



JULY 28, 2020

5:00 P.M.

CITY COUNCIL

MEETING AGENDA





**NOTICE OF MEETING OF THE CITY COUNCIL OF
THE CITY OF HARKER HEIGHTS, TEXAS
VIA TELECONFERENCE**

The City of Harker Heights
305 Miller's Crossing
Harker Heights, Texas 76548
Phone 254/953-5600
Fax 254/953-5614

Mayor
Spencer H. Smith

Mayor Protem
Michael Blomquist

City Council
Jennifer McCann
Jackeline Soriano Fountain
John Reider
Jody Nicholas

Notice is hereby given that, beginning at 5:00 p.m. on Tuesday, July 28, 2020, and continuing from day to day thereafter if necessary, the City Council of the City of Harker Heights, Texas, will conduct a telephonic meeting to contain the spread of COVID-19 in accordance with Governor Abbott's declaration of the COVID-19 public health threat and action to temporarily suspend certain provisions of the Texas Open Meetings Act issued on March 16, 2020. The subjects to be discussed are listed in the following agenda:

I. Invocation:

II. Pledge of Allegiance:

I Pledge Allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Honor the Texas Flag. I pledge allegiance to thee Texas; one state under God, one and indivisible.

III. Roll Call:

IV. Mayoral Proclamations and Presentations:

1. Proclamation declaring August 2nd – 8th, 2020, as "National Farmers Market Week".

V. Consent Items:

1. Discuss and consider approving the minutes of the meeting held on July 14, 2020, and take the appropriate action.

VI. Presentations by Citizens:

Citizens who desire to address the Council on any matter may do so during this item. Please understand that while the Council appreciates hearing your comments, State law (Texas Gov't Code §551.042) prohibits them from: (1) engaging in discussion other than providing a statement of specific factual information or reciting existing City policy, and (2) taking action other than directing Staff to place the matter on a future agenda. Please state your name and address for the record and limit your comments to three minutes.

VII. Public Hearings:

1. Conduct a public hearing to discuss and consider approving an Ordinance of the City Of Harker Heights, Texas, to amend Chapter 74, Transportation Code, Schedules I(A), II(A), And II(B), and Chapter 74, Schedule V and Schedule VI of the Code of Ordinances for the City of Harker Heights, Texas, to change the Speed Limit on Warriors Path Road from East Knights Way (F.M. 2410) to 620 feet north of Pontotoc Trace, and adding School Zones, to include locations on Pueblo Trace, Inca Drive, Pima Trail and Yuma Trail to reflect a 20 MPH School Zone and locations on Warriors Path Road to reflect a 25 MPH School Zone; and adding one (1) Stop Sign at Inca Drive and Pueblo Trace; adding one (1) Stop Sign at Hopi Trail and Pueblo Trace; removing one (1) Yield Sign at Inca Drive and Pueblo Trace, and removing one (1) Yield Sign at Hopi Trail and Pueblo Trace, and take the appropriate action. (Public Works Director)

VIII. Old Business:

1. Discuss and consider approving an Ordinance of the City of Harker Heights, Texas, amending Ordinance 2020-06 of the Harker Heights Code to extend the Public Health Emergency Declaration through August 31, 2020, and take the appropriate action. (City Manager)

IX. New Business:

1. Discuss and consider approving a request from Zubeena Catania for a facility rental at the Harker Heights Community Park Pavilion for an event in excess of ten (10) people on Saturday, August 15, 2020, and take the appropriate action. (Parks and Recreation Director)
2. Discuss and consider approving an Economic Development Incentive Agreement with the Fort Hood Area Habitat For Humanity to create a Development of a minimum of ten (10) Affordable Single-Family Homes in Harker Heights, Bell County, Texas; and authorize the City Manager to sign the Agreement on behalf of the City and take the appropriate action. (City Manager)
3. Discuss and consider approving a Resolution of the City of Harker Heights, Texas, supporting the Fort Hood Area Habitat For Humanity by authorizing incentives to waive certain fees and grant a piece of City Owned Property for the Development of a minimum of ten (10) Affordable Single-Family Homes in Harker Heights, Bell County, Texas, and take the appropriate action. (City Manager)
4. Discuss and consider approving a Resolution of the City of Harker Heights, Texas, granting a Voluntary Petition to extend the Corporate Limits of the City of Harker Heights, Bell County, Texas, to include approximately 2,650 Linear Feet of Warriors Path, including the street and right of way, such land lying contiguous and adjacent to the present City Limits, and take the appropriate action. (Planning and Development Director)

5. Discuss and consider approving a Resolution adopting the Investment Policy of the City of Harker Heights, Texas; authorizing the City's Investment Broker/Dealer List; and approving a list of Investment Training Sponsors and take the appropriate action. (Assistant Finance Director)

X. Reports of Advisory Boards & Commissions:

XI. Items from Council:

XII. Staff Reports:

1. Receive and discuss the Fiscal Year 2019 – 2020 Third Quarter Investment Report. (Assistant Finance Director)
2. Receive and discuss the City Manager's Report. (City Manager)

XIII. Announcements:

XIV. Closed Meeting:

1. Announce a closed meeting for the following purposes:
 - (A) Pursuant to 551.074 of the Texas Government Code to discuss and deliberate the employment, evaluation and duties of the City Manager.
2. Reconvene open meeting to take action as appropriate on matters discussed in the Closed Meeting.

XV. Adjournment:

I hereby certify that the above notice of meeting was posted on the window board of City Hall, City of Harker Heights, Texas, a place readily accessible to the general public at all times, on the 24th day of July 2020 by 4:00 p.m., and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.



Juliette Helsham
City Secretary

The public may participate remotely in this meeting by dialing-in using the toll-free number: (866) 899-4679 and use Access Code: 642-072-405.

To join the meeting from your computer, tablet or smartphone, use the following meeting link: <https://global.gotomeeting.com/join/642072405>

The public will be permitted to offer public comments telephonically as provided by the agenda. Written questions or comments may be submitted two hours before the meeting to the City Secretary's Office. When submitting your written questions or comments, you must include your Name and Address. Agenda packet and recording of the telephonic meeting will be available on the City of Harker Heights website at www.ci.harker-heights.tx.us.

"This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 254-953-5600, or FAX 254-953-5614, or email jhelsham@harkerheights.gov for further information."

"Pursuant to Chapter 551 of the Government Code the City Council reserves the right to go into Closed Meeting on any item listed above if deemed necessary."



Proclamation

Whereas, farmers and ranchers provide access to healthy foods produced locally and regionally through farmers markets, which are evolving to accommodate the demand for diverse agricultural products; and

Whereas, farmers markets and other marketing outlets provide infrastructure to assist in the distribution of farm and value-added products which contributes approximately \$9 billion each year to the U.S. economy; and

Whereas, farmers markets provide a venue for local farmers, producers, and artisans to sell a variety of products which fosters community building; and

Whereas, farmers markets serve as outlets for small-to-medium, new and beginning, and veteran agricultural producers to market agricultural products; and

Whereas, the U.S. Department of Agriculture recognizes the importance of agricultural opportunities that assist the next generation of farmers and ranchers; generate farm income to help stimulate business development; build community connections; and more;

Now Therefore, I, Spencer H. Smith, Mayor of the City of Harker Heights, do hereby proclaim August 2nd - 8th, 2020, to be

National Farmers Market Week

In Witness Whereof, I have signed this proclamation and have affixed the seal of the City of Harker Heights, this 28th day of July 2020.

Spencer H. Smith, Mayor

Minutes of the of the City Council meeting held at 5:00 p.m. on Tuesday, July 14, 2020, by a telephonic meeting to contain the spread of COVID-19 in accordance with Governor Abbott's declaration of the COVID-19 public health threat and action to temporarily suspend certain provisions of the Texas Open Meetings Act issued on March 16, 2020:

Roll Call:	Spencer H. Smith	Mayor
	Michael Blomquist	Mayor Pro-tem
	Jennifer McCann	Councilmember Place 1
	Jackeline Soriano Fountain	Councilmember Place 3
	John Reider	Councilmember Place 4
	Jody Nicholas	Councilmember Place 5
	David Mitchell	City Manager
	Juliette Helsham	City Secretary

Consent Items:

1. Council discussed and considered approving the minutes of the meeting held on June 23, 2020. Reider made the motion to approve as written. Seconded by Blomquist. All in favor. Motion approved 5-0.

Public Hearings:

1. Council conducted a public hearing to discuss and consider approving an Ordinance of the City of Harker Heights, Texas, to change zoning designation from R-1 (One Family Dwelling District) to R-2 (Two Family Dwelling District) on property described Wildewood Acres Amended (Lot 16A, Block 11), Block 11, Lot 16 and Lot 17, generally located at 931 and 933 Pinewood Drive, Harker Heights, Bell County, Texas. Joseph Molis, Planning and Development Director made the presentation. Blomquist made the motion to approve. Seconded by Nicholas. All in favor. Motion approved 5-0.
2. Council conducted a public hearing to discuss and consider approving an Ordinance of the City of Harker Heights, Texas, to change the zoning designation from R-1 (One Family Dwelling District) to R1-R (Rural One Family Dwelling District) on property described as 5.63 Acres, Lot 90 of Lakeside Hills Section Three, generally located at 11366 Orlan Drive, Harker Heights, Bell County, Texas. Joseph Molis, Planning and Development Director made the presentation. Fountain made the motion to approve. Seconded by McCann. All in favor. Motion approved 5-0.
3. Council conducted a public hearing to discuss and consider approving an Ordinance of the City of Harker Heights, Texas, to change zoning designation from R-1 (One Family Dwelling District) to R-2 (Two Family Dwelling District) on property described as 9.10 Acres out of the H.B. Littlefield Survey, Abstract 511, generally located within the 1700 Block of Warriors Path, Harker Heights, Bell County, Texas. Joseph Molis, Planning and Development Director made the presentation. Jerome Gomer, applicant was present to represent the request. Reider made the motion to approve based on staff's recommendations and findings. Seconded by Blomquist. All in favor. Motion approved 5-0.
4. Council conducted a public hearing to discuss and consider approving an Ordinance of the City of Harker Heights, Texas, to change zoning designation from R-1 (One Family Dwelling District) to PD-B (Planned Development Business District) on property described as a 14.908

acre tract of land located in the J.M. Cross Survey, Abstract No. 179, generally located at 12025 E. Knights Way (E. FM 2410), Harker Heights, Bell County, Texas. Joseph Molis, Planning and Development Director made the presentation. McCann made the motion to approve with the conditions recommended by the Planning and Development Director. Seconded by Reider. All in Favor. Motion approved by a super majority of 5-0.

New Business:

1. Council discussed and considered approving an Applicant request for Concept Plan approval on property described as a 2.32 acre tract of land being part of the H.B. Littlefield Survey, Abstract No. 511; the land herein described being all of a Called 0.31 Acres Parcel designated as Tract 1 and a 2.018 Acre Parcel designated as Tract 2, generally located near the intersection of Pueblo Trace and Pontotoc Trace, Harker Heights, Bell County, Texas. Joseph Molis, Planning and Development Director made the presentation. Blomquist made the motion to approve. Seconded by Reider. All in favor. Motion approved 5-0.
2. Council discussed and considered approving a Resolution of the City of Harker Heights, Texas, authorizing the approval of an Interlocal Participation Agreement with the Cities of Temple, Belton, Copperas Cove, Harker Heights and Killeen, and the Counties of Bell, Coryell, Hamilton, Lampasas, Llano, Mason, Milam, Mills and San Saba to conduct a Transit Study to develop Regional Transportation Alternatives; and authorize the City Manager to sign the Agreement on behalf of the City. David Mitchell, City Manager made the presentation. Nicholas made the motion to approve. Seconded by McCann. All in favor. Motion approve 5-0.

Items from Council:

Mayor Pro-tem Blomquist stated that he has spoken with the City Manager regarding the Farmers' Market. It is looking kind of sparse and bleak. Blomquist stated that they are trying to get vendors that sale fruits and vegetables and working with Seton to try and get vendors that can cook there. He stated they are trying to address citizens concerns and moving forward so the City can bring the Bright Star of Central Texas Farmers' Market back to its rightful place and glory here in Central Texas.

Councilmember Nicholas stated that she attended the Central Texas Council of Governments meeting on Tuesday, July 7th. Topics that were discussed were COVID-19 and employment issues. The good news is that in May the unemployment rate was a lot more then it is currently. Some of the counties that we have the percentage of unemployment are; Bell County is at 11%, Milam County is at 11.1%, Coryell County is at 10% and Lampasas County is at 7.8 %. So as you can see that Counties are really not doing that bad as far as the situation is at hand, and there are a lot of good things going on with virtual employment. CTCOG had some really good sessions and mentoring and really feel that these virtual job fairs are going to be a thing of the future, as well as now because it works out very well. Fifty million people filed for unemployment, not just from Bell County, but many have returned to work and they have seen a real down slide so it is getting better.

Staff Reports:

1. Council received and discussed the City Manager's Report. David Mitchell, City Manager made the presentation. No action taken.

Closed Meeting:

1. At 6:28 p.m. the Mayor announced a closed meeting for the following purpose:
 - (A) Pursuant to 551.074 of the Texas Government Code to discuss and deliberate the employment, evaluation and duties of the City Manager.
2. At 6:52 p.m. Mayor Spencer H. Smith reconvened the open meeting to take action as appropriate on matters discussed in the closed meeting. Mayor Smith appointed Councilmember McCann and Councilmembers Nicholas to meet with the City Manager to discuss and deliberate employment evaluation and duties of the City Manager and they will bring back to the July 28, 2020 meeting for consideration.

Adjournment:

There being no further business the City of Harker Heights City Council Meeting was adjourned at 6:53 p.m.

Spencer H. Smith, Mayor

ATTEST:

Juliette Helsham, City Secretary



COUNCIL MEMORANDUM

AGENDA ITEM # VII-1

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

CONDUCT A PUBLIC HEARING TO DISCUSS AND CONSIDER APPROVING AN ORDINANCE OF THE CITY OF HARKER HEIGHTS, TEXAS, TO AMEND CHAPTER 74, TRANSPORTATION CODE, SCHEDULES I(A), II(A), AND II(B), AND CHAPTER 74, SCHEDULE V AND SCHEDULE VI OF THE CODE OF ORDINANCES FOR THE CITY OF HARKER HEIGHTS, TEXAS, TO CHANGE THE SPEED LIMIT ON WARRIORS PATH ROAD FROM EAST KNIGHTS WAY (F.M. 2410) TO 620 FEET NORTH OF PONTOTOC TRACE, AND ADDING SCHOOL ZONES, TO INCLUDE LOCATIONS ON PUEBLO TRACE, INCA DRIVE, PIMA TRAIL AND YUMA TRAIL TO REFLECT A 20 MPH SCHOOL ZONE AND LOCATIONS ON WARRIORS PATH ROAD TO REFLECT A 25 MPH SCHOOL ZONE; AND ADDING ONE (1) STOP SIGN AT INCA DRIVE AND PUEBLO TRACE; ADDING ONE (1) STOP SIGN AT HOPI TRAIL AND PUEBLO TRACE; REMOVING ONE (1) YIELD SIGN AT INCA DRIVE AND PUEBLO TRACE, AND REMOVING ONE (1) YIELD SIGN AT HOPI TRAIL AND PUEBLO TRACE, AND TAKE THE APPROPRIATE ACTION.

EXPLANATION:

Warriors Path Road Speed Reduction: The current posted speed limit on Warriors Path Road is 50 mph. The engineering design for the improved street section supports a 40 mph speed limit. Bell County has agreed to reduce the speed limit to 40 mph on the County maintained section of Warriors Path Road. The Harker Heights Police Department also approves the speed limit reduction due to the opening of the Middle School and new residential development in the area.

New School Zones: Nolan Middle School is scheduled to open in August 2020. New school zone signs and crosswalks are required in the area. The school zone on Pueblo Trace and associated side streets will be 20 mph from 7:00 a.m. to 8:15 a.m. and 3:00 p.m. to 4:00 p.m. The school zone on Warriors Path Road will be 25 mph from 7:00 a.m. to 8:15 a.m. and 3:00 p.m. to 4:00 p.m. The Harker Heights Police Department and the Killeen Independent School District approve the proposed school zone plan located in the attachments.

Adding Stop Signs: Currently, yield signs are at the intersections of Inca Drive/Pueblo Trace and Hopi Trail/Pueblo Trace. Due to the proximity of the proposed school zone, stop signs will be installed for pedestrian safety.

RECOMMENDATION:

Staff recommends approval.

ACTION BY CITY COUNCIL:

1. Motion to Approve/Disapprove an Ordinance of the City of Harker Heights, Texas, to amend Chapter 74, Transportation Code, Schedules I(A), II(A), and II(B), and chapter 74, Schedule V and VI of the Code of Ordinances for the City of Harker Heights, Texas, to change the speed limit on Warriors Path Road from East Knights Way (F.M. 2410) to 620 feet north of Pontotoc Trace, and adding school zones, to include locations on Pueblo Trace, Inca Drive, Pima Trail and

Yuma Trail to reflect a 20 mph school zone, and locations on Warriors Path Road to reflect a 25 mph school zone, and adding one (1) stop sign at Inca Drive and Pueblo Trace; adding one (1) stop sign at Hopi Trail and Pueblo Trace; removing one (1) yield sign at Inca Drive and Pueblo Trace, and removing one (1) yield sign at Hopi Trail and Pueblo Trace.

