objectives of the Act. Funds are usually available from investment pools on a next-day basis, meaning the pools have a high degree of liquidity.

Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by State law. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

2.2.2 **Strategy No. 2.** Building a ladder of Investment Policy authorized investments with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- All investments remain within the approved maturity horizon;
- It will assure the City that it will capture a reasonable portion of the yield curve; and,
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

2.2.3. **Strategy No. 3.** Utilizing the services of an independent, third-party investment advisor on a periodic basis that would enable the City to achieve a competitive rate of return on the funds available for longer-term investment.

2.2.4. **Strategy No. 4.** The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and

market conditions to achieve compliance with the applicable regulations.

2.2.5. **Strategy No. 5 - Hold until Maturity.** The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell or redeem an investment prior to maturity. Should it become necessary to sell or redeem an investment prior to maturity, the prior written consent of the City Manager must be obtained.

2.2.6. **Strategy No. 6 - Pooling of Deposits and Investments.** Most demand deposits of the City will be concentrated with one central depository. This procedure will maximize the City's ability to pool cash for investment purposes, and provide more manageable banking relationships.

2.2.7. **Strategy No. 7 - Depository Bank Relationships.** This Policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a primary depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

2.2.8. **Strategy No. 8 - Single Pooled Fund Group.** A single pooled fund group, as defined in this Policy, may be utilized at the discretion of the Investment Officers. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

2.2.9. **Strategy No. 9 - Maximizing Investible Cash Balances.** Procedures shall be established and implemented in order to maximize investible cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

3. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: General Fund, Utility Fund, Debt Service Fund, Capital Projects Fund, Self-Insurance Funds, Asset Forfeiture Fund, Special Revenue Funds, and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This Policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this Policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

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4. **INVESTMENT OBJECTIVES.** Funds of the City shall be invested in accordance with all applicable Texas statutes, this Policy and any other approved, written

administrative procedures. The four objectives of the City's investment activities shall be as follows (in the order of priority):

4.1. **Safety of Principal.** Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized investments as defined in this Policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

4.2. **Liquidity.** The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as will provide the liquidity necessary to pay obligations as they become due. An investment may be liquidated or redeemed prior to its stated maturity to meet unanticipated cash requirements, or to otherwise favorably adjust the City's portfolio, in accordance with Section 2.2.5 above.

4.3. **Market Rate-of-Return (Yield).** The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and liquidity. Rate of return (yield) is defined as the rate of annual income return on an investment, expressed as a percentage.

4.4. **Public Trust.** All participants in the City's investment program shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction which might involve a conflict of interest or otherwise impair public confidence in the City's ability to govern effectively. All City employees having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.

5. **INVESTMENT RESPONSIBILITY.** As provided in this Policy, the daily operation and management of the City's investments are the responsibility of the following persons.

5.1 **Delegation of Authority.** The Managing Director of Fiscal Services (MDFS), Managing Director of Development Services, and the Fiscal Manager shall be Investment Officers and are authorized to deposit, withdraw, invest, transfer, or manage in any other manner the funds of the City. Management responsibility for the investment program is hereby delegated to the MDFS, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No persons may engage in an

investment transaction except as provided under the terms of this Policy and the procedures established by the MDFS. The MDFS shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of involved City employees. The system of controls shall be designed to provide reasonable assurance that assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and,
- (2) the valuation of costs and benefits requires estimates and judgments by management.

The MDFS shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The MDFS may delegate any phase of the investment program to the Senior Accountant. However, ultimate responsibility for investment decisions will rest with the MDFS. Commitment of financial and staffing resources in order to optimize investment return through active portfolio management shall be the responsibility of the City Council.

5.2 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent person" rule, which states, "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." In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

5.2.1 The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

5.2.2 whether the investment decision was consistent with the written Investment Policy and procedures of the City.

5.3 **Due Diligence.** An Investment Officer, acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

5.4 **Ethical Standards and Conflicts of Interest.** All City employees having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. An

Investment Officer who has a personal business relationship with a depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity (affiliation) to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

5.5 **Training.** The City shall provide periodic training in investments for the Investment Officers through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's Investment Officers. The Investment Officers shall accrue at least ten (10) hours of instruction relating to the Officer's responsibility under the Act within twelve (12) months after assuming duties, and not less than once every two years that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, accrue an additional eight (8) hours of training. The Government Finance Officers Association, Government Finance Officers Association of Texas, the Government Treasurers' Organization of Texas, the Texas Municipal League, the University of North Texas, and the North Central Texas Council of Governments are approved as independent training sources.

6. **AUTHORIZED INVESTMENTS.** As stated previously, safety of principal is the primary objective in investing public funds and can be accomplished by limiting two types of risk - credit risk and interest rate risk. Credit risk is the risk associated with the failure of an investment issuer or backer. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by law. These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to City funds.

At least quarterly, the Investment Officers shall monitor market values and issuer ratings obtained from independent news sources, business organizations or portfolio reporting services. 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.

6.1 **Authorized and Acceptable Investments.** The authorized list of investment instruments is as follows:

6.1.1. **Obligations, including letters of credit of the United States** or its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding mortgage-backed securities.

6.1.2. Direct obligations of the State of Texas, or its agencies and instrumentalities.

6.1.3. Other obligations, the principal of and interest on 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, but excluding mortgage-related securities.

6.1.4. Financial Institution Deposits. 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 or National Credit Union Share Insurance Fund or its successor, b) is secured in a manner and amount provided by law and in accordance with 10.2 Collateralization, or c) is executed through a depository institution or broker that meets the requirements of the Act.

6.1.5. Municipal Bonds. Obligations of agencies, counties, cities, and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

6.1.6. Eligible Local Government Investment Pools. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:

- the investment pool has been authorized by the City Council;
- the pool shall have furnished the City an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
- the pool shall furnish the City investment transaction confirmations with respect to all investments made with it;
- the pool shall furnish to the City monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
- the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
- the pool marks its portfolio to market daily;
- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

Page 12 of 24 6.1.7. Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances, and Commercial Paper. These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds

investment pools or money market mutual funds in which the City invests. Only fully collateralized direct repurchase agreements with the City's Primary Depository are authorized City investments. All City repurchase agreement transactions shall be governed by a signed repurchase agreement. Repurchase agreements must also be secured in accordance with State law as described in Section 10.