2. Any action desired by the City Council.

ATTACHMENTS:

1. Ordinance.
2. Speed Limit Reduction Location Map.
3. School Zone Location Map.
4. Stop Sign Location Map.
5. Harker Heights Police Department Memorandum.
6. School Zone Approval e-mail from Charles Kelley, KISD.

ORDINANCE NO. 2020-27

AN ORDINANCE OF THE CITY OF HARKER HEIGHTS, TEXAS, AMENDING CHAPTER 74, TRANSPORTATION CODE, SCHEDULES I(A), II(A), AND II(B), AND CHAPTER 74, SCHEDULE V AND SCHEDULE VI OF THE CODE OF ORDINANCES FOR THE CITY OF HARKER HEIGHTS, TEXAS, TO CHANGE THE SPEED LIMIT ON WARRIORS PATH ROAD FROM FM 2410 TO 620 FEET NORTH OF PONTOTOC TRACE, AND ADDING SCHOOL ZONES, TO INCLUDE LOCATIONS ON PUEBLO TRACE, INCA DRIVE, PIMA TRAIL AND YUMA TRAIL TO REFLECT A 20 MPH SCHOOL ZONE, AND LOCATIONS ON WARRIORS PATH ROAD TO REFLECT A 25 MPH SCHOOL ZONE, AND ADDING ONE (1) STOP SIGN AT INCA DRIVE AND PUEBLO TRACE; ADDING ONE (1) STOP SIGN AT HOPI TRAIL AND PUEBLO TRACE; REMOVING ONE (1) YIELD SIGN AT INCA DRIVE AND PUEBLO TRACE, AND REMOVING ONE (1) YIELD SIGN AT HOPI TRAIL AND PUEBLO TRACE.

WHEREAS, in Harker Heights, Texas, an engineering and traffic investigation has been made to determine the prima facie maximum reasonable and prudent speed of motor vehicles on a certain section of Warriors Path Road; and

WHEREAS, it has been determined by the engineering studies and traffic investigation that the prima facie maximum reasonable and prudent speed for motor vehicles on said section of the herein above mentioned highway in Harker Heights, Texas, should be as set out hereinafter; and

WHEREAS, the City Council has determined that for the safety of the general public of the City of Harker Heights it is necessary to amend Chapter 74, Schedule I(A) of the Code of Harker Heights to establish a lower prima facia speed limit applicable on Warriors Path Road; and

WHEREAS, the City Council has authority to enact this ordinance pursuant to the broad powers as a home rule municipality, as well as by authority granted under Texas Transportation Code §545.356; and

WHEREAS, the City Council finds it necessary to amend Chapter 74, Transportation Code, Schedule II(A) and Schedule II(B), School Zones, for the safety of the general public of the City of Harker Heights; and

WHEREAS, the City Council finds it necessary to amend Chapter 74, Schedule V by adding one stop sign at Inca Drive and Pueblo Trace and, one stop sign at Hopi Trail and Pueblo Trace; and,

WHEREAS, the meeting at which this Ordinance was passed was open to the public, and notice of the time, place and purpose of said meeting was given as required by law, all in strict accordance with the requirements of the Texas Open Meetings Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HARKER HEIGHTS, TEXAS:

SECTION 1: The City Council officially finds and declares that the facts and recitations set forth in the preamble to this Ordinance are true and correct.

SECTION 2: City of Harker Heights Chapter 74, Schedule I(A) is hereby amended as it applies to the section of road described as follows:

Schedule I – Speed Limits

(A) In accordance with Harker Heights Code §71.01, when signs are erected giving notice thereof, the maximum speed limit on the portions of Warriors Path Road hereafter described shall be as follows:

Location		Speed Limit, mph	Ordinance No.	Date Passed
Warriors Path Road	Starting at the north edge of the FM 2410 intersection to 620 feet north of the Pontotoc Trace intersection.	40	2020-27	7-28-2020

SECTION 3: City of Harker Heights Chapter 74, Schedule II(A) is hereby amended as it applies to the section of road described as follows:

Schedule II – School Zones

(A) In accordance with §71.01 of this transportation code, and when signs are erected giving notice thereof, the maximum speed limit shall be **20** miles per hour during the hours stated on the sign on school days only, upon those streets or portions of streets as follows:

Location	Ordinance No.	Date Passed
Pueblo Trace northbound and southbound from 100 feet north of the Pueblo Trace and Yuma Trail intersection to 150 feet south of the Pueblo Trace and Inca Drive intersection.	2020-27	07-28-2020
Inca Drive eastbound and westbound from Inca Drive and Pueblo Trace intersection to 100 feet west of Inca Drive and Pueblo Trace intersection.	2020-27	07-28-2020
Pima Trail eastbound and westbound from Pima Trail and Pueblo Trace intersection to 100 feet west of Pima Trail and Pueblo Trace intersection.	2020-27	07-28-2020
Yuma Trail eastbound and westbound from Yuma Trail and Pueblo Trace intersection to 100 feet west of Yuma Trail and Pueblo Trace intersection.	2020-27	07-28-2020

SECTION 4: City of Harker Heights Chapter 74, Schedule II(B) is hereby amended as it applies to the section of road described as follows:

Schedule II – School Zones

(B) In accordance with §71.01 of this transportation code, and when signs are erected giving notice thereof, the maximum speed limit shall be **25** miles per hour during the hours stated on the sign on school days only, upon those streets or portions of streets as follows:

Location	Ordinance No.	Date Passed
Warriors Path Road northbound and southbound from 70 feet north of the Warriors Path Road and Pontotoc Trace intersection to 1,445 feet north of the Warriors Path Road and Pontotoc Trace intersection.	2020-27	07-28-2020

SECTION 5: Schedule V, Chapter 74, Code of Harker Heights, is hereby amended by adding the following stop signs:

<i>Street</i>	<i>Cross-Street</i>	<i>Traffic Flow</i>	<i>Ord. No.</i>	<i>Date Passed</i>
Inca Drive	Pueblo Trace	East	2020-27	7-28-2020
Hopi Trail	Pueblo Trace	East	2020-27	7-28-2020

SECTION 6: Schedule VI, Chapter 74, Code of Harker Heights, is hereby amended by removing the following yield signs:

<i>Street</i>	<i>Cross-Street</i>	<i>Traffic Flow</i>	<i>Ord. No.</i>	<i>Date Passed</i>
Inca Drive	Pueblo Trace	East	2020-27	7-28-2020
Hopi Trail	Pueblo Trace	East	2020-27	7-28-2020

SECTION 7: All ordinances or parts of ordinances in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

SECTION 8: The change in the law made by this ordinance applies only to an offense committed on or after the effective date of this ordinance. For purposes of this section, an offense is committed on or after the effective date of this ordinance if every element of the offense occurs on or after that date.

SECTION 9: An offense committed before the effective date of this ordinance is covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose.

SECTION 10: This Ordinance shall be effective from and after the tenth day after its passage, and the City Clerk shall publish the caption or title of hereof within ten days as required by law.

SECTION 11: PASSED AND APPROVED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF HARKER HEIGHTS, TEXAS, THIS 28th DAY OF JULY, 2020, AT WHICH MEETING A QUORUM WAS PRESENT, HELD IN ACCORDANCE WITH THE PROVISIONS OF TEXAS GOVERNMENT CODE, CHAPTER 551.

Spencer H. Smith, Mayor
City of Harker Heights

ATTEST:

Juliette Helsham, City Secretary
City of Harker Heights

Warriors Path Rd Speed Limit Reduction

Location Map

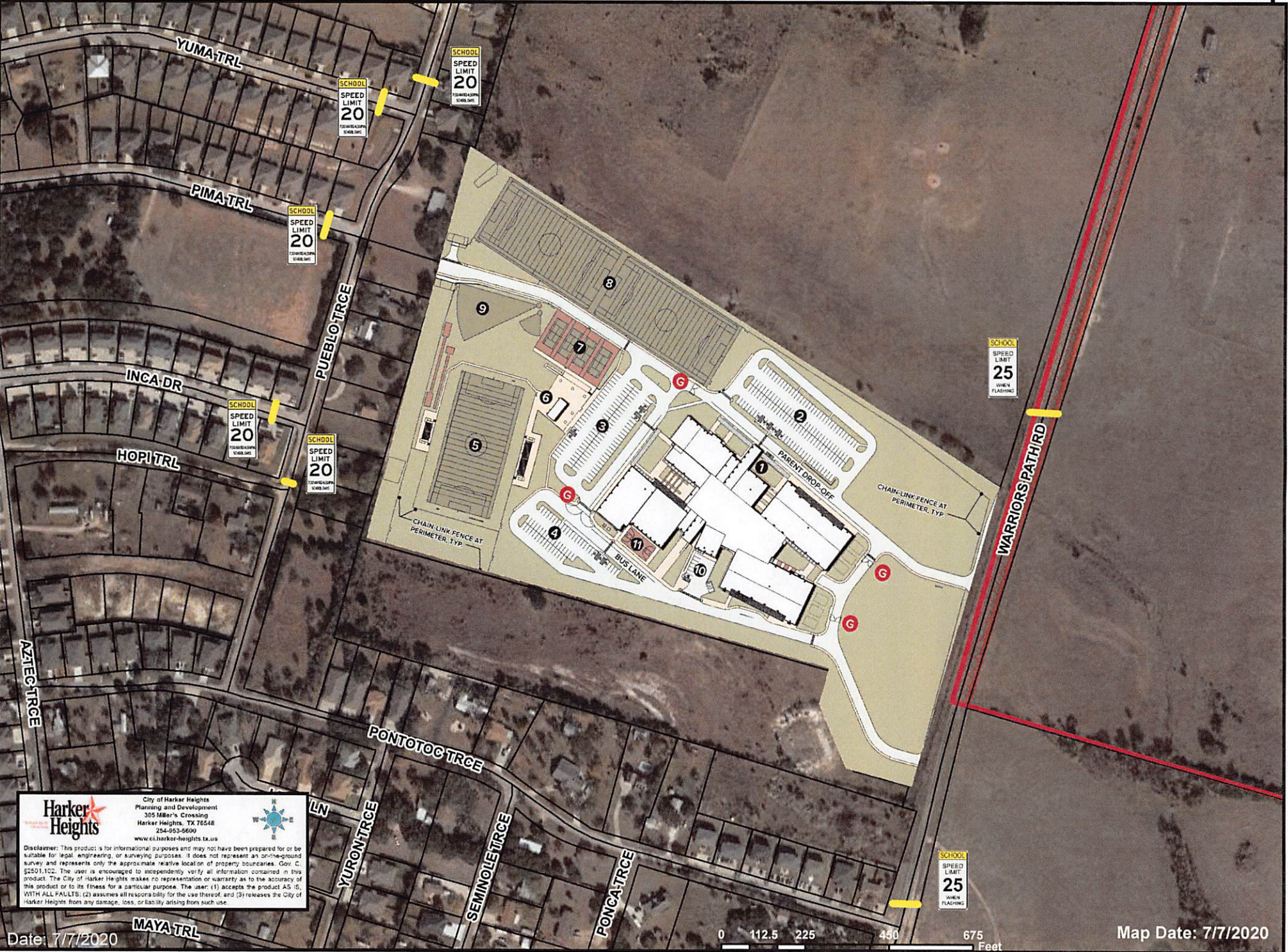







School Zones around Nolan Middle School

Location Map





City of Harker Heights
Planning and Development
305 Miller's Crossing
Harker Heights, TX 76548
254-653-9600
www.ci.harker-heights.tx.us



Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Gov. C. §2501.102. The user is encouraged to independently verify all information contained in this product. The City of Harker Heights makes no representation or warranty as to the accuracy of this product or to its fitness for a particular purpose. The user: (1) accepts the product AS IS, WITH ALL FAULTS; (2) assumes all responsibility for the use thereof; and (3) releases the City of Harker Heights from any damage, loss, or liability arising from such use.

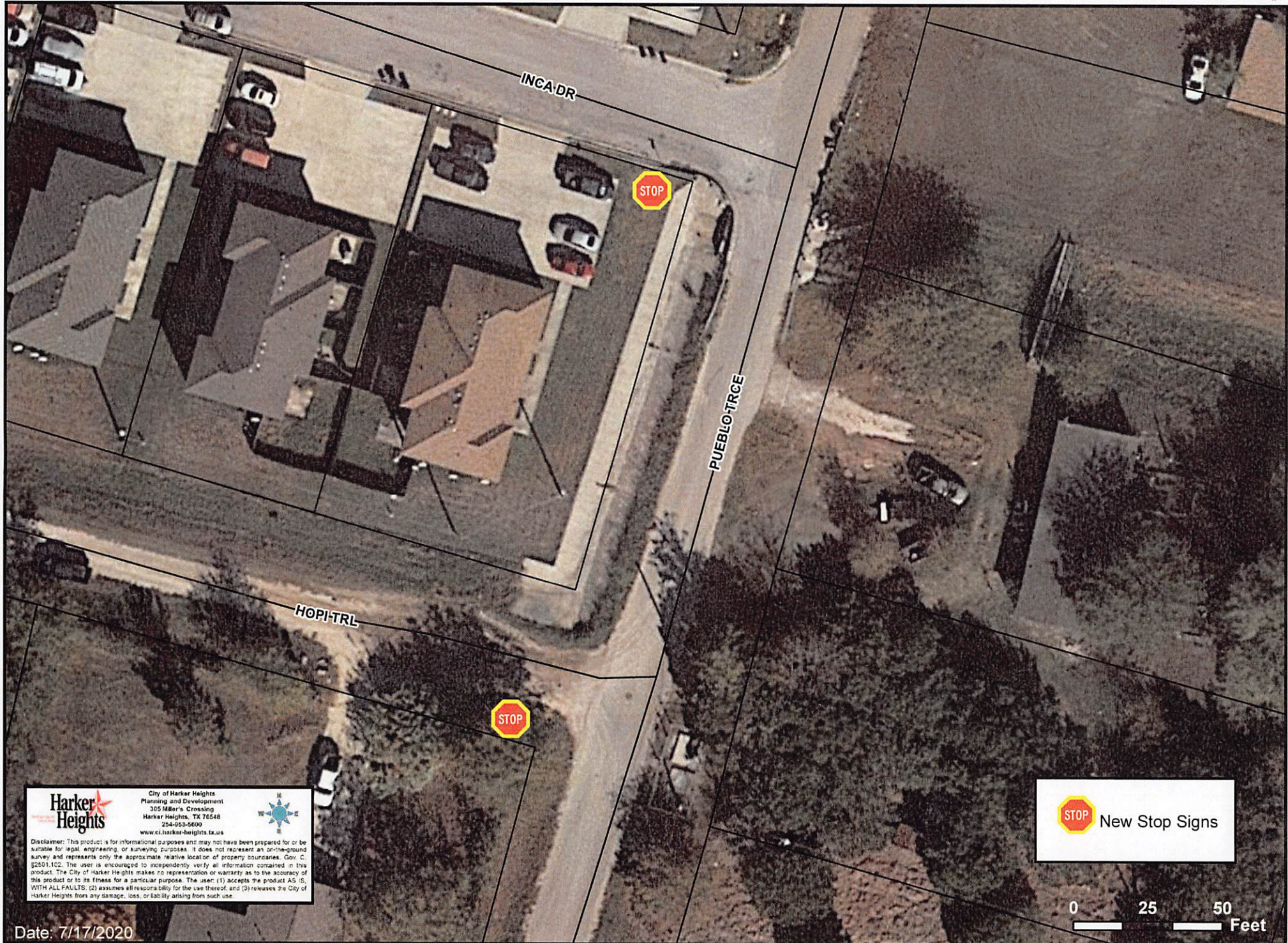
Date: 7/7/2020

Map Date: 7/7/2020



Yield Signs to Stop Signs Hopi and Inca

Location Map



Harker Heights
City of Harker Heights
Planning and Development
305 Miller's Crossing
Harker Heights, TX 76548
254-933-5600
www.ci.harker-heights.tx.us

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Gov. C. 62491.102. The user is encouraged to independently verify all information contained in this product. The City of Harker Heights makes no representation or warranty as to the accuracy of this product or to its fitness for a particular purpose. The user: (1) accepts the product AS IS, WITH ALL FAULTS; (2) assumes all responsibility for the use thereof; and (3) releases the City of Harker Heights from any damage, loss, or liability arising from such use.

 New Stop Signs

0 25 50 Feet

Date: 7/17/2020



HARKER HEIGHTS POLICE DEPARTMENT
TRAFFIC MANAGEMENT UNIT



Memorandum

To: Mark Hyde

From: Lt. Randy Stefek

CC:

Date: July 20, 2020

Re: Speed Limit Reduction for Warriors Path

Mark,

With the new addition of Nolan Middle School located on Warriors Path Road, I would recommend and support the process of lowering the speed limit for the entire stretch of Warriors Path Road from Old Nolanville Road to E FM 2410. Warriors Path Road is currently zoned as a 50mph two-way roadway with no improved shoulders, minimal lighting, and drainage ditches on both side of the road. With the increase in vehicular traffic, additional residences, and now a middle school being developed along Warriors Path, I believe it would be reasonable and prudent to lower the speed limit from 50mph to 40mph. The speed reduction would also allow for a proper reduced school zone speed limit near the middle school, allowing the school children to walk along Warriors Path a little safer than normal. The reduced speed limit for the school zone area would be 25mph.

Should there be any questions, or if I may be of any further assistance with that matter, please feel free to contact me.