6.1.8. Regulated No-Load Money Market Mutual Funds. These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity in compliance with regulations;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.0000) per share; and
- the fund is continuously rated no lower than "AAAm" or an equivalent rating by at least one nationally recognized rating service.

The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

6.2. Investment Instruments NOT Authorized. State law specifically prohibits investment in the following securities:

6.2.1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

6.2.2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

6.2.3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.

6.2.4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

7. DIVERSIFICATION. Diversification of investment instruments shall be utilized to avoid unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of investments, where appropriate.

The longer the maturity of investments, the greater their potential price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term investments in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements and maximum maturities outlined in Appendix A Investment Strategy Statement. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officers so that maturities of investments shall be timed to coincide with projected cash flow needs.

8. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS. Financial institutions (federally insured banks) with and through whom the City invests shall be authorized by State laws and this Policy. Broker/dealers and investment advisors authorized to provide investment services to the City shall include only those authorized by the City Council. All primary depository banking services will be governed by a depository contract awarded by the City Council. In addition, the Managing Director, Financial Services shall maintain a list of authorized brokers/dealers and investment pools that are authorized by the City Council. In order to create a competitive pricing environment for each investment transaction, the City shall compare alternatives from multiple authorized investment providers.

8.1 All organizations with whom the City does investment-related business (including financial institutions, broker/dealers, advisors, and pools) must supply the following, as appropriate: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) proof of State registration; (4) completed broker/dealer questionnaire.

Local government investment pools and discretionary investment management firms shall provide certification of having read the City's Investment Policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization in accordance with the Act.

8.2 **Primary Depository.** Selection Criteria for Primary Depository shall include the following: (1) the financial institution must be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF); (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America; and (3) the financial institution must be located within the corporate boundaries of the City. Primary Depositories located outside the City limits, but within Dallas County may be eligible, provided the financial institution maintains a place of business within the State of Texas and offers within the State the services required by

the primary depository services contract; and the City Council has adopted a written policy expressly permitting the consideration of applications received by the City from a financial institution that is located outside the City, after taking into consideration what is in the best interest of the City in establishing a primary depository.

8.3 **Monitoring Investments.** The Investment Officers of the City are responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

9. **DELIVERY VERSUS PAYMENT.** It is the policy of the City that all security transactions entered into with the City shall be conducted on a "**DELIVERY VERSUS PAYMENT**" (DVP) basis through the Federal Reserve System, or similar system. By doing this, City funds are not released until the City has received, through the settlement system, the securities purchased. The City shall authorize its safekeeping bank to release funds only after the safekeeping bank has received the purchased security in the safekeeping account of the City.

10. **SAFEKEEPING AND COLLATERALIZATION**

10.1 **Safekeeping and Collateralization.** All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for financial institution deposits will be held and pledged to the City in the institution's trust department, in a Federal Reserve Bank account in an account in the City's name, or a third-party custodian, at the City's discretion. Pledge receipts shall be obtained and held by the City.

10.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a financial institution not fully insured. The market value of the pledged securities securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds plus accrued interest, with the exception of deposits secured with irrevocable letters of credit at 100% of amount, reduced to the extent that the deposits are insured. Securities pledged as collateral shall be held by an independent third-party approved by the City and governed by a current custodial agreement. The agreement is to specify the acceptable securities as collateral, including provisions relating to possession of the collateral, the substitution or release of securities, ownership of securities, and the method of valuation of securities. The agreement must clearly state that the custodial bank is instructed to release pledged securities to the City in the event the City has determined that the depository bank has failed to pay as requested by the City, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of pledge receipt, must be supplied to the City and retained by the City. Any collateral with a maturity over five (5) years must be approved by an Investment Officer

before the transaction is completed. Release of collateral must be approved in writing by an Investment Officer.

10.2.1 The City may accept the following securities as collateral for financial institution deposits:

- guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- secured by obligations that are eligible for pledge as described in the Public Funds Collateral Act; or
- secured by a letter of credit issued by the United States or its agencies and instrumentalities.

10.2.2 Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by an Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, CUSIP, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

10.3 **Collateralized Deposits.** Consistent with the requirements of State law, the City requires all financial institution deposits to be federally insured or collateralized with eligible instruments. 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 the event 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.

11. **INTERNAL CONTROL.** The Managing Director of Financial Services shall establish a system of written internal controls. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established Investment Policy.

12. **PERFORMANCE.** The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and cash flow requirements of the City. This Investment Policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

13. **REPORTING.** The Managing Director of Financial Services shall submit a quarterly investment report, signed by all Investment Officers, that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investments, maturities, risk characteristics, and shall explain the investment return for the quarter.

13.1 **Annual Report.** The Managing Director of Financial Services shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. In conjunction with the annual audit, the quarterly reports prepared by the MDFS shall be formally reviewed by the City's independent auditor, and the result of the review shall be reported to the City Council by that auditor. Said results may be included in the full annual audit report.

13.2 **Methods.** The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to this Policy. The report will be provided to the City Council. The report will include the following:

13.2.1 A listing of individual investments held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;

13.2.2. Book and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested;

13.2.3 Fully accrued interest for the reporting period;

13.2.4 Average weighted yield to maturity of the portfolio as compared to applicable benchmarks;

13.2.5 Listing of investments by maturity date;

13.2.6 The percentage of the total portfolio which each type of investment represents; and

13.2.7 Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.

14. **INVESTMENT POLICY ADOPTION AND AMENDMENT.** The City's Investment Policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations, and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to either the Policy or strategies.

Attachment A

**CITY OF DUNCANVILLE, TEXAS
Investment Policy**

Investment Strategy Statement

Operating Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield – Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

City of Duncanville Internal Investment Pool

Suitability – Any investment eligible in the Investment Policy is suitable for the Internal Investment Pool.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing weighted average days to maturity for the Internal Investment Pool to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Liquidity - The Internal Investment Pool has moderate liquidity needs. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield – Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

Debt Service Funds

Suitability – Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

Diversification - Market conditions influence the attractiveness of fully extending a maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield -Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability- Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the Investment Policy's risk constraints.

Special Project and Capital Project Funds

Suitability -Any investment eligible in the Investment Policy is suitable for Special Project and Capital Project Funds.

Safety of Principal -All investments will be of high quality with no perceived default risk. Market fluctuations may occur. However, by restricting the maximum maturity to two years and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements, the market risk of the portfolio will be minimized.

Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity, yield enhancement and stability. A "barbell" maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

Bond Funds

Suitability -Any investment eligible in the Investment Policy is suitable for Bond Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule the market risk of the overall portfolio will be minimized.

Liquidity - Bond Funds used for capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Cash equivalent investments will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield -Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective for non- borrowed funds.

RESOLUTION NO. 2021-081

Commented [JH1]: Update Resolution # and adoption date

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, APPROVING AND ADOPTING THE CITY OF DUNCANVILLE INVESTMENT POLICY.

WHEREAS, the City of Duncanville reviews its Investment Policy annually; and,

WHEREAS, as a result of such review the City has determined that sound fiscal management requires the management of municipal funds in order to protect principal while maximizing yield.

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

SECTION 1. That the City of Duncanville Investment Policy attached hereto as Exhibit A is hereby approved and adopted.

SECTION 2. That all provisions of the Resolutions of the City of Duncanville, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 3. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville, Texas, on the 7th day of June, 2021.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

CITY OF DUNCANVILLE, TEXAS

INVESTMENT POLICY

October 202~~21~~²⁴ - September 202~~32~~³⁵

Prepared by the Financial Services Department

**CITY OF DUNCANVILLE, TEXAS
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Duncanville (the "City") that after allowing for the anticipated cash flow requirements of the City and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted Investment Policy. The City will invest public funds in a manner which will provide the safety of principal and a market rate of return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code [the "Act"]) to adopt a formal written Investment Policy for the investment of public funds. These policies serve to satisfy the statutory requirement to define, adopt and review a formal investment strategy and policy.

**CITY OF DUNCANVILLE
INVESTMENT POLICY**

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Attachments:

- A. Investment Strategy Statement
- B. Certification of Business Organization Sample Form
- C. Authorized Broker/Dealers

INVESTMENT POLICY

1. **PURPOSE.** The purpose of this investment policy (the Policy) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety, liquidity, rate of return, and public trust for all investment activities.

2. **INVESTMENT STRATEGY.** The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of Investment Officers. The allowable investment instruments as defined in Section 6 of this Policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of alternatives offering independent returns. This strategy uses financial institution demand deposits, local government investment pools and money market mutual funds to achieve cash equivalent liquidity. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require.

2.1. **The primary investment strategy and objectives** of the City as specified in this Policy (See Section 4.) are listed below, in their order of importance:

- Safety and preservation of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- A market rate of return on the investment portfolio; and
- Public trust.

2.2. **The list of investments authorized** by this Policy intentionally excludes some investments allowed by State law. The restrictions limit possible credit risk, increase individual security marketability, and provide the maximum measure of safety. Within the investment objectives, the investment strategy is to utilize authorized investments for maximum advantage to the City. To increase the interest earnings for funds identified as being available for investment over longer periods of time, based upon a cash requirement projection, the City will consider the following strategies:

2.2.1. **Strategy No. 1.** Maintaining liquidity through the use of financial institution deposits, local government investment pools and money market mutual funds as authorized by this Policy. An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority match those objectives of the Act. Funds are usually available from investment pools on a next-day basis, meaning the pools have a high degree of liquidity.

Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by State law. Funds that may be needed on a short-term basis but that are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

2.2.2 **Strategy No. 2.** Building a ladder of Investment Policy authorized investments with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- It is straight-forward and easily understood;
- All investments remain within the approved maturity horizon;
- It will assure the City that it will capture a reasonable portion of the yield curve; and,
- It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

2.2.3. **Strategy No. 3.** Utilizing the services of an independent, third-party investment advisor on a periodic basis that would enable the City to achieve a competitive rate of return on the funds available for longer-term investment.

2.2.4. **Strategy No. 4.** The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and

market conditions to achieve compliance with the applicable regulations.

2.2.5. **Strategy No. 5 - Hold until Maturity.** The strategy of the City is to maintain sufficient liquidity in its portfolio so that it does not need to sell or redeem an investment prior to maturity. Should it become necessary to sell or redeem an investment prior to maturity, the prior written consent of the City Manager must be obtained.

2.2.6. **Strategy No. 6 - Pooling of Deposits and Investments.** Most demand deposits of the City will be concentrated with one central depository. This procedure will maximize the City's ability to pool cash for investment purposes, and provide more manageable banking relationships.

2.2.7. **Strategy No. 7 - Depository Bank Relationships.** This Policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a primary depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

2.2.8. **Strategy No. 8 - Single Pooled Fund Group.** A single pooled fund group, as defined in this Policy, may be utilized at the discretion of the Investment Officers. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

2.2.9. **Strategy No. 9 - Maximizing Investible Cash Balances.** Procedures shall be established and implemented in order to maximize investible cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

3. **SCOPE.** The Investment Policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: General Fund, Utility Fund, Debt Service Fund, Capital Projects Fund, Self-Insurance Funds, Asset Forfeiture Fund, Special Revenue Funds, and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This Policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this Policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds.

4. **INVESTMENT OBJECTIVES.** Funds of the City shall be invested in accordance with all applicable Texas statutes, this Policy and any other approved, written

administrative procedures. The four objectives of the City's investment activities shall be as follows (in the order of priority):

4.1. **Safety of Principal.** Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized investments as defined in this Policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City's investments.

4.2. **Liquidity.** The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City's cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as will provide the liquidity necessary to pay obligations as they become due. An investment may be liquidated or redeemed prior to its stated maturity to meet unanticipated cash requirements, or to otherwise favorably adjust the City's portfolio, in accordance with Section 2.2.5 above.

4.3. **Market Rate-of-Return (Yield).** The City's investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate of return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate of return objective is secondary to those of safety and liquidity. Rate of return (yield) is defined as the rate of annual income return on an investment, expressed as a percentage.

4.4. **Public Trust.** All participants in the City's investment program shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction which might involve a conflict of interest or otherwise impair public confidence in the City's ability to govern effectively. All City employees having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust.