Thank You,

Lt. Randy Stefek

Traffic Management Unit

Harker Heights Police Department

Handwritten initials and date:
7/20/2020

Mark Hyde

From: Kelley, Charles R <Charles.Kelley@killeenisd.org>
Sent: Thursday, July 16, 2020 11:12 AM
To: Mark Hyde
Cc: Smith, Cynthia M
Subject: FW: Proposed School Zone Locations for Nolan Middle School
Attachments: warriors path school zones 3.pdf

Looks great Mark. Great talking with you earlier. Call if we can help with anything else. Stay safe.

From: Mark Hyde <mhyde@harkerheights.gov>
Sent: Thursday, July 16, 2020 9:50 AM
To: Kelley, Charles R <Charles.Kelley@killeenisd.org>
Subject: Proposed School Zone Locations for Nolan Middle School

CAUTION: This email originated from outside Killeen ISD. DO NOT click links or open attachments unless you recognize the sender and know the content is safe. For assistance, contact the Help Desk @ (254) 336-2999.

Chuck,

Attached are the proposed school zones for the new Middle School. Pueblo Trace and connecting streets will be 20 mph from 7:00 a.m.-8:15 a.m. and 3:00-4:00 p.m. Warriors Path will be 25 mph from 7:00 a.m.-8:15 a.m. and 3:00-4:00 p.m. We used the same school zone times as Eastern Hills Middle School. Please review and comment.

Thank you,

Mark Hyde
Public Works Director
City of Harker Heights | 305 Miller's Crossing | Harker Heights, TX 76548
T: 254-953-5641 | F: 254-953-5666 | mhyde@harkerheights.gov



Vision: Providing public services that empower people to focus on what matters most: their goals, hopes and dreams.



COUNCIL MEMORANDUM

AGENDA ITEM # VIII-1

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING AN ORDINANCE OF THE CITY OF HARKER HEIGHTS, TEXAS, AMENDING ORDINANCE 2020-06 OF THE HARKER HEIGHTS CODE TO EXTEND THE PUBLIC HEALTH EMERGENCY DECLARATION THROUGH AUGUST 31, 2020, AND TAKE THE APPROPRIATE ACTION.

EXPLANATION:

The State of Texas and Bell County both have issued disaster declarations that cover Harker Heights in relation to the COVID-19 pandemic. Per TML's guidance on receiving reimbursements in relation to COVID-19 expenditures, Mayor Smith issued a disaster declaration for Harker Heights on March 20, 2020.

The City Council approved an Ordinance during a special called meeting on April 7, 2020, to extend the Public Health Emergency Declaration to April 30, 2020.

On April 28, 2020, the Council approved an extension to the Public Health Emergency Declaration until May 31, 2020.

On May 26, 2020, the Council approved an extension to the Public Health Emergency Declaration until June 30, 2020.

On June 23, 2020, the Council met again and approved another extension to the Public Health Declaration until July 31st, 2020.

Action is now needed again by the Council to consider extending this declaration to match recent directives from the State and Bell County out to August 31, 2020.

This declaration continues to align with the City's COVID-19 response measures to those issued by Bell County and the State. If Bell County or the State modify their orders, then the City's requirements would automatically reflect these modifications, to include the Governor's staged initiatives of "Reopening Texas".

The Council is scheduled to meet again on August 11th and August 25th, 2020, and may at that time choose to end, modify, and/or extend the declaration.

STAFF RECOMMENDATION:

Staff recommends approval of the Ordinance.

ACTION BY CITY COUNCIL:

1. Motion to Approve/Disapprove an ordinance amending Ordinance 2020-06 of the Harker Heights Code to extend the Public Health Emergency Declaration through August 31, 2020.
2. Any other action desired.

ATTACHMENTS:

1. Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HARKER HEIGHTS, TEXAS, AMENDING ORDINANCE 2020-06 OF THE HARKER HEIGHTS CODE TO EXTEND THE PUBLIC HEALTH EMERGENCY DECLARATION THROUGH AUGUST 31, 2020.

WHEREAS, the City Council ("*Council*") of the City of Harker Heights ("*City*") finds that it is necessary and desirable to amend the Code of Harker Heights ("*Code*") as hereinafter provided in order to extend the Public Health Emergency Declaration; and

WHEREAS, the meeting at which this Ordinance was passed was open to the public, and notice of the time, place and purpose of said meeting was given as required by law, all in strict accordance with the requirements of the Texas Open Meetings Act;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HARKER HEIGHTS, TEXAS:

SECTION 1: The City Council officially finds and declares that the facts and recitations set forth in the preamble to this ordinance are true and correct.

SECTION 2: Ordinance 2020-06, 2, of the Code of Harker Heights is hereby appended with the following:

2. This declaration ratifies the disaster declaration issued by Harker Heights Mayor Spencer H. Smith on March 20, 2020, and this declaration shall run until August 31, 2020.

SECTION 3: All ordinances or parts of ordinances in conflict with the provisions of this ordinance are to the extent of such conflict hereby repealed.

SECTION 4: This ordinance shall be effective from and after its passage, and the City Secretary shall publish the caption or title of hereof within ten days as required by law.

PASSED AND APPROVED by the City Council of the City of Harker Heights on July 28, 2020.

Spencer H. Smith, Mayor

ATTEST:

Juliette Helsham, City Secretary



COUNCIL MEMORANDUM

AGENDA ITEM # IX-1

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING A REQUEST FROM ZUBEENA CATANIA FOR A FACILITY RENTAL AT THE HARKER HEIGHTS COMMUNITY PARK PAVILION FOR AN EVENT IN EXCESS OF TEN (10) PEOPLE ON SATURDAY, AUGUST 15, 2020, AND TAKE THE APPROPRIATE ACTION.

EXPLANATION:

On July 2, 2020, Governor Greg Abbott issued a proclamation giving Mayors and County Judges the ability to impose restrictions on some outdoor gatherings over ten (10) people. Outdoor gatherings in excess of ten (10) people that is not specifically granted by the Governor, is prohibited unless the Mayor of the City in which the gathering is held, (or the County Judge in the case of a gathering in an unincorporated area) approves the gathering, and such approval can be made subject to certain conditions or restrictions.

In accordance with this directive, Zubeena Catania is seeking approval for a request to rent the Harker Heights Community Park Pavilion on Saturday, August 15, 2020, from 1:30 p.m. to 5:30 p.m. for a group between 15-20 people.

The renter was provided a written notification update on gatherings of more than ten (10) at the time the application was completed by Parks and Recreation Staff.

STAFF RECOMMENDATION:

None.

ACTION BY CITY COUNCIL:

1. Motion to Approve/Disapprove the request for an Outdoor Facility Rental at the Harker Heights Community Park Pavilion for an event in excess of ten (10) people on Saturday, August 15, 2020.
2. Any other action desired.

ATTACHMENTS:

1. Notification Update on Gatherings More Than 10
2. Application for Facility Rental – Parks & Recreation
3. Governor's Proclamation Amending Executive Order GA-28
4. Texas Department of State Health Services Checklist for Outdoor Events



The City of Harker Heights
305 Miller's Crossing
Harker Heights, Texas 76548
Phone 254/953-5600
Fax 254/953-5614

Effective as of July 3, 2020

NOTIFICATION UPDATE ON GATHERINGS MORE THAN 10

Mayor
Spencer H. Smith

Mayor Pro Tem
Michael Blomquist

City Council
Jennifer McCann
Jackeline Soriano Fountain
John Reider
Jody Nicholas

Governor Greg Abbott has issued Executive Order 28 requiring all Texans to wear a face covering over the nose and mouth in public spaces, with few exceptions, in counties with 20 or more positive COVID-19 cases.

The Governor also issued a proclamation giving mayors and county judges the ability to impose restrictions on some outdoor gatherings of over 10. An excerpt of the proclamation is below:

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby amend paragraph numbers 5 and 12 of Executive Order GA-28, effective at 12:01 p.m. on July 3, 2020, to read as follows:

5. For any outdoor gathering in excess of 10 people, other than those set forth above in paragraph numbers 1, 2, or 4, the gathering is prohibited unless the mayor of the city in which the gathering is held, or the county judge in the case of a gathering in an unincorporated area, approves of the gathering, and such approval can be made subject to certain conditions or restrictions not inconsistent with this executive order.

12. Except as provided in this executive order or in the minimum standard health protocols recommended by DSHS, found at www.dshs.texas.gov/coronavirus, people shall not be in groups larger than 10 and shall maintain six feet of social distancing from those not in their group.

All special events and rentals must be approved by the Harker Heights City Council. The requests are subject to the availability of the regular scheduled City Council meetings.

HARKER HEIGHTS PARKS & RECREATION

Application for Outdoor Facility Rental

Proposed Date of the Event: 15 Aug 2020 Start Time: 1:30 pm End Time: 5:30 pm

*Include set up & tear down during your time slot

Event Name & Description: Zaydan's 1st Birthday

Proposed Locations:

Mark Requested	Facility	Amenities	Capacity	Notes	Rental Fees (per 4 hour period)	Rental Deposit
	Carl Levin Park Pavilion 400 Millers Crossing	Picnic Tables Electricity Grills (4) Water	200	N/A	Resident: \$50 Non Resident: \$100	Resident: \$100 Non Resident: \$200
	Carl Levin Park Amphitheater 400 Millers Crossing	Electricity	15-20 (Covered)	Patrons allowed to bring grills.	Resident: \$25 Non Resident: \$65	\$100
	Carl Levin Park Gazebo 400 Millers Crossing	N/A	8-10	N/A	Resident: \$15 Non Resident: \$25	N/A
① ✓	Harker Heights Community Park Pavilion 1501 E FM 2410	Picnic Tables Electricity Water	150	Patrons allowed to bring grills.	Resident: \$50 Non Resident: \$100	Resident: \$100 Non Resident: \$200
②	Purser Park Pavilion A (Closest to Restroom & Playground) 100 W Mountain Lion Road	Picnic Tables Electricity Grill	18-20	Limit (1) Bounce House	Resident: \$25 Non Resident: \$65	\$100
	Purser Park Pavilion B 100 W Mountain Lion Road	Picnic Tables Electricity Grill	18-20	N/A	Resident: \$25 Non Resident: \$65	\$100

****Current proof of residency required to receive resident discount****

Name: Zubena Catania Phone: (916) 346-8836 Alt Phone: (254) 894-0179

Street Address: 3902 Basset Ct City: Killeen State: TX Zip: 76543

Deposit Return Payable To (if different than above): _____

Approximate Attendance: 15-20 ppl Approximate # of Vehicles: 4

Inflatables or Jumping Equipment: (Must meet with Grounds Crew (2) days prior) _____ Yes ☒ No

Water Needed: _____ Yes ☒ No If Yes, in what quantity: _____

Driving on Park Grounds: _____ Yes ☒ No If Yes, for what purpose: _____

Amplified Sound: _____ Yes ☒ No

If Yes, describe sound amplification usage and equipment (type used, wattage, etc.): _____

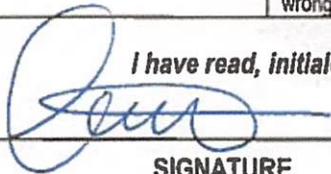
*****FOR OFFICE USE ONLY*****

Reviewed By / Date:	Rental Amt Due:	Deposit Due:	Walk-through Date/Time/Location:
Approved By / Date: (All runs/walks will be approved by the Parks Director, PD, and FD)	Date Rental Paid:	Date Deposit Paid:	(Circle) Cash Credit # - Last 4 Check #

Date: _____ Amount: \$ _____ Reason: _____

PARK RULES <u>ZSC</u> (Initial)	If you require assistance during your event you may contact HHPRD during business hours (254-953-5657) or the Police Department during non-business hours (254-953-5400). There is NO DRIVING ON PARK GROUNDS permitted. Approval must be granted by a Parks and Recreation representative. Failure to comply will result in the forfeiture of your deposit. Alcoholic beverages are not allowed AT ANY TIME on City Park grounds. All trash must be disposed of properly at the conclusion of each permit period and carried to the dumpster. Fires are allowed in barbecue pits only. Fires must be extinguished properly before leaving park area. Animals must be on a leash and all pet waste must be disposed of properly. The responsibility for crowd control / discipline is assumed by the permit holder. All proceedings shall be orderly.
PARKING <u>ZSC</u> (Initial)	For large groups of 150 or more, parking may become a problem. There is to be NO PARKING in the fire or emergency vehicle lanes. Parking in fire lanes, on grass, or athletic field boundaries will be ticketed.
GROUNDS <u>ZSC</u> (Initial)	Inflatables may be set up for parties or events, but require a meeting two (2) days prior with our Grounds Supervisor to ensure proper placement and no interference with underground electrical or irrigation lines.
LARGE GROUPS <u>ZSC</u> (Initial)	Large groups of 200 and up must have a separate and clearly designated First Aid Station, so that in the event of an injury or emergency, the Police Department and Paramedics will be able to access and assist the victim(s). In order to receive deposit refund, area must be clean and trash must be bagged and left in the provided trash cans.
SOUND PERMIT <u>ZSC</u> (Initial)	Any group using amplified noise, such as speaker/microphone system, must reference Chapter 95: Noise regulations
CANCELLATIONS/REFUNDS <u>ZSC</u> (Initial)	Patron must cancel event 24 hours prior in order to receive a refund. There will be a \$5.00 administrative fee taken for processing. In the case of rain, patron must cancel event prior to the event start time. All refunds (including deposit refunds) take 2-3 weeks for processing and will be returned in check form to the address listed on the first page. The facility requested is considered reserved upon receipt of this application and required payment. However, the City has 48 hours to notify the patron if there are any perceived conflicts with the event scheduled, once staff has reviewed all aspects of the request. The City of Harker Heights reserves the right to cancel or reschedule facility rentals at any time.
CONDITIONS OF PERMIT <u>ZSC</u> (Initial)	The use of City property is subject to all pertinent State Laws, City Ordinances, Health Department Regulations and Facility Rules. The holder of this permit will be held responsible for damage to City property resulting from use herein. The permit holder shall indemnify and hold harmless the City of Harker Heights, officers, employees and agents, and assigns from any and all claims for injury and / or damages to persons or property, including wrongful death, resulting from the use of this permit.

I have read, initialed, and agree to the Terms and Conditions stated above.



SIGNATURE

07/15/2020

DATE

Additional Event Details

Are you requesting the use of any additional space aside from the structure itself marked on Page 1 (e.g., open grass areas, walking trails, parking lots, basketball court, pond, etc.)? If yes, please explain in detail and attach map or sketch to this application.

N/A

Are you requesting any roads to be blocked off for your event? If yes, please list below and denote specific block-off areas on a map or sketch. (Note: Road blocking is only authorized by the Harker Heights Police Department, which can be reached at 254-953-5400. It is the responsibility of the renter to obtain approval from HHPD.)

N/A



GOVERNOR GREG ABBOTT

July 2, 2020

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2:30pm O'CLOCK

JUL 02 2020

Secretary of State

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation amending Executive Order GA-28 relating to mass gatherings in Texas during the disaster posed by the novel coronavirus (COVID-19).

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,

Gregory S. Davidson
Executive Clerk to the Governor
GSD/gsd

Attachment

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, in each subsequent month effective through today, I have renewed the disaster declaration for all Texas counties; and

WHEREAS, I issued Executive Order GA-28 on June 26, 2020, relating to the targeted response to the COVID-19 disaster as part of the reopening of Texas; and

WHEREAS, additional measures are needed to slow the spread of COVID-19 in Texas;

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby amend paragraph numbers 5 and 12 of Executive Order GA-28, effective at 12:01 p.m. on July 3, 2020, to read as follows:

5. For any outdoor gathering in excess of 10 people, other than those set forth above in paragraph numbers 1, 2, or 4, the gathering is prohibited unless the mayor of the city in which the gathering is held, or the county judge in the case of a gathering in an unincorporated area, approves of the gathering, and such approval can be made subject to certain conditions or restrictions not inconsistent with this executive order;
12. Except as provided in this executive order or in the minimum standard health protocols recommended by DSHS, found at www.dshs.texas.gov/coronavirus, people shall not be in groups larger than 10 and shall maintain six feet of social distancing from those not in their group;

This proclamation shall remain in effect and in full force for as long as Executive Order GA-28 is in effect and in full force, unless otherwise modified, amended, rescinded, or superseded by the governor.



IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of

Governor Greg Abbott
July 2, 2020

Proclamation
Page 2

ATTESTED BY:

A handwritten signature in black ink, appearing to read 'Ruth R. Hughs', is written over a horizontal line.

RUTH R. HUGHS
Secretary of State



☒ CHECKLIST FOR OUTDOOR EVENTS

Page 1 of 2

Outdoor events, such as July 4 celebrations and other large outdoor gatherings with estimated attendance of 10 or more, are permissible to hold in Texas. The county judge or the mayor, as appropriate, in coordination with the local public health authority, must give approval to such an outdoor gathering or event prior to it being held.

All individuals must wear a face covering (over the nose and mouth) wherever it is not feasible to maintain six feet of social distancing from another individual not in the same household or, for those engaging in physical activities outdoors, wherever the individual is not able to maintain a safe physical distance from others not in the same household.

The following are the minimum recommended health protocols for all outdoor events in Texas. These minimum health protocols are not a limit on the health protocols that individuals may adopt. Individuals are encouraged to adopt additional protocols consistent with their specific needs and circumstances to help protect the health and safety of all Texans.