5. **INVESTMENT RESPONSIBILITY.** As provided in this Policy, the daily operation and management of the City's investments are the responsibility of the following persons.

5.1 **Delegation of Authority.** The Managing Director of Fiscal nancial Services (MDFS), and Senior Accountant Managing Director of Development Services and the Fiscal Manager shall be Investment Officers and are authorized to deposit, withdraw, invest, transfer, or manage in any other manner the funds of the City. Management responsibility for the investment program is hereby delegated to the MDFS, who shall establish written procedures for the operation of the investment program, consistent with this Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No persons may engage in an

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investment transaction except as provided under the terms of this Policy and the procedures established by the MDFS. The MDFS shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of involved City employees. The system of controls shall be designed to provide reasonable assurance that assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefits likely to be derived; and,
- (2) the valuation of costs and benefits requires estimates and judgments by management.

The MDFS shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The MDFS may delegate any phase of the investment program to the Senior Accountant. However, ultimate responsibility for investment decisions will rest with the MDFS. Commitment of financial and staffing resources in order to optimize investment return through active portfolio management shall be the responsibility of the City Council.

5.2 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent person" rule, which states, "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." In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:

5.2.1 The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and

5.2.2 whether the investment decision was consistent with the written Investment Policy and procedures of the City.

5.3 **Due Diligence.** An Investment Officer, acting in accordance with written policies and procedures and exercising due diligence, shall not be held personally responsible for a specific investment's credit risk or market price changes, provided that these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

5.4 **Ethical Standards and Conflicts of Interest.** All City employees having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. An

Investment Officer who has a personal business relationship with a depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree of affinity or consanguinity (affiliation) to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

5.5 **Training.** The City shall provide periodic training in investments for the Investment Officers through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's Investment Officers. The Investment Officers shall accrue at least ten (10) hours of instruction relating to the Officer's responsibility under the Act within twelve (12) months after assuming duties, and not less than once every two years that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date, accrue an additional eight (8) hours of training. The Government Finance Officers Association, Government Finance Officers Association of Texas, the Government Treasurers' Organization of Texas, the Texas Municipal League, the University of North Texas, and the North Central Texas Council of Governments are approved as independent training sources.

6. **AUTHORIZED INVESTMENTS.** As stated previously, safety of principal is the primary objective in investing public funds and can be accomplished by limiting two types of risk - credit risk and interest rate risk. Credit risk is the risk associated with the failure of an investment issuer or backer. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by law. These restrictions are placed in order to limit possible risk and provide the maximum measure of safety to City funds.

At least quarterly, the Investment Officers shall monitor market values and issuer ratings obtained from independent news sources, business organizations or portfolio reporting services. 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.

6.1 **Authorized and Acceptable Investments.** The authorized list of investment instruments is as follows:

- 6.1.1. **Obligations, including letters of credit of the United States** or its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding mortgage-backed securities.

6.1.2. Direct obligations of the State of Texas, or its agencies and instrumentalities.

6.1.3. Other obligations, the principal of and interest on 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, but excluding mortgage-related securities.

6.1.4. Financial Institution Deposits. 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 or National Credit Union Share Insurance Fund or its successor, b) is secured in a manner and amount provided by law and in accordance with 10.2 Collateralization, or c) is executed through a depository institution or broker that meets the requirements of the Act.

6.1.5. Municipal Bonds. Obligations of agencies, counties, cities, and other political subdivisions of the State of Texas rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

6.1.6. Eligible Local Government Investment Pools. Public funds investment pools which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code, provided that:

- the investment pool has been authorized by the City Council;
- the pool shall have furnished the City an offering circular containing the information required by Section 2256.016(b) of the Texas Government Code;
- the pool shall furnish the City investment transaction confirmations with respect to all investments made with it;
- the pool shall furnish to the City monthly reports containing the information required under Section 2256.016(c) of the Texas Government Code;
- the pool is continuously rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service;
- the pool marks its portfolio to market daily;
- the pool's investment objectives shall be to maintain a stable net asset value of one dollar (\$1.00); and
- the pool's investment philosophy and strategy are consistent with this Policy.

6.1.7. Repurchase Agreements, Reverse Repurchase Agreements, Bankers' Acceptances, and Commercial Paper. These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds

investment pools or money market mutual funds in which the City invests. Only fully collateralized direct repurchase agreements with the City's Primary Depository are authorized City investments. All City repurchase agreement transactions shall be governed by a signed repurchase agreement. Repurchase agreements must also be secured in accordance with State law as described in Section 10.

6.1.8. Regulated No-Load Money Market Mutual Funds. These investments are authorized, under the following conditions:

- the money market mutual fund is registered with and regulated by the Securities and Exchange Commission;
- the fund provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- the fund has a dollar-weighted average portfolio maturity in compliance with regulations;
- the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.0000) per share; and
- the fund is continuously rated no lower than "AAAm" or an equivalent rating by at least one nationally recognized rating service.

The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.

6.2. Investment Instruments NOT Authorized. State law specifically prohibits investment in the following securities:

6.2.1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

6.2.2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

6.2.3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.

6.2.4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

7. DIVERSIFICATION. Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of investments, where appropriate.

The longer the maturity of investments, the greater their potential price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term investments in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements and maximum maturities outlined in Appendix A Investment Strategy Statement. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officers so that maturities of investments shall be timed to coincide with projected cash flow needs.

8. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS. Financial institutions (federally insured banks) with and through whom the City invests shall be authorized by State laws and this Policy. Broker/dealers and investment advisors authorized to provide investment services to the City shall include only those authorized by the City Council. All primary depository banking services will be governed by a depository contract awarded by the City Council. In addition, the Managing Director, Financial Services shall maintain a list of authorized brokers/dealers and investment pools that are authorized by the City Council. In order to create a competitive pricing environment for each investment transaction, the City shall compare alternatives from multiple authorized investment providers.

8.1 All organizations with whom the City does investment-related business (including financial institutions, broker/dealers, advisors, and pools) must supply the following, as appropriate: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) proof of State registration; (4) completed broker/dealer questionnaire.

Local government investment pools and discretionary investment management firms shall provide certification of having read the City's Investment Policy signed by a qualified representative of the organization, acknowledging that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization in accordance with the Act.

8.2 **Primary Depository.** Selection Criteria for Primary Depository shall include the following: (1) the financial institution must be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF); (2) the financial institution must be incorporated under the laws of the State of Texas or of the United States of America; and (3) the financial institution must be located within the corporate boundaries of the City. Primary Depositories located outside the City limits, but within Dallas County may be eligible, provided the financial institution maintains a place of business within the State of Texas and offers within the State the services required by

the primary depository services contract; and the City Council has adopted a written policy expressly permitting the consideration of applications received by the City from a financial institution that is located outside the City, after taking into consideration what is in the best interest of the City in establishing a primary depository.

8.3 **Monitoring Investments.** The Investment Officers of the City are responsible for monitoring the investments made by a financial institution and/or broker/dealer to determine that they are in compliance with the provisions of the Investment Policy.

9. **DELIVERY VERSUS PAYMENT.** It is the policy of the City that all security transactions entered into with the City shall be conducted on a "**DELIVERY VERSUS PAYMENT**" (DVP) basis through the Federal Reserve System, or similar system. By doing this, City funds are not released until the City has received, through the settlement system, the securities purchased. The City shall authorize its safekeeping bank to release funds only after the safekeeping bank has received the purchased security in the safekeeping account of the City.

10. **SAFEKEEPING AND COLLATERALIZATION**

10.1 **Safekeeping and Collateralization.** All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for financial institution deposits will be held and pledged to the City in the institution's trust department, in a Federal Reserve Bank account in an account in the City's name, or a third-party custodian, at the City's discretion. Pledge receipts shall be obtained and held by the City.

10.2 **Collateralization.** Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a financial institution not fully insured. The market value of the pledged securities securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds plus accrued interest, with the exception of deposits secured with irrevocable letters of credit at 100% of amount, reduced to the extent that the deposits are insured. Securities pledged as collateral shall be held by an independent third-party approved by the City and governed by a current custodial agreement. The agreement is to specify the acceptable securities as collateral, including provisions relating to possession of the collateral, the substitution or release of securities, ownership of securities, and the method of valuation of securities. The agreement must clearly state that the custodial bank is instructed to release pledged securities to the City in the event the City has determined that the depository bank has failed to pay as requested by the City, or has determined that the funds of the City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of pledge, e.g., pledge receipt, must be supplied to the City and retained by the City. Any collateral with a maturity over five (5) years must be approved by an Investment Officer

before the transaction is completed. Release of collateral must be approved in writing by an Investment Officer.

10.2.1 The City may accept the following securities as collateral for financial institution deposits:

- guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- secured by obligations that are eligible for pledge as described in the Public Funds Collateral Act; or
- secured by a letter of credit issued by the United States or its agencies and instrumentalities.

10.2.2 Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by an Investment Officer, a listing of the collateral pledged to the City, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, CUSIP, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

10.3 **Collateralized Deposits.** Consistent with the requirements of State law, the City requires all financial institution deposits to be federally insured or collateralized with eligible instruments. 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 the event 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.

11. **INTERNAL CONTROL.** The Managing Director of Financial Services shall establish a system of written internal controls. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established Investment Policy.

12. **PERFORMANCE.** The City's investment portfolio shall be designed to obtain a market rate of return on investments consistent with risk constraints and cash flow requirements of the City. This Investment Policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

13. **REPORTING.** The Managing Director of Financial Services shall submit a quarterly investment report, signed by all Investment Officers, that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investments, maturities, risk characteristics, and shall explain the investment return for the quarter.

13.1 **Annual Report.** The Managing Director of Financial Services shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. In conjunction with the annual audit, the quarterly reports prepared by the MDFS shall be formally reviewed by the City's independent auditor, and the result of the review shall be reported to the City Council by that auditor. Said results may be included in the full annual audit report.

13.2 **Methods.** The quarterly investment report shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to this Policy. The report will be provided to the City Council. The report will include the following:

13.2.1 A listing of individual investments held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;

13.2.2. Book and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested;

13.2.3 Fully accrued interest for the reporting period;

13.2.4 Average weighted yield to maturity of the portfolio as compared to applicable benchmarks;

13.2.5 Listing of investments by maturity date;

13.2.6 The percentage of the total portfolio which each type of investment represents; and

13.2.7 Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.

14. **INVESTMENT POLICY ADOPTION AND AMENDMENT.** The City's Investment Policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations, and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to either the Policy or strategies.

Attachment A

**CITY OF DUNCANVILLE, TEXAS
Investment Policy**

Investment Strategy Statement

Operating Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

City of Duncanville Internal Investment Pool

Suitability – Any investment eligible in the Investment Policy is suitable for the Internal Investment Pool.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing weighted average days to maturity for the Internal Investment Pool to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Liquidity - ~~The Internal Investment Pool has moderate liquidity needs. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.~~

Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

Liquidity – ~~The Internal Investment Pool has moderate liquidity needs. Cash equivalent investments will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.~~

Diversification – Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.

Yield – Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

Debt Service Funds

Suitability – Any investment eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal – All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

~~**Liquidity** - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Cash equivalent investments may provide a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.~~

Diversification - Market conditions influence the attractiveness of fully extending a maturity to the next "unfunded" payment date. Generally, if investment rates are anticipated to decrease over time, the City is best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may

provide advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield -Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month Treasury Bill portfolio shall be the minimum yield objective.

Debt Service Reserve Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the Investment Policy.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations may occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Marketability- Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.

Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of investment diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.

Diversification - Market conditions and the arbitrage regulations influence the

attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the Investment Policy's risk constraints.

Special Project and Capital Project Funds

Suitability -Any investment eligible in the Investment Policy is suitable for Special Project and Capital Project Funds.

Safety of Principal -All investments will be of high quality with no perceived default risk. Market fluctuations may occur. However, by restricting the maximum maturity to two years and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements, the market risk of the portfolio will be minimized.

Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.

Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity, yield enhancement and stability. A "barbell" maturity ladder may be appropriate.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month

Treasury Bill portfolio will be the minimum yield objective.

Bond Funds

Suitability -Any investment eligible in the Investment Policy is suitable for Bond Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations may occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule the market risk of the overall portfolio will be minimized.

Liquidity - Bond Funds used for capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Cash equivalent investments will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than ten basis points will define an efficient secondary market.