The virus that causes COVID-19 can be spread to others by infected persons who have few or no symptoms. Even if an infected person is only mildly ill, the people they spread it to may become seriously ill or even die, especially if that person is 65 or older with pre-existing health conditions that place them at higher risk. Because of the hidden nature of this threat, everyone should rigorously follow the practices specified in these protocols, all of which facilitate a safe and measured reopening of Texas. The virus that causes COVID-19 is still circulating in our communities. We should continue to observe practices that protect everyone, including those who are most vulnerable.

Please note, public health guidance cannot anticipate every unique situation. Individuals should stay informed and take actions based on common sense and wise judgment that will protect health and support economic revitalization.

Health protocols for individuals:

- ☐ Individuals aged 65 or older are at a higher risk of COVID-19. To the extent possible, avoid contact within 6 feet with individuals aged 65 and older. Individuals aged 65 and older should stay at home as much as possible. Large gatherings, even those held outside, pose a significant risk to this population.
- ☐ Individuals may not be in a group larger than 10 individuals (including those within the individual's household). Within these groups, individuals should, to the extent possible, minimize in-person contact with others not in the individual's household. Minimizing in-person contact includes maintaining 6 feet of separation from individuals. When maintaining 6 feet of separation is not feasible, other methods should be utilized to slow the spread of COVID-19, such as washing or sanitizing hand frequently, and avoiding sharing utensils or other common objects.
- ☐ Individuals should maintain 6 feet of separation from others outside the individual's group. A group is defined as no more than 10 persons including the members of the household and those persons who traveled together to the event.
- ☐ Self-screen before going to an outdoor event for any of the following new or worsening signs or symptoms of possible COVID-19:
 - ☐ Cough
 - ☐ Shortness of breath or difficulty breathing
 - ☐ Chills
 - ☐ Repeated shaking with chills
 - ☐ Muscle pain
 - ☐ Headache
 - ☐ Sore throat
 - ☐ Loss of taste or smell
 - ☐ Diarrhea
 - ☐ Feeling feverish or a measured temperature greater than or equal to 100.0 degrees Fahrenheit
 - ☐ Known close contact with a person who is lab confirmed to have COVID-19



OUTDOOR EVENTS: Page 2 of 2

- ☐ Wash or disinfect hands after any interaction with employees, other individuals, or items at the outdoor event.
- ☐ Clean and sanitize any items before and after use.

Local approval factors:

- ☐ Local approval for large outdoor gatherings (those with an estimated attendance exceeding 10 individuals) is appropriate in this instance because a statewide standard is unable to take into account the various factors needed to ensure such a gathering in varied locations is safe and will minimize the spread of COVID-19. Further, business parity is not an issue at large outdoor events.
- ☐ In evaluating large gatherings (those with an estimated attendance exceeding 10 individuals), the county judge or the mayor, as applicable, should consider the following factors:
 - ☐ The overall number of projected attendees;
 - ☐ The likelihood of individuals over the age of 65 attending;
 - ☐ The density of the forum and the ability to ensure social distancing of 6 feet between individuals; and
 - ☐ The level of transmission in the county.
- ☐ Gatherings of less than 10 individuals may proceed consistent with all the health protocols above without approval of the county judge, local health authority, or mayor, as applicable.

AGENDA ITEM # IX-2

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT WITH THE FORT HOOD AREA HABITAT FOR HUMANITY TO CREATE A DEVELOPMENT OF A MINIMUM OF TEN (10) AFFORDABLE SINGLE-FAMILY HOMES IN HARKER HEIGHTS, BELL COUNTY, TEXAS; AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT ON BEHALF OF THE CITY AND TAKE THE APPROPRIATE ACTION.

BACKGROUND:

The purpose of this 380 Agreement is to define the guidelines and incentives granted by the City and outline the obligations for the Fort Hood Area Habitat for Humanity in this project.

The City will grant a piece of City owned property to the Fort Hood Area Habitat for Humanity for the construction of the project. A special warranty deed on the property will have the provision providing that any portion of the Property still owned by the Builder on the fifth anniversary of the date of the deed shall automatically, without further action, revert to the City of Harker Heights. Furthermore, the City will waive all platting, permitting, and water/wastewater tap fees associated with this development project.

The Fort Hood Area Habitat for Humanity will develop a minimum of ten (10) affordable single-family homes within five years. The Development is expected to add at least \$1,500,000 in appraised value to the City's tax rolls, thereby providing additional revenue for the City to fund critical public services. The presence of the Development in the City will make the City more attractive to families and businesses, thereby promoting additional residential and commercial growth.

This Agreement provides reasonable and adequate safeguards to ensure that the public receives sufficient benefits in exchange for the Incentives.

RECOMMENDATION:

Staff recommends approval.

ACTION BY THE CITY COUNCIL:

1. Motion to APPROVE/DENY an Economic Development Incentive Agreement with the Fort Hood Area Habitat for Humanity to create a development of a minimum of ten (10) affordable single-family homes in Harker Heights, Bell County, Texas; and authorize the City Manager to sign the agreement on behalf of the City.
2. Any other action desired.

ATTACHMENTS:

1. Economic Development Incentive Agreement
2. Exhibit A - Skyview
3. Exhibit B

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

Between the City Of Harker Heights, Texas and Fort Hood Area Habitat for Humanity

1. **DEFINITIONS.** In this Agreement the following definitions apply unless the context clearly indicates otherwise:

A. *Affiliated Entity* means, with respect to Builder, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, the Builder, and includes any direct or indirect subsidiary or parent corporation of the Builder now existing or hereafter formed or acquired. For purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of another, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise.

B. *Agreement* means this Economic Development Incentive Agreement, together with its exhibits and addenda, as may be modified from time to time.

C. *Business days* means normal working business days (i.e., Monday through Friday of each calendar week, exclusive of federal and national bank holidays).

D. *Certificate of Occupancy* shall mean that final document issued by the City entitled "Certificate of Occupancy" indicating that all applicable codes, regulations, and ordinances enforced by the City have been unconditionally, fully and completely complied with in all respects. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, nor any temporary or conditional document authorizing temporary or conditional occupancy.

E. *City* means the City of Harker Heights, Texas, a home rule municipal corporation located in Bell County, Texas.

F. *Confidential Information* means any information and documentation provided by Builder to City pursuant to this Agreement which is clearly marked as being confidential.

G. *Builder* means Fort Hood Area Habitat for Humanity having its principal place of business in Bell County, Texas, and its contractors, agents and representatives.

H. *Development* means a subdivision of land that Builder proposes to build on the Property to provide affordable residential single-family housing, as depicted in the Concept Plan attached hereto as **Exhibit A**, to include the construction of a minimum of ten (10) single-family homes, road and cul-de-sac, water and wastewater infrastructure and other ancillary facilities such as reasonably required for parking, landscaping, and amenities.

I. *Effective Date* means _____.

J. *Force Majeure* means any cause that, despite the exercise of due diligence by the affected party, is not reasonably within the control of and could not have been avoided by that

party, including without limitation: acts of God; strikes, lockouts and other labor disputes or industrial stoppages; interruption of communications or public utilities; orders or actions of any governmental or military authority; blockade or embargo; expropriation or confiscation of facilities; civil riots, commotion or disturbances; acts of war, terrorism, the public enemy, revolution, rebellion or sabotage; materials shortages; rationing; fires, floods, lightning, storms, hurricanes, tornados, epidemics, earthquakes, landslides, drought, explosions or other calamity; and unavoidable accidents or breakdowns.

K. *Incentives* means, collectively, all economic development incentives described in Paragraph 7 of this Agreement.

L. *Program* means the Economic Development Program adopted by the City Council on or about December 19, 2000.

M. *Property* means real property described in **Exhibit B**.

N. *Term* means the term of this Agreement, which commences on the Effective Date and expires in five (5) years or when the City issues a Certificate of Occupancy for the final structure required herein, unless sooner terminated as herein provided.

2. BACKGROUND.

A. The City adopted the Program as authorized by: (1) the City's broad and inherent authority as a home-rule municipality under its Charter; (2) Article XI, Section 5, of the Texas Constitution; (3) Article VIII, Section 52-a of the Texas Constitution; and (4) Chapter 380 of the Texas Local Government Code. The Program provides for the City to provide economic development incentive funds to: support the creation of new jobs or improve wage scales for existing jobs; make the City more attractive to new residents, businesses, and visitors; encourage residential and commercial growth and development; expand the City's tax base; and generally to promote local economic development.

B. Builder is considering the Development in the City, and is seeking incentives in connection therewith.

C. The City Council has found that the Development will support and sustain a vibrant workforce within the City of Harker Heights by providing for reasonably priced housing for low and moderate income workers which will, in turn, serve to attract and retain businesses enterprise. .

D. The parties accordingly enter into this Agreement providing for economic incentives as an inducement for the Builder to invest its time, energy, and resources in the City, and by extension to facilitate the goals and objectives of the Program.

3. CITY COUNCIL FINDINGS. By approval of this Agreement, the City Council of the City of Harker Heights finds and determines that:

A. The Development is expected to add at least \$1,500,000 in appraised value to the City's tax rolls, thereby providing additional revenue for the City to fund critical public services.

B. The Development would provide affordable owner-occupied housing in the City, thereby enhancing housing opportunities for the workforce of the City of Harker Heights .

C. The presence of the Development in the City will make the City more attractive to families and businesses, thereby promoting additional residential and commercial growth.

D. The Incentives authorized by this Agreement will encourage the Builder to locate the Development in the City when it might not otherwise be able to do so.

E. This Agreement provides reasonable and adequate safeguards to ensure that the public receives sufficient benefits in exchange for the Incentives.

F. This Agreement benefits the public health, safety and welfare, and should be approved.

4. BUILDER OBLIGATIONS.

A. *Development Construction.* Builder will proceed with reasonable commercial diligence to construct the Development on the Property, and to have the Development fully operational and open for business not later than five (5) years from the date of this agreement, subject to the events of Force Majeure.

B. *Employment of Undocumented Workers.* During the Term of this Agreement, the Builder agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. § 1324a(f), the Builder shall repay the Incentives and any other funds received by the Builder from the City as of the date of such violation, such payment being due within 120 business days after the date the Builder is notified by the City of such violation, plus interest at the rate periodically announced by the *Wall Street Journal* as the prime or base commercial lending rate, or if the *Wall Street Journal* shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the City) as its prime or base commercial lending rate, from the date of such notice until paid.

C. *Legal Compliance.* The Builder shall at all times strictly comply with this Agreement and all rules, orders, laws and regulations (as the same may be amended from time to time) that relate in any way to the Property, the Development, and the activities conducted by or on behalf of the Builder thereon.

D. *Builder Restrictions.* During the Term, the Builder shall not, without the City's prior written consent: (1) change its name or jurisdiction of organization; (2) amend its capital structure, liquidate or dissolve, or become a party to any merger, conversion or consolidation, or otherwise transfer control or ownership of the Builder, or form or acquire any subsidiary; (3) make any substantial change to its present executive or management personnel; or (4) change the

state in which its place of business (or chief executive office if the Builder has more than one place of business) is located.

E. *Notice Required.* The Builder shall notify the City immediately of any event of default hereunder and of any: (1) change in the Builder's name or mailing address, (2) material adverse change in the Builder's financial condition; (3) material adverse change in the ability of the Builder to perform its obligations hereunder; or (4) any representation or warranty made by the Builder in this Agreement that is no longer true and correct.

F. *Right to Review & Correct.* The City retains the right to review the Builder's use of benefits provided hereunder and to require such corrective action as may be supported by this Agreement, including without limitation requiring the Builder to refund any overpayment to the City upon demand.

G. The grant evidenced by this Agreement is being made to facilitate the construction of housing by the Builder. The Builder may not sell the Property before it is subdivided and the plat thereof is approved by the City of Harker Heights. After plat approval, Builder agrees to construct single family houses on each lot contained on the Property and may not sell any lot or portion of the Property as vacant property. Any attempted sale in violation of this provision will constitute a default of this Agreement for which the City may obtain a reversion of the Property.

5. REPORTS AND INSPECTIONS.

A. Until the City issues a Certificate of Occupancy for the final structure, per this agreement, to be built in the Development, Builder shall certify to the City annually that it has complied with the terms of this Agreement. Together with each certification of compliance, the Builder shall submit such written information, records, and documents as the City may in its discretion require to verify the Builder's certification of compliance.

B. To demonstrate compliance with its obligations hereunder, the Builder shall prepare and maintain systematic and complete records in compliance with good business and accounting practices consistently applied, and shall cause its contractors and agents to do the same. Builder shall retain all records relating to this Agreement for a period of at least four (4) years after the expiration or termination of this Agreement, with any extensions thereof, or for such longer period(s) as may otherwise be required by applicable law. If any such records are or may be required to resolve any then threatened or pending claim or proceeding relating to this Agreement, the period of retention shall continue until final disposition of such claim or proceeding.

C. All information required to be provided by the Builder to the City shall be sent to the attention of the City's Finance Director at the address specified for giving notice in this Agreement.

D. The City's authorized representatives shall have the right to enter the Property and the Development at reasonable times to conduct site visits, meet with Builder's personnel, view and copy any records or other evidence relating to performance of this Agreement, to audit and

verify costs under this Agreement, and evaluate and test Builder's systems of internal controls, practices, and procedures.

E. If the City notes any deficiencies based upon the reports and inspections required by this section, it shall provide written notice thereof to the Builder together a statement of the measures required to correct such deficiencies.

F. Nothing herein shall be construed to require the Builder to disclose information that it is prohibited by law from disclosing.

6. CONFIDENTIALITY. Builder acknowledges that pursuant to the Texas Public Information Act, Government Code Chapter 552, the City's ability to prevent disclosure of information is limited by law. However, the City agrees to the extent allowed by law to keep confidential all Confidential Information, provided that the City will not be required to incur any expense in doing so. The City will use the Confidential Information solely for the purposes of exercising its rights and performing its obligations hereunder, and for monitoring and enforcing the Builder's obligations hereunder. In the event the City is requested or becomes legally compelled (by Public Information Act request, deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the City shall provide the Builder with prompt written notice of such request or requirement so that the Builder may seek a protective order or other appropriate remedy, and/or waive compliance with the terms of this paragraph.

7. INCENTIVES TO BUILDER.

A. *Incentives Provided.* As consideration for Builder's contractual obligations hereunder, and subject to Builder's strict, faithful and timely performance thereof, the City agrees to provide the following incentives to the Builder:

1. *Resolutions.* The City will provide Builder with a Resolution duly passed by the City Council expressing support for the Project and committing to incentives as provided in this Agreement.
2. *Grant of Land.* The City will grant a piece of City owned property, as shown in Exhibit "B" to the Builder for the construction of the project. The grant of this property will be accomplished by special warranty deed. The deed shall contain a provision providing that any portion of the Property still owned by Builder on the fifth anniversary of the date of the deed shall automatically, and without further action, revert to the City of Harker Heights. If such reversion occurs, the Builder agrees to execute such documents as the City may require to confirm and evidence this reversion.
3. *Waiver of Fees.* The City will waive all platting, permitting, and water and wastewater tap fees associated with the Development.

B. *Termination of Incentives.* Should any legal impediment arise during the Term of this Agreement, including a change in law, that prevents or limits the City's ability to lawfully

comply with this Agreement or to provide the Incentives required hereby, the City may without further liability to Builder terminate the Incentives to the extent (but only to the extent) of such impediment.

8. DEFAULT, TERMINATION, AND REMEDIES.

A. *Default.* The Builder shall be in default if, during the Term hereof: (1) a receiver is appointed for the Development, the Property, the Builder, or an Affiliated Entity; (2) a bankruptcy or insolvency proceeding is commenced against or by the Builder, and the Builder fails to have the proceedings dismissed within sixty (60) days; (3) the Builder is dissolved; (4) the Builder fails to comply with any term, condition, or covenant of this Agreement that is binding on the Builder, and such failure continues beyond any period provided herein for cure of such failure; (5) any warranty, covenant, or representation of the Builder in this Agreement or in any other written agreement between the City and the Builder is materially false when made; (6) the Property or the Development is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly restored to its former condition; or (7) the City reasonably determines that the Builder's ability to strictly perform its obligations under this Agreement is threatened by reason of a material adverse change in financial condition or credit of the Builder.

B. *Notice of Default.* The party alleging a default hereunder will give the other party not less than fifteen (15) days' written notice specifying the nature of the alleged default and, when appropriate, the manner in which the alleged default may be satisfactorily cured. Notwithstanding the preceding sentence, if the nature of the alleged default is such that the giving of such written notice is impractical due to a threat of harm to life or property then the party alleging the default or breach shall give the other party such notice as may be reasonable under the circumstances.

C. *City's Remedies.* Upon the occurrence of a default by the Builder which is not timely cured, any portion of the Property which has not been sold and is owned Builder shall revert to the City of Harker Heights. Further, the City may (but shall not be obligated to): (i) terminate this Agreement and seek recovery of any damage suffered by the City; (ii) enter on the Property or the Development without fear of trespass, remedy such default on behalf and at the expense of the Builder, and obtain reimbursement from the Builder of all sums reasonably expended or expenses incurred by the City in effecting such cure; (iii) discontinue performance of this Agreement until the default is cured; (iv) seek specific performance of this Agreement by the Builder; (v) withhold further Incentives until the default is cured; (vi) exercise any other remedy granted by this Agreement or by applicable law; or (vii) any combination of the foregoing, such rights and remedies being cumulative, and the exercise of any particular right or remedy shall not preclude the exercise of any other right or remedy.