~~**Liquidity** - Bond Funds used for capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Cash equivalent investments will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.~~

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield -Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an equally weighted, rolling

six-month Treasury Bill portfolio will be the minimum yield objective for non- borrowed funds.

Attachment B

Commented [JH3]: Consider removing? Business organizations will have their own form to meet this PFI requirement

**CITY OF DUNCANVILLE, TEXAS
Investment Policy**

**[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION**

This certification is executed on behalf of the City of Duncanville, Texas (the "City") and _____ (the Business Organization), pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act") in connection with investment transactions conducted between the City and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the City as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code; and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City; and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City 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 entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the City that are not made through accounts or other contractual arrangements over which the Business Organization has accepted discretionary investment authority.

Qualified Representative of Business Organization

Firm: _____
Signature _____
Printed Name: _____
Title: _____
Date: _____

Attachment C

CITY OF DUNCANVILLE, TEXAS
Authorized Broker/Dealers

1. [SouthState](#) | Duncan-Williams
2. FHN Financial [Capital Markets](#)
3. Great Pacific Securities
4. Hilltop Securities
5. Multi-Bank Securities
6. Wells Fargo [Securities](#)

Presentation to:



for Recommended Updates to Investment Policy



June 20, 2023

Investment Policy - Overview

- Entities look to Chapter 2256 of the Public Funds Investment Act (PFIA) for Policy requirements
- Adopt an Investment Policy that must emphasize safety and liquidity
- Address diversification, yield, and maturity
- Address capability of investment management (e.g. training)

Investment Policy (cont'd)

- Must include:
 - List of authorized investments
 - Maximum maturity date of any investment
 - The maximum dollar-weighted average maturity for any pooled fund group



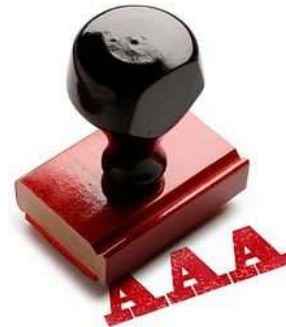
PFIA Authorized Investments

\$2256.009 through \$2256.016

U.S. Treasury Securities	✓	Securities Lending	
U.S Agency Securities	✓	Bankers Acceptances	
State of Texas Securities	✓	Commercial Paper	
Other Political Subdivision Securities	✓	Mutual Funds including Money Market Funds	✓
Certificates of Deposit	✓	Guaranteed Investment Contracts	
Repurchase Agreements	✓	Investment Pools	✓

Investment Policy (cont'd)

- Must include (cont'd):
 - Methods to monitor market price of securities
 - A requirement to settle applicable transactions on a Delivery versus Payment basis
 - Procedures to monitor rating changes and liquidation if required



Investment Policy (cont'd)

- Include a strategy statement for each fund using the following priorities in order of importance:
 - Suitability of the investment to the entity's financial requirements
 - Preservation and safety of principal
 - Liquidity
 - Marketability of each investment
 - Diversification of portfolio
 - Yield



Investment Policy (cont'd)

- Entity shall review its Investment Policy & Strategy not less than annually
- The Entity or the designated Investment Committee shall at least annually review, revise and adopt a list of qualified broker/dealers and training providers
- Entity shall designate one or more Investment Officer(s)
 - Requires disclosure of personal business and family relationships with business organizations

Investment Policy (cont'd)

- Investment Policy shall be presented to any business organization offering to engage in investment transactions
- Entity must receive a written instrument from business organization certifying that it has:
 - received and reviewed the policy; and
 - implemented reasonable procedures/controls to preclude unauthorized transactions
- Cannot execute transactions until Certification is returned

Investment Policy (cont'd)

- §2256.006 – Standard of Care statement and the “Prudent Person Rule”
- §2256.007 – Investment Training Requirement
 - Ten hours within 12 months of taking office
 - Thereafter, eight hours every two years
 - Includes: investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with PFIA
 - Entity/Committee approved independent training sources

Other items of note

- Scope of Policy excludes trusts and retirement funds
- Safety, liquidity, yield objectives, and public trust
- If change in law, previously authorized investment can remain in the portfolio
- Entity must specifically authorize each Local Government Investment Pool (LGIP)
- Though not required – Best practice to send Policy to broker/dealers and financial institutions

Highlights of Changes to the Policy

- Update date of Policy approval
- List liquidity prior to marketability in Investment Strategy Statements
- Remove Attachment B – business organizations have organization specific forms
- Update for name changes in authorized broker/dealer list (no change to providers/ reps)



11



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Council to consider amending Ordinance No. 2297 and 2298 By Amending Chapter 5, Section 5-27 Building And General Building Regulations And Chapter 9, Section 9-51 Fire Prevention And Protection In The Portions Regarding Automatic Sprinkler System, And replacing it with the language provided by the City Attorney which will be provided prior to Tuesday's meeting.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Promote: Innovative Ideas for Development and Re-development**
 - **Pursue a diverse and robust economy through various business, housing, and employment opportunities that encourage forward-thinking community and economic development.**

STAFF RESPONSIBLE:

Agustin Garcia, Managing Director of Development Services

Samuel Rohde, Fire Chief

Greg Chase, Assistant Fire Chief

Steve Blanchard, Fire Marshal

Jeremy Tennant, Director of Planning and Neighborhood Services

Mark Hardin, Building Official

BACKGROUND/HISTORY:

The requirements of the International Fire Code (IFC) places restrictions on the City of Duncanville as it relates to approving businesses that wish to occupy/move into vacant suites. The current rules, which were last approved under ordinance Nos. 2297 and 2298 in February 2017 requires new buildings over 6,000 sq. ft. and existing buildings over 10,000 sq. ft. to have an automatic sprinkler system installed throughout the building. Staff would like Council to consider the following consideration to address the sprinkler retrofit problem:

- Allow fire walls to be utilized as separate buildings to reduce the square footage of the building footprint to accommodate existing buildings.

POLICY EXPLANATION:

Both the 2015 IFC and the 2015 IBC that were adopted in 2015 were amended to include the language below from the North Central Texas Council of Governments:

903.2.11.9 New Buildings Over 6,000 sq. ft and Existing Buildings over 10,000 sq. ft. An automatic sprinkler system shall be installed throughout all new buildings with a building area 6,000 sq. ft. or greater, and existing buildings that are enlarged to 10,000 sq. ft. or greater, and throughout all existing buildings with a building area of 10,000 sq. ft. or greater when there is a change of use or discontinuation of use, regardless of the length of vacancy or discontinuation of use. Any change in use in existing buildings regardless of square footage, may require fire sprinklers based on hazard. For the purpose of this provision, fire walls shall not define separate buildings.

Exception a: Open parking garages in compliance with Section 406.5 of the *International Building Code*."

Staff proposes the following amendments:

903.2.11.9 New Buildings Over 6,000 sq. ft. and Existing Buildings over 12,000 sq. ft. An automatic sprinkler system shall be installed throughout all new buildings with a building area 6,000 sq. ft. or greater, and **existing buildings that are enlarged to 12,000 sq. ft. or greater**, and throughout all **existing buildings with a building area of 12,000 sq. ft. or greater** when there is a change of use or discontinuation of use, regardless of the length of vacancy or discontinuation of use. Any change in use in existing buildings regardless of square footage, may require fire sprinklers based on hazard.

City of Duncanville Ordinances Section 903.2.11.9

Section 2: Firewalls

2.1 Firewalls in buildings subject to this ordinance shall have a minimum 2-hour fire-resistance rating, as required and defined by the 2015 International Fire Code or subsequent adopted versions.

[BF] FIRE WALL. A fire-resistance-rated wall having protected openings, which restricts the spread of fire and extends continuously from the foundation through the roof, with sufficient structural stability under fire conditions to allow collapse of construction on either side without collapse of the wall.

IFC (2015 edition) page 2-43 – Definitions

FUNDING SOURCE:

ORG and Object Number

N/A

Available Budget

\$0.00

Purchase Amount

\$0.00

After Encumber

\$0.00

ACTION ALTERNATIVES:

1. Approve amending the ordinance.
2. Do not approve amending the ordinance.
3. Other actions as directed by Council.



STAFF REPORT

MEETING: City Council - 20 Jun 2023

TITLE:

Consider an Ordinance revising the operating budget for Fiscal Year 2022-2023 by appropriating supplemental revenues and revising expenditures.

Vision Statement:

“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:

- **Emphasize: Government Accountability, Customer Service, Efficiency and Process Improvement**
 - **Develop a high performing organization that encourages innovation, transparency, and collaboration while delivering exceptional customer service.**

STAFF RESPONSIBLE:

Jennifer Otey, Chief Innovation Officer

BACKGROUND/HISTORY:

The purpose of this ordinance is to revise the FY 2022-2023 Adopted Budget to reflect proposed changes in appropriations of revenues and expenditures in the General Fund. The requested amendments are necessary to carry out operational needs within the Fiscal Services and Police Department. The Fiscal Service department is in need of an Interim Finance Director to support the department until a permanent hire can be found. The amendment will cover the expected cost of an interim placement for the remainder of FY 2023. Additionally, the department has used contractual services to cover staffing needs during times of vacancies and experienced help in areas of capital assets and bank reconciliation.

The Police Department amendment request is to provide funding for a current contract that was expected to be spent in total in FY 2022. The amendment request is to cover what is remaining on the contract.

Sales Tax revenues are projected to be higher than budgeted. Currently, sales tax receipts are 6% higher compared to FY 2022. The amendments reflect an increase in sales tax and therefore offset the increase in expenditures.

POLICY EXPLANATION:

The Texas Local Government Code 102.010 allows for changes to the municipality's budget as necessary for operations.

FUNDING SOURCE:

ORG and Object Number

NA

Available Budget

\$0.00

Purchase Amount

\$0.00

After Encumber

\$0.00

ACTION ALTERNATIVES:

1. Approve the operating budget revisions for FY 2022-2023 as detailed in the ordinance and Exhibit A.
2. Do not approve the operating budget revision as presented.
3. Other actions as directed by Council.

ATTACHMENTS:

[Ordinance No. - 2446R - Amending FY 2022-23 Budget - Pdf](#)

ORDINANCE NO. 2480

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, REVISING THE OPERATING BUDGET FOR THE FISCAL YEAR 2022-2023 BY APPROPRIATING SUPPLEMENTAL REVENUES AND REVISING EXPENDITURES; EXCEPT AS REVISED HEREIN SHALL BE IN FULL FORCE AND EFFECT; AUTHORIZING THE INTERIM CITY MANAGER TO MAKE ADJUSTMENTS; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council approved the 2022-2023 Operating Budget by Ordinance 2446 on August 30, 2022, appropriating the necessary funds out of general revenues, grants, and other revenue sources for the maintenance and operation of various funds, departments, activities, and improvements of the City; and

WHEREAS, the City Council approved an amendment to the 2022-2023 Operating Budget by Ordinance 2446R on June 6, 2023; and

WHEREAS, the Texas Local Government Code 102.010, "Changes in Budget for Municipal Purposes", allows a municipality to amend its budgets as deemed necessary for municipal purposes; and

WHEREAS, circumstances have arisen during the fiscal year which has, or will, require the expenditure of additional funds in some line items of the budget, and which there is supplemental revenue to provide for adequate funding; and

WHEREAS, the Interim City Manager is submitting the revised budget of revenues and expenditures for conducting affairs of the City for the Fiscal Year 2022-2023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, THAT:

SECTION 1. The Operating Budget for Fiscal Year 2022-2023 be, and hereby, revised as set forth in Exhibit "A" which is attached hereto and incorporated herein by reference for all purposes.

SECTION 2. The balance of the Operating Budget, as revised, except revised herein, shall be in full force and effect.

DULY ORDAINED AND ADOPTED by the City Council of the City of Duncanville,
Texas, on the 20th day of June, 2023.