D. *Builder's Remedies.* Upon the occurrence of a default by the City which is not timely cured, the Builder may (but shall not be obligated to): (i) terminate this Agreement and seek recovery of any damage suffered by the Builder; (ii) seek specific performance of this Agreement by the City; (iii) exercise any other remedy granted by this Agreement or by applicable law; or (iv) any combination of the foregoing, such rights and remedies being

cumulative, and the exercise of any particular right or remedy shall not preclude the exercise of any other right or remedy.

E. *Waivers in Writing.* All waivers must be in writing and signed by the party to be bound. Failure or delay in giving notice of default shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failure or delay by either party to assert any of its rights or remedies as to any default shall not operate as a waiver of the default, nor shall it deprive the party of the right to institute and maintain any actions or proceedings it deems necessary to protect or enforce its rights or remedies. The waiver, in one instance, of any act, condition, or requirement stipulated in this Agreement shall not constitute a continuing waiver or a waiver of any other act, condition, or requirement, or a waiver of the same act, condition, or requirement in other instances, unless specifically so stated.

F. *Mediation.* Any dispute between the parties related to this Agreement which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall initially bear the mediation costs equally, subject to adjustment as part of any mediated settlement. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

G. *Waiver of Jury.* EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. THIS WAIVER HAS BEEN FULLY NEGOTIATED BY THE PARTIES AND WILL NOT BE SUBJECT TO ANY EXCEPTIONS. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. EACH PARTY WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

H. *Waiver and Certain Relief.* NOTWITHSTANDING ANY CONTRARY PROVISION HEREIN, THE PARTIES EACH WAIVE ALL CLAIMS FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

I. *Attorney's Fees & Court Costs.* The prevailing party in any legal proceeding related to this Agreement is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.

9. BUILDER'S REPRESENTATIONS. As a material inducement to the City to enter into this Agreement, the Builder warrants and represents to City that the following are true as of the Effective Date, and will be true throughout the Term hereof:

A. The Builder has full power and authority to execute and deliver this Agreement and to perform its obligations under it. This Agreement constitutes the valid and legally binding obligation of the Builder, and all requisite action has been taken to make this Agreement valid and binding on the Builder in accordance with its terms.

B. Neither the execution and delivery of this Agreement by Builder, nor the performance by the Builder of its obligations hereunder, will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other restriction of any government, governmental agency, or court to which Builder is subject, or any provision of the governing instruments of the Builder.

C. There are no attachments, executions, or assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy or under any other debtor-in-relief laws pending against the Builder.

D. There are no other legal actions, suits, arbitrations, or other legal administrative or other governmental proceedings pending or threatened against the Builder, its properties, assets, or business that, if adversely determined, could have a material adverse effect on the Builder's ability to perform its obligations hereunder, and the Builder is not aware of any facts which to its knowledge might result in any such action, suit, arbitration, or other proceedings.

E. The Builder is validly existing, and in good standing under the laws of the State of Texas, and having authority to do business in Texas, and with full power to carry on its business as now being conducted.

F. The Builder possesses or will acquire all permits, registrations, approvals, consents, licenses, trademarks, trademark rights, trade names, trade name rights, and copyrights needed to conduct its business in the manner contemplated by this Agreement.

G. The Builder has the expertise, experience, and resources necessary to perform its obligations hereunder with the highest degree of skill, diligence, efficiency and professionalism normally demonstrated by others engaged in performing similar activities throughout the State of Texas.

H. Builder is not aware of any related past, present, or planned interest, financial or otherwise, that may impair its objectivity in performing the Project.

I. Builder has not within a ten-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

J. Builder is not under indictment for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in the preceding subparagraph.

K. Builder has not within a ten-year period preceding the Effective Date had a contract with a governmental entity terminated for cause or default.

L. All information furnished by or on behalf of the Builder to the City is true and correct in all material respects.

The Builder acknowledges that the City has justifiably relied upon the foregoing representations and warranties, and that City would not have entered into this Agreement but for the Builder's representations as to the truthfulness and accuracy of the same.

10. FORCE MAJEURE. If a party shall be delayed, hindered, or prevented from performance of any of its obligations by reason of Force Majeure, and such party is not otherwise in default, the time for performance of such obligation shall be extended for the period of such delay, provided that the affected party shall: (i) give prompt written notice to the other party; (ii) diligently attempt to remove, resolve, or otherwise eliminate such event, keep the other party advised with respect thereto; and (iii) commence performance of its obligations hereunder immediately upon such removal, resolution, or elimination. Nothing contained in this paragraph shall be applied so as to: (i) permit any delay or time extension due to shortage of funds; or (ii) excuse any nonpayment or delay in payment of money when due; or (iii) limit either party's right (if any) to cure the other's default as if this paragraph were not contained in this Agreement.

11. COOPERATION IN THE EVENT OF LEGAL CHALLENGE. The parties agree to cooperate in defending any legal action instituted by a third party or other governmental entity or official challenging (a) the validity of one or more provisions of this Agreement; (b) the state and local legislation authorizing the City to enter into this Agreement; or (c) any discretionary action and approvals of the City regarding permits or other entitlements issued pursuant to this Agreement.

12. DOCUMENT CORRECTION; FURTHER ASSURANCES. From time to time, at the request of the City, the Builder will (a) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other document executed by the Builder or in the execution or acknowledgment thereof; (b) execute, acknowledge, deliver and record or file (or cause to be executed, acknowledged, delivered and recorded or filed) such further documents and instruments and perform such further acts and provide such further assurances as may be necessary, desirable, or proper, in City's reasonable opinion, to: (i) to carry out more effectively the purposes of this Agreement and the and the transactions contemplated hereunder, (ii) confirm the rights created under this Agreement and any related documents, (iii) protect and further the validity, priority and enforceability of this Agreement and any related documents, and any liens and security interests created thereby.

13. MISCELLANEOUS PROVISIONS.

A. *Signatories.* Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement and any related documents. Each party represents and warrants to the other that the execution and

delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

B. *Builder's Undertaking.* The Builder's efforts to establish the Development and perform its obligations hereunder constitute a private undertaking. The Builder shall have full power over, and exclusive control of, the specific details of its undertaking, subject only to the general limitations and obligations under this Agreement and applicable local, state and federal statutes and regulations. Nothing contained in this Agreement or in any related document shall be construed as making the City and the Builder joint venturers or partners, nor shall the Builder be or represent itself to be a contractor, agent or employee of the City.

C. *Memorandum of Record.* The City, at its option, may record a memorandum of this Agreement, which memorandum the Builder agrees to properly execute within ten (10) days after a request to do so from the City. Any such memorandum shall be executed in a recordable form, shall set forth a summary of the Builder's obligations and such other terms of this Agreement as the City deems necessary, shall expressly state that it is executed pursuant to the provisions contained in this Agreement, and that is not intended to vary the terms and conditions of this Agreement.

D. *Notices.* All notices under this Agreement shall be in writing, and (i) delivered personally to the person to whom the notice is to be given, (ii) given by certified or registered mail, return receipt requested, (iii) delivered via Federal Express or any other nationally recognized courier service that provides a return receipt showing the name of the recipient and the date of actual delivery, or (iv) given by e-mail or facsimile transmission. Notice given by mail shall be effective three (3) days (exclusive of Saturdays, Sundays and postal holidays) after the same is deposited in the United States Postal Service, properly post-paid and certified and addressed to the party to be notified. Notice given by e-mail or facsimile transmission shall only be deemed received if the transmission thereof is confirmed and such notice is followed by written notice as provided in subparts (i) through (iii) within three (3) business days following the e-mail or facsimile notice. Notice given in any other manner shall be effective only if and when actually delivered to the party to be notified or at such party's address for purposes of notice as set forth herein. A change in the notice address of any party may be effected by serving written notice of such change and of such new address upon the other party in the manner provided herein. Initially, notices shall be addressed to:

If to the City: City of Harker Heights
ATTN.: City Manager
P.O. Box 2518
Harker Heights, TX 76548
dmitchell@harkerheights.gov

If to Builder: Fort Hood Area Habitat for Humanity
ATTN.: Ken Cates
2601 Atkinson Avenue.
Killeen, TX 76543
Email: kcates@fhahfh.org

E. *Law Governing and Venue.* The laws of the State of Texas govern this Agreement without regard to any conflict of laws provision and no lawsuit may be prosecuted on this Agreement except in a court of competent jurisdiction located in Bell County, Texas. The Builder specifically consents to and waives any objections to *in personam* jurisdiction in Bell County, Texas.

F. *Assignment.* The Builder may not assign this Agreement to any other person or entity unless the City consents in writing to the assignment, and any attempted or purported assignment in the absence of such consent shall be void.

G. *Severability.* If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void, but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the parties.

H. *Binding Effect.* This Agreement shall be binding upon, and shall inure to the benefit of, the parties' respective successors and permitted assigns.

I. *Third Party Beneficiaries.* There are no third-party beneficiaries of this Agreement.

J. *Survival.* All provisions of this Agreement (including, without limitation, the sections regarding record retention and audit rights, refund of overpayments, liability and indemnification, and dispute resolution) that by their terms require any performance following termination or expiration of this Agreement shall survive such termination or expiration.

K. *Interpretation.* Each party has carefully read this entire Agreement, understands the meaning and effect of each and every provision contained herein, and acknowledges that it has relied on its own judgment in entering into this Agreement. Each party executes this Agreement only after first having obtained, or having had the opportunity to obtain, competent legal advice. The use of the masculine or neuter genders herein shall include the masculine, feminine and neuter genders. The singular form shall include the plural when the context requires. Headings used throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, restrict, modify, amplify or aid in the interpretation or construction of the meaning of the provisions of this Agreement. The terms "hereof," "hereunder" and "herein" shall refer to this Agreement as a whole, inclusive of all exhibits, except as otherwise expressly provided. This Agreement represents the result of extensive discussion between the parties, and thus should not be construed strictly for or against either party.

L. *Time; Business Days.* Time is of the essence with respect to this Agreement. In the event that any time period expires or any event is to occur pursuant to the terms of this Agreement on a date which is not a business day, then such time period shall expire or such event shall occur on the first business day following such scheduled date.

M. *Entire Agreement; Modification.* This Agreement, including all exhibits, constitutes the sole and entire agreement between the parties relating to the subject matter hereof and supersedes all previous understandings and agreements between the parties (whether oral or

written) relating to its subject matter. The parties have not relied upon any statement, promise or representation except those specifically set forth herein, and any other statements or representations that may have been made are void and of no effect. Each party hereby waives all claims for fraudulent inducement and disclaims any duty of another party to make any disclosures except as set forth herein. This Agreement may be cancelled or amended by mutual consent of the parties, and to be effective an amendment or agreed cancellation must be in writing and signed by each party in a form suitable for recording in the official records of Bell County. The exhibits, attachments and addenda which are a part of this Agreement are:

Exhibit A: Facility Concept Plan

Exhibit B: Property Description

N. *Multiple Counterparts.* To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature or acknowledgment of, or on behalf of, each party, or that the signature of all persons required to bind any party, or the acknowledgment of such party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, and the respective acknowledgments of, each of the parties hereto. Any signature or acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures or acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature or acknowledgment pages.

CITY OF HARKER HEIGHTS

Fort Hood Area Habitat for Humanity

By: _____

David Mitchell, City Manager

By: _____

Title: _____

Date: _____

Date: _____

ATTEST:

Julie Helsham, City Secretary

Attach Exhibits:

Exhibit A: Facility Concept Plan
Exhibit B: Property Description

ROUGH DRAFT OF SKYVIEW



Shown are 19 homes with a single road & cul-de-sac. On the east end of the road there is a small playground for the community. Actual neighborhood will be based on a site visit. Main road of entrance will connect to Northside Drive in from the south.

Exhibit B

Per the Warranty Deed in which the property was obtained by the City, filed on 03/21/2003 in Book 4650, Page 265:

All that certain lot, tract or parcel of land described as being situated in Bell County, Texas, and being out of and a part of the V. L. EVANS Survey, Abstract #288, said tract being a part of that certain tract described as 50.0 acres in a deed from IRA J. ADAMS to HARLEY KERN; said deed being of record in Volume 618, page 683, Deed Records of Bell County, Texas, and more fully described as follows:

BEGINNING at the SW corner of a 4.88 acre tract in the name of G. A. COCKRELL, an iron pipe for the NW corner of this,

THENCE S 73 deg. 26' E, 497.6' with the south line of the said 4.88 acre tract, an iron stake for the Northerly NE corner of this;

THENCE S 16 deg. 34' W, 49.9' to an iron stake for a corner of this;

THENCE S 70 deg. 36' E, 86.4' an iron stake for the most easterly NE corner of this, said stake being in the West line of Kern Terrace Addn;

THENCE S 19 deg. 24' W, 178.6' to an iron stake set for the NE corner of Kern Terrace Addn. Ext. #3 for the SE corner of this;

THENCE N 70 deg. 36' W, 590.0' with the North line of the said Kern Terrace Addn. Ext. #3, to an iron stake set for the NW corner of said Kern Terrace Addn. Ext. #3, and the SW corner of this;

THENCE N 19 deg. E, 195.0' to the place of beginning. Containing 2.80 acres more or less.

AGENDA ITEM # IX-3

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING A RESOLUTION OF THE CITY OF HARKER HEIGHTS, TEXAS, SUPPORTING THE FORT HOOD AREA HABITAT FOR HUMANITY BY AUTHORIZING INCENTIVES TO WAIVE CERTAIN FEES AND GRANT A PIECE OF CITY OWNED PROPERTY FOR THE DEVELOPMENT OF A MINIMUM OF TEN (10) AFFORDABLE SINGLE-FAMILY HOMES IN HARKER HEIGHTS, BELL COUNTY, TEXAS, AND TAKE THE APPROPRIATE ACTION.

BACKGROUND:

The Resolution of support to the Fort Hood Area Habitat for Humanity represents the 380 Agreement between the City and the Builder. Having this support will help the Builder qualify for grants and other available programs to make this project successful.

As a part of the agreement, the City will grant a piece of City owned property to the Fort Hood Area Habitat for Humanity for the construction of the project and will waive all platting, permitting, and water/wastewater tap fees associated with this development.

The Fort Hood Area Habitat for Humanity will develop a minimum of ten (10) affordable single-family homes within five years. The Development is expected to add at least \$1,500,000 in appraised value to the City's tax rolls, thereby providing additional revenue for the City to fund critical public services. The presence of the Development in the City will make the City more attractive to families and businesses, thereby promoting additional residential and commercial growth.

RECOMMENDATION:

Staff recommends approval.

ACTION BY THE CITY COUNCIL:

1. Motion to APPROVE/DENY a Resolution of the City of Harker Heights, Texas, supporting the Fort Hood Area Habitat for Humanity by authorizing incentives for the development of a minimum of ten (10) single-family homes in Harker Heights, Bell County, Texas.
2. Any other action desired.

ATTACHMENTS:

1. Resolution

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY OF HARKER HEIGHTS, TEXAS, SUPPORTING A FORT HOOD AREA HABITAT FOR HUMANITY PROJECT IN HARKER HEIGHTS, BELL COUNTY, TEXAS.

WHEREAS, Fort Hood Area Habitat for Humanity has proposed a development of affordable, owner-occupied, residential housing to be located on a property owned by the City and identified as A0288BC V L Evans, Unit 11-Brad Mor Apts, Acres 2.8 ("property"); and

WHEREAS, Fort Hood Area Habitat for Humanity desires to develop a project to provide affordable, residential, owner-occupied housing on the property; and

WHEREAS, this development will be the first of its type done by the Fort Hood Area Habitat for Humanity in the City of Harker Heights; and

WHEREAS, the City desires to expand its housing base to include more affordable, owner-occupied, residential dwellings to support the housing needs of the entire workforce in the City, thus benefitting the economic wellbeing of the City and its citizens; and

WHEREAS, the City has entered into an Economic Development Incentive Agreement to deed 2.8 acres of City owned property to Fort Hood Area Habitat for Humanity and waive all permitting and tap fees.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Harker Heights, Texas, that the City hereby passes this resolution of support for the project proposed by Fort Hood Habitat for Humanity within the City limits of the City of Harker Heights.

PASSED AND APPROVED THIS 28th DAY OF JULY, 2020, AT WHICH MEETING A QUORUM WAS PRESENT AND HELD IN STRICT ACCORDANCE WITH THE PROVISIONS OF TEXAS GOVERNMENT CODE, CHAPTER 557.

Spencer H. Smith, Mayor

Attest:

Julie Helsham, City Secretary



CITY COUNCIL MEMORANDUM

AGENDA ITEM # IX-4

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING A RESOLUTION OF THE CITY OF HARKER HEIGHTS, TEXAS, GRANTING A VOLUNTARY PETITION TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HARKER HEIGHTS, BELL COUNTY, TEXAS, TO INCLUDE APPROXIMATELY 2,650 LINEAR FEET OF WARRIORS PATH, INCLUDING THE STREET AND RIGHT OF WAY, SUCH LAND LYING CONTIGUOUS AND ADJACENT TO THE PRESENT CITY LIMITS, AND TAKE THE APPROPRIATE ACTION.

EXPLANATION:

During discussions with Killeen Independent School District (KISD), the City of Nolanville, and Bell County regarding the construction of KISD Middle School #14, the need to upgrade or install necessary infrastructure such as water, sewer, and streets was discussed. During those discussions, it was determined that the City of Harker Heights would annex Warriors Path following its planned upgrade and expansion.