APPROVED:

Barry L. Gordon, Mayor

ATTEST:

Kristin Downs, Interim City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

EXHIBIT A

GENERAL FUND	FY 2021-22 ACTUAL	FY 2022-23 ACTUAL YTD	FY 2022-23 ADOPTED BUDGET	FY 2022-23 REVISED BUDGET	CHANGE REQUESTED	FY 2022-23 REVISED BUDGET w/ CHANGES	EXPLANATION
001 - GENERAL FUND REVENUES	(36,743,338)	(21,473,839)	(37,763,239)	(37,763,239)	(405,000)	(38,168,239)	Increase in Sales Tax Projection 6% YTD over last year. Assuming remaining months are the same as FY 22
01011000 - MAYOR AND COUNCIL	135,445	68,903	146,014	142,823		142,823	
01011020 - MAYOR-DUNCANVILLE	-	8,295	8,500	8,500		8,500	
01011021 - DISTRICT 1	-	1,661	7,000	7,000		7,000	
01011022 - DISTRICT 2	-	1,328	7,000	7,000		7,000	
01011023 - DISTRICT 3	-	2,527	7,000	7,000		7,000	
01011024 - DISTRICT 4	-	3,929	7,000	7,000		7,000	
01011025 - DISTRICT 5	-	1,349	7,000	7,000		7,000	
01011026 - DISTRICT AT LARGE	-	1,613	7,000	7,000		7,000	
01011100 - CITY ADMINISTRATION	750,511	736,939	879,352	878,008		878,008	
01011200 - CITY SECRETARY	323,057	210,113	383,254	382,774		382,774	
01011300 - HUMAN RESOURCES	418,829	342,052	483,345	483,345		483,345	
01011400 - INFO TECHNOLOGY	881,789	729,423	1,047,570	1,122,784		1,122,784	
01011500 - PUBLIC INFORMATION OFFICE	187,263	167,864	266,090	265,370		265,370	
01011600 - PUBLIC LIBRARY	955,216	681,125	1,056,970	1,056,970		1,056,970	
01011700 - CITY MARSHAL	90,451	62,802	100,948	99,940		99,940	
01022000 - ACCOUNTING & REPORTING	609,446	608,653	782,266	782,266	237,000	1,019,266	70,000 – Projected FY 2023 Cost for Interim Finance Director 167,000 – Staff Augmentation including Capital Assets, Bank Reconciliation, Temporary Help during vacancies
01022300 - MUNICIPAL COURT	436,821	310,210	494,242	494,242		494,242	
01022500 - PROCUREMENT OFFICE	183,412	142,063	222,559	222,079		222,079	
01036100 - BUILDING INSPECTION	518,317	283,487	507,782	503,932		503,932	
01036401 - PLANNING SERVICES-CURRENT	146,727	111,093	179,401	179,401		179,401	
01036500 - NEIGHBORHOOD SERVICES	405,646	345,347	636,444	554,560		554,560	
01036580 - CDBG PROGRAM-NEIGHBORHOOD	-	26,718	-	76,924		76,924	
01044000 - PARK & REC ADMINISTRATION	278,224	176,894	270,360	271,260		271,260	
01044100 - REC PROGRAM ADMIN	356,301	271,384	456,268	455,368		455,368	
01044101 - RECREATIONAL PROGRAMS	7,808	-	-	-		-	
01044200 - SPECIAL EVENTS ADMIN	188,341	125,272	260,843	260,843		260,843	
01044300 - ATHLETIC PROGRAMMING	388,488	310,296	419,447	419,447		419,447	
01044500 - HORTICULTURE	138,005	75,454	181,731	181,731		181,731	
01044600 - PARK GROUNDS MAINTENANCE	1,052,962	545,690	1,482,461	1,480,689		1,480,689	
01044900 - SENIOR CENTER	193,946	137,148	221,915	221,915		221,915	
01055000 - POLICE ADMINISTRATION	2,076,062	1,185,165	2,253,840	2,264,440		2,264,440	
01055100 - PATROL	4,944,825	3,332,026	5,148,860	5,119,146		5,119,146	
01055200 - CRIMINAL INVESTIGATION	1,564,303	1,025,511	1,586,404	1,579,088		1,579,088	
01055300 - ANIMAL CONTROL	487,533	395,991	541,470	539,230		539,230	
01055400 - SCHOOL GUARDS	86,559	80,337	88,233	88,233		88,233	
01055500 - CRIME PREVENTION	196,488	101,941	156,596	154,664		154,664	
01055600 - SWAT ORG	1,040	46,142	104,237	104,237		104,237	
01055700 - RECORDS	310,074	232,778	357,668	356,540		356,540	

EXHIBIT A

GENERAL FUND EXPENSE BY ORGANIZATION CODE	FY 2021-22 ACTUAL	FY 2022-23 ACTUAL YTD	FY 2022-23 ADOPTED BUDGET	FY 2022-23 REVISED BUDGET	CHANGE REQUESTED	FY 2022-23 REVISED BUDGET w/ CHANGES	EXPLANATION
01055900 - POLICE SPECIAL SERVICES	414,234	245,554	410,589	410,025	38,000	448,025	Rollover from FY 2022 ammunition contract. \$66,500 remaining. \$28,500 remaining in budget
01066000 - PUBLIC WORKS ENGINEERING/ADMIN	342,105	309,365	622,027	620,947		620,947	
01066200 - STREET MAINTENANCE	2,894,212	1,291,773	3,542,060	3,537,208		3,537,208	
01066300 - TRAFFIC OPERATIONS	1,076,319	542,228	1,080,057	1,075,385		1,075,385	
01066700 - EQUIPMENT SERVICES	1,134,757	831,085	1,249,561	1,249,561		1,249,561	
01066800 - BUILDING MAINTENANCE	821,735	474,908	904,911	901,911		901,911	
01077000 - FIRE ADMINISTRATION	689,685	414,623	715,571	715,571		715,571	
01077100 - FIRE PREVENTION	253,141	197,100	304,560	305,460		305,460	
01077200 - FIRE SUPPRESSION	4,404,554	3,265,202	4,551,001	4,571,795		4,571,795	
01077300 - ADVANCED LIFE SUPPORT	1,787,283	1,060,627	1,834,036	1,800,832		1,800,832	
01077500 - EMERGENCY MANAGEMENT ADMIN	131,925	84,537	139,364	139,364		139,364	
01088000 - GENERAL NON DEPARTMENTAL	2,225,687	421,482	1,265,853	1,765,853		1,765,853	
TOTAL EXPENSES	34,491,459	22,028,005	37,386,658	37,886,658	275,000	38,161,658	
NET (REVENUES) / EXPENSES	(2,251,880)	554,166	(376,581)	123,419		(6,581)	