At this time, the City has received a petition from Bell County Judge, David Blackburn, to annex the expanded portion of Warriors Path, which has been completed and accepted by the Public Works Department. This annexation would encompass approximately 2,650 linear feet of Warriors Path, including the Right of Way in front of the new middle school.

Per Section 2.04 of the City Charter and Texas Local Government Code Section 43.1055, the City Council may annex a road upon petition of the owner, in this case, Bell County. The first step in the annexation process would require the City Council to assess the petition in a public meeting, and if granted, would then order city staff to initiate the annexation proceedings, including the creation of an annexation service plan.

RECOMMENDATION:

Staff recommends approval of a resolution of the City of Harker Heights, Texas, granting a voluntary petition to extend the corporate limits of the City of Harker Heights, Bell County, Texas to include approximately 2,650 linear feet of Warriors Path, including the street and right of way, such land lying contiguous and adjacent to the present city limits.

ACTION BY THE CITY COUNCIL:

1. Motion to APPROVE/DENY a resolution of the City of Harker Heights, Texas, granting a voluntary petition to extend the corporate limits of the City of Harker Heights, Bell County, Texas to include approximately 2,650 linear feet of Warriors Path, including the street and right of way, such land lying contiguous and adjacent to the present city limits.
2. Any other action desired.

ATTACHMENTS:

1. Petition Letter from Bell County Judge
2. Resolution
3. Exhibit A – Warriors Path Annexation Boundary Map



Office
of the
County Judge

Received
JUL 17 2020
Public Works

July 13, 2020


Mark Hyde
Public Works Director
City of Harker Heights
305 Miller's Crossing
Harker Heights, TX 76548

Re: Annexation Request for Warrior's Path Rd

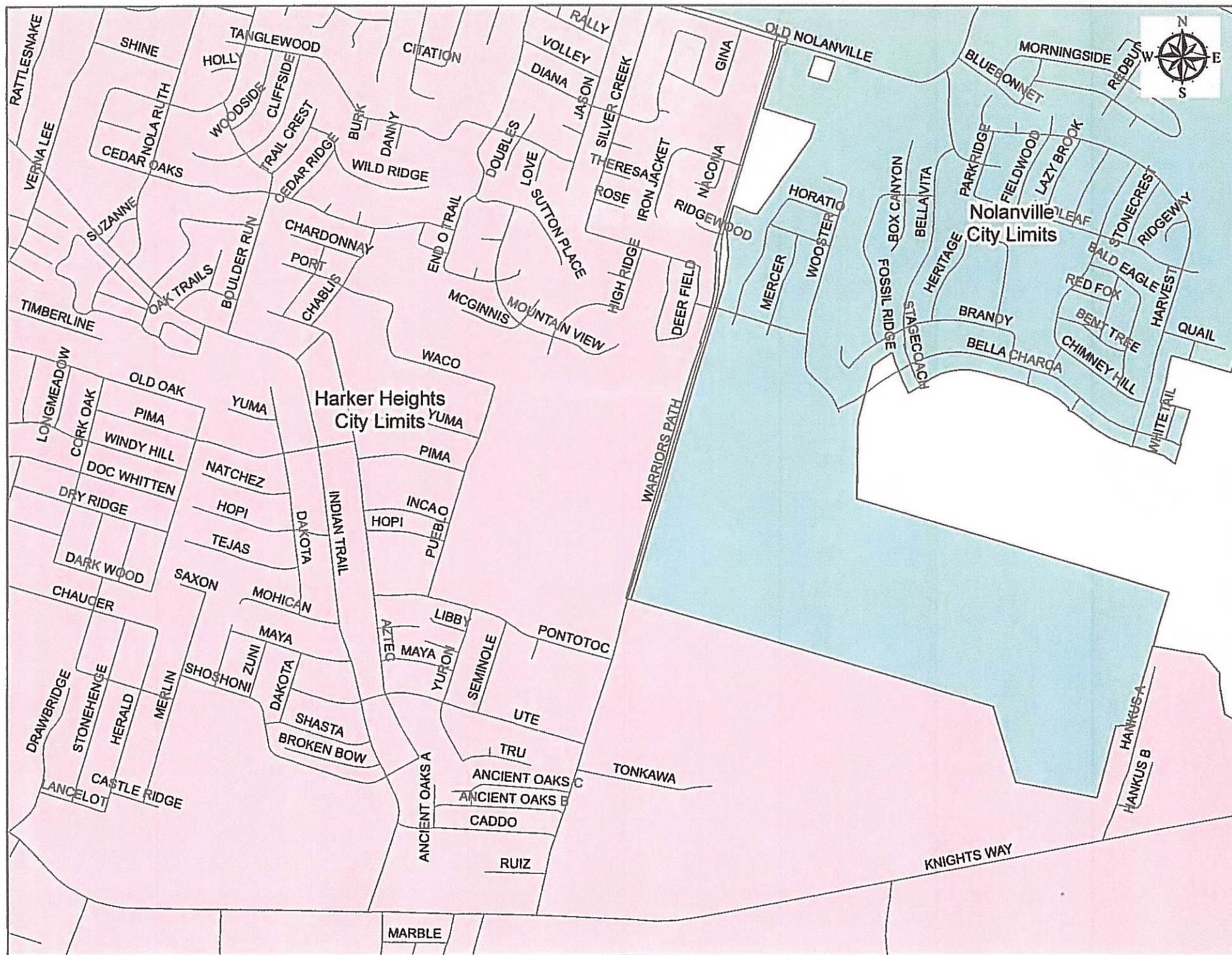
Dear Sir,

Warrior's Path Rd is located on the eastern boundary of the City of Harker Heights, Texas. It currently is in the County and maintained by the Bell County Road and Bridge Department. Bell County requests the City of Harker Heights to annex this portion of the county road and right of way.

Sincerely,



David Blackburn
Bell County Judge



RESOLUTION NO. _____

A RESOLUTION GRANTING A VOLUNTARY PETITION TO EXTEND THE CORPORATE LIMITS OF THE CITY OF HARKER HEIGHTS, BELL COUNTY, TEXAS TO INCLUDE APPROXIMATELY 2,650 LINEAR FEET OF WARRIORS PATH, INCLUDING THE STREET AND RIGHT OF WAY, SUCH LAND LYING CONTIGUOUS AND ADJACENT TO THE PRESENT CITY LIMITS.

WHEREAS, on July 31, 2020, Bell County Judge, David Blackburn, filed a voluntary petition ("Petition") for the City of Harker Heights, Bell County, Texas, to annex approximately 2,650 linear feet of land ("Property"), consisting of Warriors Path and its Right of Way ("ROW") more particularly depicted in Exhibit A, which is attached hereto and incorporated by reference for all relevant purposes as if set forth at length herein; and

WHEREAS, pursuant to Section 2.04 of the City Charter and Texas Local Government Code Section 43.1055, the City Council shall hear the Petition and the arguments for and against the annexation, and shall grant or refuse the Petition as the City Council considers appropriate; and

WHEREAS, City staff has evaluated the Petition for compliance with law, has considered the existence of special districts and desirability of annexation, and has recommended that the Petition be granted; and

WHEREAS, the City Council finds that the Property is (1) one-half mile or less in width; (2) contiguous to (abutting or touching) the existing city limits of the City of Harker Heights; and (3) vacant and without residents, or that fewer than three qualified voters reside thereon; and

WHEREAS, the City Council, having heard the Petition and the arguments for and against the annexation, finds that the Petition should be granted;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARKER HEIGHTS:

1. The Petition be and is hereby GRANTED.
2. The City staff shall proceed forthwith to prepare a service plan for the Property, and to schedule public hearings as required by law, and to take such other action as may be necessary or appropriate to enable the City Council to annex the Property in full compliance with applicable law.
3. This Resolution shall be effective immediately upon its passage.

RESOLVED by the City Council of the City of Harker Heights on July 28, 2020, at a meeting which the City Council finds to have been held in strict accordance with the requirements of the Texas Open Meetings Act.

Spencer H. Smith, Mayor

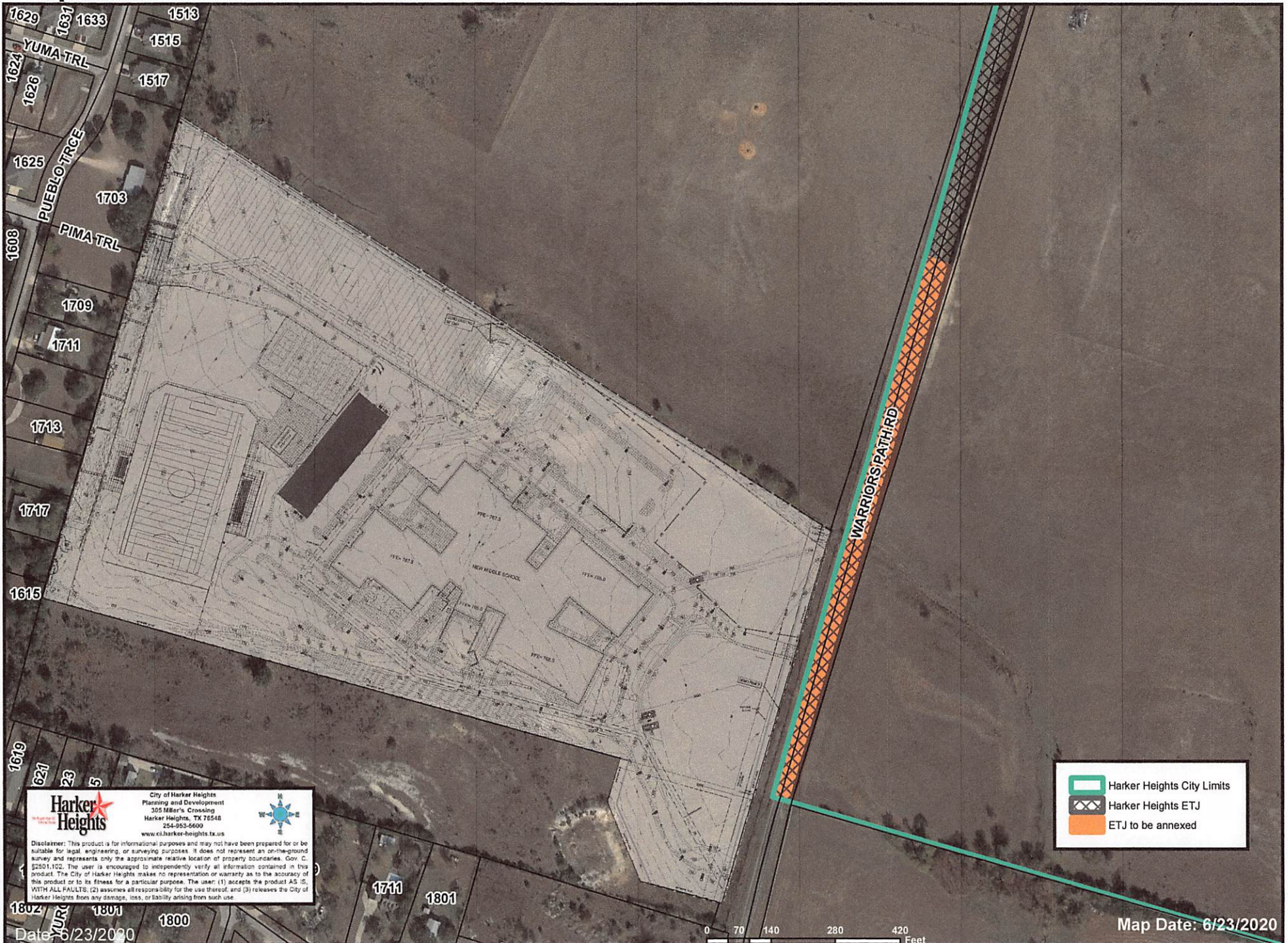
ATTEST:

Juliette Helsham, City Secretary

Proposed Annexation on Warriors Path

EXHIBIT A

Location Map





COUNCIL MEMORANDUM

AGENDA ITEM # IX-5

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

DISCUSS AND CONSIDER APPROVING A RESOLUTION ADOPTING THE INVESTMENT POLICY OF THE CITY OF HARKER HEIGHTS, TEXAS; AUTHORIZING THE CITY'S INVESTMENT BROKER/DEALER LIST; AND APPROVING A LIST OF INVESTMENT TRAINING SPONSORS AND TAKE THE APPROPRIATE ACTION.

EXPLANATION:

The Public Funds Investment Act ("PFIA"), Section 2256.005 of the Texas Government Code, requires the City to review and adopt its Investment Policy on an annual basis. The following changes have been made to the investment policy:

Page #	Change
1	Removed "Employee Benefits Fund" from the list of fund types that shall be administered in accordance with the provisions of the policies. The Employee Benefits Fund is not a defined Fund in the City's Comprehensive Annual Financial Report ("CAFR") nor is it included in the investment report.
1	Added a paragraph regarding financial assets of the City that are not defined in the City's CAFR and listed the Employee Benefits Fund here.

Section 2256.025 of the PFIA requires an entity to review, revise, and adopt a list of qualified brokers annually. During last year's request for Investment Policy Certification Forms, VeraBank did not return a form. Therefore, the City did not do any business with them for the past year and they have been removed from the list of qualified bankers this year.

PFIA Section 2256.008 requires that all investment officers attend investment training from an independent source approved by the City Council. This section of the Resolution officially approves the sources of investment training for the City's Investment Officers. There are no changes to the list of training sponsors at this time.

RECOMMENDATION:

Staff recommends approving the Resolution.

ACTION BY COUNCIL:

1. Motion to Approve/Disapprove a Resolution adopting the Investment Policy of the City of Harker Heights, Texas; authorizing the City's Investment Broker/Dealer List; and approving a list of investment training sponsors.
2. Any other action desired.

ATTACHMENTS:

1. Resolution.
2. Revised Investment Policy.

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE INVESTMENT POLICY OF THE CITY OF HARKER HEIGHTS, TEXAS; AUTHORIZING THE CITY'S INVESTMENT BROKER/DEALER LIST; AND APPROVING A LIST OF INVESTMENT TRAINING SPONSORS

WHEREAS, the Public Funds Investment Act, Section 2256.005 of the Texas Government Code, requires that the City of Harker Heights, Texas adopt an investment policy and review it annually; and

WHEREAS, the attached investment policy and incorporated revisions comply with the Public Funds Investment Act and authorize the investment of the City of Harker Heights' funds in safe and prudent investments; and

WHEREAS, the Public Funds Investment Act, Section 2256.025 of the Texas Government Code, requires that the City Council review, revise, and adopt a list of qualified broker/dealers annually; and

WHEREAS, the following firms are registered with the Securities and Exchange Commission and with the State of Texas and their qualifications have been reviewed:

Stifel Nicolaus – Michael Bell
TexSTAR – Investment Pool
LoneStar – Investment Pool
Texas Class – Investment Pool; and

WHEREAS, the following banks are listed as qualified broker/dealers in order to invest funds with them:

Bancorp South – Randy Sutton
First National Bank Texas – Nancy Mullins
BBVA – Tyler Johnson; and

WHEREAS, the Public Funds Investment Act, Section 2256.008 of the Texas Government Code, requires that all investment officers of the City of Harker Heights attend investment training from an independent source approved by the City Council; and

WHEREAS, the City Council approves of the investment training courses sponsored by:

University of North Texas Center for Public Management
Texas Municipal League
Government Finance Officer's Association
Government Treasurer's Organization of Texas.

THEREFORE, BE IT RESOLVED by the City Council of the City of Harker Heights, Texas that:

1. The City of Harker Heights has complied with the requirements of the Public Funds Investment Act and that the investment policy, as attached, has been reviewed and is hereby adopted as the investment policy of the City of Harker Heights.
2. The above list of qualified broker/dealers is approved for investment transactions with the City of Harker Heights.
3. The above list of investment training sponsors is approved for training of the City of Harker Heights' investment officers.

PRESENTED AND PASSED on this 28th day of July, 2020 by a vote of _____ ayes and _____ nays at a regular meeting of the City Council of the City of Harker Heights, Texas at which meeting a quorum was present, held in accordance with the provisions of Texas Government Code, Chapter 551.

Spencer H. Smith, Mayor
City of Harker Heights

ATTEST:

Juliette Helsham, City Secretary
City of Harker Heights

CITY OF HARKER HEIGHTS

INVESTMENT POLICY

I. POLICY STATEMENT

It is the policy of the City of Harker Heights ("City") that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable State and City statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act of Texas Government Code Chapter 2256. The earnings from investments will be used in a manner that best serves the public trust and interests of the City.

II. SCOPE

This investment policy applies to the investment activities of the City of Harker Heights and serves to satisfy the statutory requirements of the Public Funds Investment Act of Texas Government Code Chapter 2256. All financial assets of the City to include the following fund types, which are defined in the City's Comprehensive Annual Financial Report ("CAFR"), shall be administered in accordance with the provisions of the policies:

- General Fund
- Debt Service Fund
- Capital Projects Fund
- Enterprise Funds
- Fixed Asset Fund
- Hotel/Motel Fund
- Restricted Courts Fund
- ~~Employee Benefits Fund~~

All financial assets of the City to include the following fund types, which are not defined in the City's Comprehensive Annual Financial Report ("CAFR"), shall be administered in accordance with the provision of the policies:

- Employee Benefits Fund

Any new funds created by the City unless specifically exempted by the City Council shall also be administered in accordance with the provisions of these policies. The investment policy does not apply to the following funds, which are separately administered:

- Texas Municipal Retirement Fund
- Deferred Compensation Fund

III. INVESTMENT OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be managed and invested using the following priorities with a primary emphasis on safety of principal, liquidity and yield:

Suitability

An understanding of the suitability of the investment to the financial requirements of the City is important. Any investment eligible in the investment policy is suitable for all City funds.

Safety of Principal

Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition.

Liquidity

The City's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. Portfolio maturities will be structured to meet the obligations of the City first, and then to achieve the highest return of interest consistent with the objectives of this policy.

Marketability

Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security type of less than a quarter of a percentage point shall define an efficient secondary market.

Diversification

Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase. The suitability of each investment decision will be made on the basis of these objectives.

Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. "Market rate of return" shall be defined as the average yield of the current three-month U.S. Treasury Bill. (A treasury bill is a non-interest bearing security issued by the U.S. Treasury to finance the national debt.)

Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officials shall avoid any transaction which might impair public confidence in the City's ability to govern effectively.

IV. INVESTMENT STRATEGY BY FUND GROUPS

In order to better diversify, maximize interest earnings and otherwise meet stated objectives, fund groups may be combined into one or more internal investment pools. Although fund monies may be combined into a single asset portfolio, proportional fund ownership will be accounted for separately. The city maintains separate portfolios for some individual funds or groups of funds that are managed in accordance with the terms of this policy and by the investment strategies listed below:

- A. General Operating Funds. This pooled investment group includes the general fund, debt service fund, and enterprise funds. The primary investment strategy for operating funds is to assure that anticipated cash flows are matched with adequate investment liquidity. The maximum maturity of an individual investment shall not exceed two years.
- B. Capital Project Funds. These funds primary revenue source is bond proceeds and are subject to arbitrage yield limitations. The primary investment strategy is to assure that anticipated cash flows are matched with adequate investment liquidity. The maximum maturity of an individual investment shall not exceed two years.
- C. Debt Service Sinking Funds. The primary investment strategy for debt service sinking funds is to match investment maturities with debt service payment requirements. The maximum maturity of an individual investment shall not exceed two years.

V. RESPONSIBILITY AND CONTROL

Delegation

The City Manager, Finance Director and Assistant Finance Director are designated as Investment Officers of the City and are responsible for investment management decisions and activities that are consistent with this investment policy and the Public Funds Investment Act. The Finance Director may delegate duties to additional staff as necessary. The authority to invest the City's funds is effective until rescinded or until the termination of employment.

Management and Internal Control

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a substitute in the event circumstances require timely action and the Investment Officer is not available.

The Investment Officer shall be responsible for monitoring market prices and rating changes in investments. This will be done through monthly statements/reports, newsletters, financial advisors, and/or investment managers. Once received, applicable information will be input into the investment software for tracking purposes.

Training

The Investment Officer and any designee(s) must attend at least one initial investment related training session containing at least ten (10) hours of instruction within twelve (12) months of assuming their duties. As a part of their ongoing training, they also must attend an investment related training session not less than once in a two-year period beginning October 1 (two fiscal year periods) and receive not less than eight (8) hours of instruction. The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act. The training must be provided by an independent source approved by the City Council on an annual basis by resolution.

Transaction Authority

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the City Council. The persons holding these positions are also designated as authorized to transact wire transfers, buy/sell, and trade investments in accordance with the goals and objectives of the City's investment strategy.

Cash Flow Forecasting

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

Prudence

In accordance with the Public Funds Investment Act, the investments shall be made with the exercise of due care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their own capital as well as the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal, liquidity, and yield. The Investment Officer and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accordance with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk, market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

VI. ETHICS AND CONFLICTS OF INTEREST**Conflicts of Interest**

Investment 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 their ability to make impartial investment decisions.

Disclosure

Investment Officers who have a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. A personal business relationship exists if the investment officer:

- Owns 10% or more of the voting stock/shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- Receives funds exceeding 10% of the investment officer's gross income for the previous year; or
- Acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. The statements must be filed with the Texas Ethics Commission and the City of Harker Heights' City Council.

VII. INTERNAL CONTROLS

The Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. 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. Accordingly, the Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

VIII. AUTHORIZED AND PROHIBITED INVESTMENTS**Authorized Investments**

Acceptable investments under this policy shall be limited to the instruments listed below. The investments are to be chosen in a manner which promotes diversity of market sector and maturity. Financial assets of the City of Harker Heights may be invested only in the following:

1. A certificate of deposit or share certificate if the certificate is issued by a depository institution that has its main office or a branch office in the State of Texas and is:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. Secured by obligation that are described in 5-9 below, including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates but excluding those mortgage backed securities listed under "Prohibited Investments" in this section;
 - c. Secured in any other manner and amount provided by law for deposits of the investing entity.

2. In addition to the authority to invest funds in certificates of deposit as described in (1) above, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment:
 - a. The funds are invested by an investing entity through
 - i. a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City Council; or
 - ii. a depository institution that has its main office or a branch office in the State of Texas and that is selected by the City Council
 - b. The broker or depository institution selected by the City Council arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City (i.e. the CDARS Program);
 - c. The full amount of the principal and accrued interest of each certificate of deposit is insured by the United States or an instrumentality of the United States; and
 - d. The City Council appoints its depository institution or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.
3. Obligations, including letters of credit, of the United States or its agencies and instrumentalities including the Federal Home Loan Banks.
4. Direct obligations of the State of Texas or its agencies and instrumentalities.
5. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
6. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States.
7. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.
8. Interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor or the National Credit Union Share Insurance Fund or its successor.
9. Interest-bearing banking deposits other than those described in number 3 if:
 - a. The funds invested are invested through
 - i. a broker that has its main office or a branch office in the State of Texas and is selected from a list adopted by the City Council; or
 - ii. a depository institution that has its main office or a branch office in the State of Texas and that is selected by the City Council
 - b. The broker or depository institution arranges for the deposit of funds in one or more federally insured depository institution regardless of location

- c. The full amount of principal and accrued interest of the deposit is insured by the United States or an instrumentality of the United States; and
 - d. The custodian of the deposits is the same as described in (a) above, an entity as described in Section 2257.041(d) of the Local Government Code, or a clearing broker dealer.
10. Investment pools authorized by resolution by the City Council. Investment pools shall invest the funds it receives from the City in authorized investments permitted by the Public Funds Investment Act Section 2256.016. Investment pool eligibility is discussed in the Public Funds Investment Act Section 2256.016 and 2256.019 and includes a requirement to be continuously rated no lower than “AAA” or “AAA-m” or an equivalent rating by at least one nationally recognized rating service.

Any investment made above shall meet all of the following criteria:

- Interest rate must be fixed
- It must be a direct investment – not a fund managed by others
- It cannot be a principal or interest only strip

Callable provisions are allowed with the following criteria:

- Only one time calls
- Must have frequencies of three months or longer
- Cannot buy callables at a dollar price above Par (100)
- Maximum ownership 25% of portfolio
- Will not use call date as a maturity date

Any investments made above are required to receive a minimum of three rate quotes from brokers/dealers.

Any exceptions to the above allowed investments and maturity horizons must be approved in advance by the City Council and then shall be approved only if there are clear and compelling reasons to make the exception.

All security transactions entered into by the City shall be conducted on a delivery versus payment basis.

Prohibited Investments

The investment officer has no authority to use any of the following investment instruments which are strictly prohibited:

1. Repurchase agreements,
2. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal,
3. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest,

4. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years,
5. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index, and
6. Any other investment instrument that is not specifically listed as an authorized investment above.

IX. SELECTION OF BANKS AND DEALERS

Depository

The City will designate one banking institution through a competitive process as its central banking service provider at least every three years. This institution will be used for normal banking services including disbursements, deposits, lockbox, controlled disbursement and/or safekeeping of securities. Other banking institutions from which the City may deposit funds or purchase certificates of deposit will also be designated after they have followed the procedures listed below under "Authorized Broker/Dealers and Qualified Bidders".

Authorized Broker/Dealers and Qualified Bidders

The Investment Officer will maintain a list of approved financial institutions and securities broker/dealers who are authorized to provide investment services in the State of Texas. These may include primary dealers or regional dealers that qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and qualified depositories as established by Texas Local Government Code Chapter 105.

Every financial institution and broker/dealer with whom the City transacts business will be provided a copy of this Investment Policy to ensure that they are familiar with the goals and objectives of the investment program. The financial institution or broker/dealer will be required to return a signed copy of the Certification Form certifying that the policy has been received and reviewed (Exhibit A). A recommendation for addition to the list of qualified bidders will be submitted to the City Manager and City Council for approval. A list of broker/dealers will be taken to the City Council to be approved by resolution annually.

X. BID SOLICITATION METHODS

In order to ensure the best rates are being received, the Investment Officer will on occasion request bids/quotes from authorized broker/dealers for investments. These can be oral, in writing, via e-mail, or any combination thereof.

XI. DIVERSIFICATION AND MATURITY LIMITATIONS

It is the policy of the City to diversify its investment portfolio. The Investment Officer shall be required to diversify maturities, types of investment instruments, and broker/dealers. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 20% of the portfolio for a period greater than

one (1) year. Unless matched to a specific requirement and proper approval received in advance from the City Council, the investment officer may not invest any portion of the portfolio for a period greater than two (2) years. The investment officer may not invest more than 50% of the portfolio in any one agency.

XII. SAFEKEEPING AND CUSTODY

The laws of the State of Texas and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either an independent third party financial institution, the City's designated depository or designated agent.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third party custodian and designated agents shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is insured and registered in the City's name.

XIII. COLLATERALIZATION

Collateralization will be required on all deposits and certificates of deposit. The collateralization level shall be equal to at least one hundred and two percent (102%) of the aggregate market value of the deposit or investment including accrued interest less an amount insured by the Federal Deposit Insurance Corporation ("FDIC"). Evidence of the pledged collateral shall be documented by a tri-party custodial agreement with the collateral pledged clearly listed in the agreement. All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third party bank, a Federal Reserve Bank or a branch of a Federal Reserve Bank. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged. An authorized City Official must approve release and/or substitution of collateral before such action is taken. Collateral shall be reviewed monthly to assure that the market value of the securities pledged equals or exceeds the related deposit or investment balance. Collateral requirements shall be in accordance with Chapter 2256 and 2257 of the Texas Government Code. The City of Harker Heights shall accept only the following securities as collateral for cash deposits and certificates of deposit:

1. FDIC and its successor's insurance coverage.
2. Obligations of the U.S., its agencies and instrumentalities including agency and instrumentality issued mortgage-backed collateral.
3. Other obligations, the principal of and interest on, which are unconditionally guaranteed or insured by the State of Texas, the U.S. government or its agencies and instrumentalities.
4. Obligations of states, agencies thereof, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of no less than "A" or its equivalent with a remaining maturity of ten (10) years or less.

XIV. PERFORMANCE EVALUATION AND REPORTING

Quarterly Reports

In accordance with the Public Funds Investment Act, not less than quarterly the Investment Officer shall prepare and submit to the City Council a written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period. The quarterly investment report must:

1. describe in detail the investment position of the City on the date of the report;
2. be prepared jointly by all investment officers of the City;
3. be signed by each investment officer of the City;
4. contain a summary statement of each pooled fund group prepared in accordance with generally accepted account principles that states the:
 - a) beginning market value for the reporting period,
 - b) additions and changes to the market value during the period,
 - c) ending market value for the period, and
 - d) fully accrued interest for the reporting period;
5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; market value shall be determined by reference to published prices in the Wall Street Journal or by reference to other commonly recognized source of market information;
6. state the maturity date of each separately invested asset that has a maturity date;
7. state the account or fund in the City for which each individual investment was acquired;
8. state the compliance of the investment portfolio of the City as it relates to:
 - a) the investment strategy expressed in the City's investment policy, and
 - b) relevant provisions of the Public Funds Investment Act;
9. state the total rate of return on the investment portfolio, and
10. be reviewed by the City's independent auditors as part of the City's annual audit and the result of this review shall be reported to the City Council.

Audits

A compliance audit will be performed in conjunction with the City's annual financial audit. A compliance audit focuses on management controls and adherence to the existing investment policy. Any purchase investments outside of the investment pool that are not money market funds or certificates of deposits will be reviewed annually by an independent auditor. The result of this review by the independent auditor must be submitted to the governing body in conjunction with the City's annual audit.

XV. INVESTMENT POLICY ADOPTION BY CITY COUNCIL

The City's investment policy shall be adopted by the City Council. This policy shall be reviewed and adopted on an annual basis by the City Council.

XVI. GLOSSARY

A glossary of financial terms referenced herein is appended to this policy. (Appendix A).

PASSED AND APPROVED at a regular meeting of the City Council of the City of Harker Heights, Texas, this 28th day of July, 2020 at which meeting a quorum was present.

Spencer H. Smith, Mayor
City of Harker Heights

Attest:

Juliette Helsham, City Secretary
City of Harker Heights

Appendix A

GLOSSARY

AGENCIES: Federal agency securities.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATIONS (CMO): A type of bond secured on mortgages where the mortgage repayments are used to pay interest on the bonds.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Harker Heights. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at a maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FARM CREDIT BANK (FFCB): Government sponsored banks that are part

of the Farm Credit System which is a cooperatively owned nationwide system of banks and associations that provide services to farmers, ranchers or producers.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLB's is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks.

GENERAL ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards for financial accounting and

recording encompassing the conventions, rules, and procedures that define accepted accounting principles.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) - registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the Custody State--the so-called legal list. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

RATINGS: Credit ratings are opinions about credit risk. The City of Harker Heights uses

Standard and Poor's for its credit ratings. Following is the scale used for municipalities:

- AAA – extremely strong capacity to meet financial commitments
- AA* – very strong capacity to meet financial commitments
- A* – strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances
- BBB* – adequate capacity to meet financial commitments, but more subject to adverse economic conditions
- BB* – less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions
- B* – more vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments
- CCC* – currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments
- CC – highly vulnerable; default has not yet occurred, but is expected to be a virtual certainty
- C – currently highly vulnerable to non-payment, and ultimate recovery is expected to be lower than that of higher rated obligations
- D – payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed or similar action taken

*may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

Following is the scale for Principal Stability funds also known as “money market fund ratings” commonly used for investment pools:

- AAAm – extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk
- AAm* – very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk; differs from AAAm only to a small degree
- Am* – strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories
- BBBm* – adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk; adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability
- BBm* – speculative characteristics and uncertain capacity to maintain principal stability; vulnerable to principal losses due to credit risk
- Dm – fails to maintain principal stability resulting in a realized or unrealized loss of principal

*may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

REGIONAL DEALERS: (See primary dealers) A group of brokers that have the ability to buy and sell from various investment houses.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby

securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See Uniform Net Capital Rule.

TENNESSEE VALLEY AUTHORITY (TVA): A wholly owned agency of the United States established in 1933 to provide electric power in a region that includes seven southeastern states. Of the six U.S. agencies that issue their own debt, TVA is the only one directly owned by the federal government.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a

maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment expressed as a percentage.

(a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**CITY OF HARKER HEIGHTS (the "City")
INVESTMENT POLICY CERTIFICATION FORM
as required by Texas Government Code Section 2256.005(k-l)**

This certification form is executed pursuant to Texas Government Code Chapter 2256, Public Funds Investment Act. The undersigned Qualified Representative certifies that:

1. The Qualified Representative is duly authorized to execute this Certification Form on behalf of the Company named below, and
2. The Qualified Representative has received and reviewed the City of Harker Heights' Investment Policy, and
3. The Company has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between it 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 or requires and interpretation of subjective investment standards.

Signature of Qualified Representative

Company Name: _____

Printed Name: _____

Title: _____

Date: _____



COUNCIL MEMORANDUM

AGENDA ITEM # XII-1

FROM: THE OFFICE OF THE CITY MANAGER

DATE: JULY 28, 2020

RECEIVE AND DISCUSS THE FISCAL YEAR 2019 – 2020 THIRD QUARTER INVESTMENT REPORT.

EXPLANATION:

The Assistant Finance Director will discuss the attached investment report for the third quarter of fiscal year 2020.

Investments as of June 30, 2020, total \$28,797,513.92 which was \$3,046,566.25 less than the \$31,844,080.17 invested as of March 31, 2020. This was also \$3,584,924.71 less than the \$32,382,438.63 invested as of June 30, 2019. The following chart shows the breakdown of investments by fund:

Description	31-Mar-20	30-Jun-20	Incr (Decr)
01 General Fund	15,984,439.31	14,096,446.09	(1,887,993.22)
02 Utility Fund	2,606,365.92	2,943,761.03	337,395.11
03 Drainage Fund	165,565.75	364,176.80	198,611.05
04 Sanitation Fund	249,452.11	269,006.82	19,554.71
05 Capital Improvement Fund	9,995,413.38	8,335,650.89	(1,659,762.49)
06 Debt Service Fund	2,323,594.39	2,215,811.27	(107,783.12)
11 Hotel / Motel Fund	314,867.20	330,449.15	15,581.95
12 Restricted Court Fund	204,382.11	242,211.87	37,829.76
Total / Average	31,844,080.17	28,797,513.92	(3,046,566.25)

The decrease in the General Fund can be attributed to routine operating expenses. The decrease in the Capital Improvement Fund is due to payments made for current capital improvement projects including the Warrior's Path Reconstruction and the Fire Station #2 Renovation. The closing of the 2020 Refunding Bond in May is the primary reason for the decrease in the Debt Service Fund with \$95,000 in escrow fees paid from this fund.

The Portfolio Holdings Distribution by Maturity Range graph (page 6) shows that most of the current investments (49.97%) mature within one month of June 30, 2020. Within this category are the checking accounts, pool accounts, and two Certificates of Deposit which matured on July 14th and July 17th. There are currently three Certificates of Deposit, with rates that average 1.524%, that will mature in one to two years from June 30, 2020. As a comparison, the Treasury Bill rates for a one-year investment at the end of June was 0.18% and for a two-year investment was 0.19%.

ATTACHMENTS:

1. City of Harker Heights Investment Report for June 30, 2020

City of Harker Heights
Portfolio Management - Portfolio Summary
As of 6/30/2020

Description	Yield	Face Amount/Shares	Cost Value	Market Value	Days To Maturity	% of Portfolio
CDARS Program	1.846	5,411,358.05	5,411,358.05	5,411,358.05	217	18.79
Certificate of Deposit	1.893	9,466,763.65	9,466,763.65	9,489,103.58	147	32.95
Checking Accounts	1.491	4,799,542.09	4,799,542.09	4,799,542.09	1	16.67
Pool Accounts	0.512	9,097,510.20	9,097,510.20	9,097,510.20	1	31.59
Total / Average	1.380	28,775,173.99	28,775,173.99	28,797,513.92	89	100.00

Interest Income Earned Through June 30, 2020: \$396,680.85
Average Daily Balance Through June 30, 2020: \$30,286,710.47

This quarterly investment report has been prepared in full compliance with the City of Harker Heights' Investment Policy and the Public Funds Investment Act (Texas Government Code, Chapter 2256.023).


Ayesha Lealiie, Assistant Finance Director

7/22/2020


David R. Mitchell, City Manager

7/23/2020

City of Harker Heights

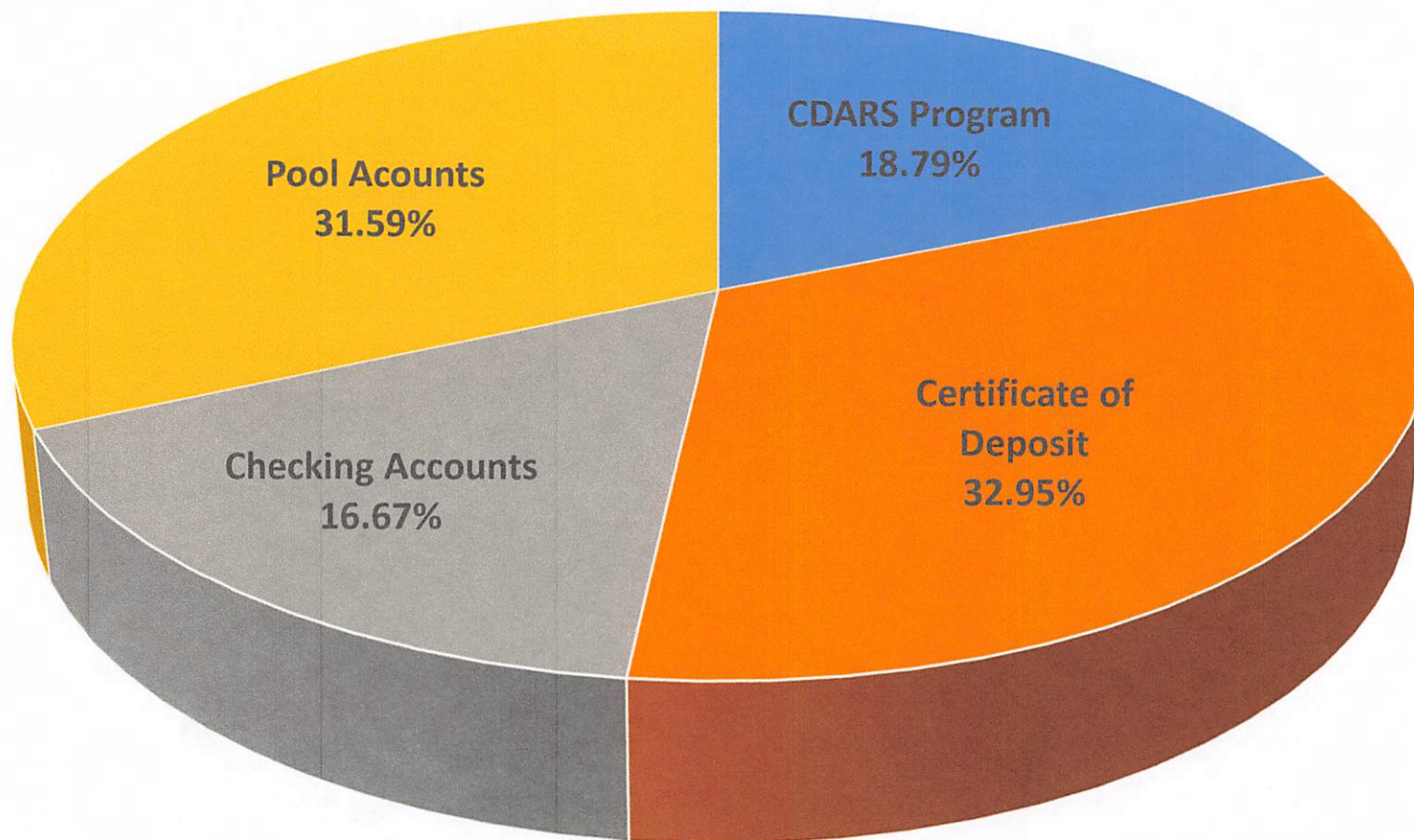
Quarterly Investment Report - Portfolio Detail with Accrued Interest

Begin Date: 3/31/2020, End Date: 6/30/2020

Description	Asset Category	Beginning Market Value	Total Deposits / Maturities	Total Withdrawals / Purchases	Change in Market Value	Ending Market Value	Interest / Dividends	Accrued Interest Earned During Period	Maturity Date	Beginning Yield @ 03/31/2020	Ending Yield @ 06/30/2020
CDARS Program											
First National Bank Texas 1.34 12/3/2020	01-100-208 CDARS General Fund Reserve [UR]	1,028,879.67	3,442.94	0.00	0.00	1,032,322.61	3,442.94	3,442.94	12/03/2020	1.340	1.340
First National Bank Texas 1.34 12/3/2020	05-100-231 CDARS Series 2018 Operating [R]	1,028,879.68	3,442.95	0.00	0.00	1,032,322.63	3,442.95	3,442.95	12/03/2020	1.340	1.340
First National Bank Texas 2.38 1/7/2021	01-100-210 CDARS General Fund [UR]	2,573,936.50	15,317.71	0.00	0.00	2,589,254.21	15,317.71	15,317.71	01/07/2021	2.380	2.380
First National Bank Texas 1.4 10/14/2021	05-100-210 CDARS Capital Projects [UR]	754,819.42	2,639.18	0.00	0.00	757,458.60	2,639.18	2,639.18	10/14/2021	1.400	1.400
Sub Total/Average CDARS Program		5,386,515.27	24,842.78	0.00	0.00	5,411,358.05	24,842.78	24,842.78		1.845	1.846
Certificate of Deposit											
Pacific Western Bank - Beverly Hills CA 1.85 4/3/2	05-100-221 CD Capital Projects [UR]	250,012.50	0.00	250,000.00	(12.50)	0.00	2,318.84	38.02	04/03/2020	1.850	
Citibank NA - Sioux Falls SD 2.6 4/24/2020	01-100-216 CD General Fund [UR]	125,136.25	0.00	125,000.00	(136.25)	0.00	1,629.45	213.70	04/24/2020	2.600	
Ally Bank - Sandy UT 2.6 4/27/2020	01-100-215 CD General Fund Reserve [UR]	214,263.22	0.00	214,000.00	(263.22)	0.00	2,804.86	411.58	04/27/2020	2.600	
Discover Bank - Greenwood DE 2.6 4/27/2020	01-100-216 CD General Fund [UR]	125,153.75	0.00	125,000.00	(153.75)	0.00	1,647.26	240.41	04/27/2020	2.600	
Sallie Mae Bank - Salt Lake City UT 2.6 4/27/2020	01-100-216 CD General Fund [UR]	125,153.75	0.00	125,000.00	(153.75)	0.00	1,647.26	240.41	04/27/2020	2.600	
Wells Fargo Bank - Sioux Falls SD 2.6 4/27/2020	01-100-216 CD General Fund [UR]	125,153.75	0.00	125,000.00	(153.75)	0.00	293.84	240.42	04/27/2020	2.600	
Safra National Bank, New York, NY 1.65 6/9/2020	01-100-216 CD General Fund [UR]	245,323.40	0.00	245,000.00	(323.40)	0.00	1,683.45	775.27	06/09/2020	1.650	
Dogwood State Bank - Raleigh, NC 1.55 6/10/2020	01-100-216 CD General Fund [UR]	245,276.85	0.00	245,000.00	(276.85)	0.00	1,581.42	738.69	06/10/2020	1.550	
BBVA Compass Bank 1.43 6/18/2020	01-100-215 CD General Fund Reserve [UR]	509,874.62	0.00	509,874.62	0.00	0.00	1,836.02	1,576.34	06/18/2020	1.430	
First Foundation Bank - Irvine, CA 1.55 6/22/2020	01-100-216 CD General Fund [UR]	245,281.75	0.00	245,000.00	(281.75)	0.00	1,581.42	863.54	06/22/2020	1.550	
Level One Bank - Farmington Hills, MI 1.6 7/14/202	01-100-216 CD General Fund [UR]	245,392.00	0.00	0.00	(264.60)	245,127.40	0.00	977.31	07/14/2020	1.600	1.600
Synovus Bank - Columbus, GA 1.6 7/17/2020	01-100-216 CD General Fund [UR]	245,404.25	0.00	0.00	(247.45)	245,156.80	0.00	977.31	07/17/2020	1.600	1.600
BMW Bank North America - Salt Lake City, UT 2.65 8	01-100-216 CD General Fund [UR]	251,480.00	0.00	0.00	(757.50)	250,722.50	0.00	1,651.72	08/10/2020	2.650	2.650
Hanmi Bank - Los Angeles, CA 2.7 8/10/2020	05-100-221 CD Capital Projects [UR]	251,510.00	0.00	0.00	(792.50)	250,717.50	1,701.37	1,682.87	08/10/2020	2.700	2.700
Merrick Bank - South Jordan, UT 2.7 8/10/2020	01-100-216 CD General Fund [UR]	250,503.96	0.00	0.00	(789.33)	249,714.63	1,694.55	1,676.13	08/10/2020	2.700	2.700
Oriental Bank - San Juan, PR 2.75 8/10/2020	05-100-221 CD Capital Projects [UR]	251,572.50	0.00	0.00	(822.50)	250,750.00	0.00	1,714.04	08/10/2020	2.750	2.750
BBVA Compass Bank 2 8/12/2020	05-100-221 CD Capital Projects [UR]	1,035,697.45	5,106.00	0.00	0.00	1,040,803.45	5,106.00	5,176.46	08/12/2020	2.000	2.000
Bank of Lexington Inc - Lexington, KY 2.75 8/14/20	01-100-216 CD General Fund [UR]	251,612.50	0.00	0.00	(787.50)	250,825.00	1,732.87	1,714.03	08/14/2020	2.750	2.750
BancorpSouth Bank 2.35 8/27/2020	05-100-233 CD Series 2019 Operating	1,023,773.43	6,064.10	0.00	0.00	1,029,837.53	6,064.10	6,009.50	08/27/2020	2.350	2.350
Bank of Hope - Los Angeles, CA 2.75 8/31/2020	01-100-215 CD General Fund Reserve [UR]	251,792.50	0.00	0.00	(672.50)	251,120.00	2,279.10	2,260.27	08/31/2020	2.750	2.750
BBVA Compass Bank - Temple, TX 1.55 9/7/2020	01-100-216 CD General Fund [UR]	1,503,816.24	5,870.44	0.00	0.00	1,509,686.68	5,870.44	5,812.30	09/07/2020	1.550	1.550
Farmers State Bank - Waterloo, IA 1.75 10/9/2020	05-100-221 CD Capital Projects [UR]	200,696.00	0.00	0.00	240.00	200,936.00	0.00	872.60	10/09/2020	1.750	1.750
VCC Bank - Richmond, VA 1.75 10/9/2020	05-100-221 CD Capital Projects [UR]	200,726.00	0.00	0.00	168.00	200,894.00	882.19	872.60	10/09/2020	1.750	1.750
BBVA Compass Bank - Temple, TX 1.52 11/9/2020	02-100-215 CD Utility Fund [UR]	751,871.15	2,878.16	0.00	0.00	754,749.31	2,878.16	2,849.36	11/09/2020	1.520	1.520
Bank of the West - San Francisco, CA 1.55 2/18/202	01-100-216 CD General Fund [UR]	245,536.55	0.00	0.00	1,477.35	247,013.90	0.00	946.77	02/18/2021	1.550	1.550
First General Bank - Rowland Heights, CA 1.5 2/19/	01-100-215 CD General Fund Reserve [UR]	245,431.20	0.00	0.00	1,514.10	246,945.30	926.29	916.22	02/19/2021	1.500	1.500
Morgan Stanley Bank - Salt Lake City, UT 1.75 4/19	05-100-221 CD Capital Projects [UR]	248,272.05	0.00	0.00	1,936.48	250,208.53	2,167.17	1,077.66	04/19/2021	1.750	1.750
CommunityBank TX - Beaumont, TX 1.7 4/22/2021	05-100-221 CD Capital Projects [UR]	250,162.83	0.00	0.00	1,982.04	252,144.87	1,066.94	1,055.34	04/22/2021	1.700	1.700
BBVA Compass Bank - Temple, TX 1.55 7/23/2021	01-100-216 CD General Fund [UR]	1,503,816.24	5,870.44	0.00	0.00	1,509,686.68	5,870.44	5,808.33	07/23/2021	1.550	1.550
Goldman Sachs Bank USA - New York, NY 1.75 10/18/2	05-100-221 CD Capital Projects [UR]	248,679.60	0.00	0.00	3,383.90	252,063.50	2,167.17	1,077.66	10/18/2021	1.750	1.750
Sub Total/Average Certificate of Deposit		11,668,376.29	25,789.14	2,208,874.62	3,812.77	9,489,103.58	57,430.61	50,466.86		1.896	1.893
Checking Accounts											
BancorpSouth - Checking MM	01 General Fund	744,724.40	39,222,774.92	38,636,925.61	0.00	1,330,573.71	4,979.03	N/A	n/a	1.500	1.500
BancorpSouth - Checking MM	02 Utility Fund	1,396,087.46	7,409,358.35	7,009,719.61	0.00	1,795,726.20	5,645.55	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	03 Drainage Fund	61,278.34	479,818.08	281,283.80	0.00	259,812.62	640.88	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	04 Sanitation Fund	72,777.85	1,810,243.99	1,740,813.42	0.00	142,208.42	363.10	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	05 Capital Improvement Fund	2,527,322.67	2,391,690.45	3,822,394.08	0.00	1,096,619.04	7,050.60	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	06 Debt Service Fund	28,649.79	295,119.71	290,000.00	0.00	33,769.50	119.71	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	11 Hotel / Motel Fund	30,486.19	47,402.47	32,071.17	0.00	45,817.49	135.13	N/A	N/A	1.500	1.500
BancorpSouth - Checking MM	12 Restricted Court Fund	25,212.03	75,230.47	37,532.50	0.00	62,910.00	165.47	N/A	N/A	1.500	1.500
Total BancorpSouth - Checking MM		4,886,538.73	51,731,638.44	51,850,740.19	0.00	4,767,436.98	19,099.47	N/A	N/A	1.500	1.500
First National Bank Texas - Checking MM	02 Utility Fund	97,672.19	19,432.92	85,000.00	0.00	32,105.11	15.49	N/A	N/A	0.140	0.100
Sub Total/Average Checking Accounts		4,984,210.92	51,751,071.36	51,935,740.19	0.00	4,799,542.09	19,114.96	0.00		1.473	1.491

Description	Asset Category	Beginning Market Value	Total Deposits / Maturities	Total Withdrawals / Purchases	Change in Market Value	Ending Market Value	Interest / Dividends	Accrued Interest Earned During Period	Maturity Date	Beginning Yield @ 03/31/2020	Ending Yield @ 06/30/2020
Pool Accounts											
LoneStar LGIP	01 General Fund	528,827.02	466.11	0.00	0.00	529,293.13	466.11	N/A	N/A	1.110	0.190
LoneStar LGIP	02 Utility Fund	142,605.03	125.69	0.00	0.00	142,730.72	125.69	N/A	N/A	1.110	0.190
LoneStar LGIP	06 Debt Service Fund	4,778.74	4.21	0.00	0.00	4,782.95	4.21	N/A	N/A	1.110	0.190
LoneStar LGIP	11 Hotel / Motel Fund	284,381.01	250.65	0.00	0.00	284,631.66	250.65	N/A	N/A	1.110	0.190
Total LoneStar LGIP		960,591.80	846.66	0.00	0.00	961,438.46	846.66	N/A	N/A	1.110	0.190
Texas Class LGIP	01 General Fund	4,150,869.43	156,333.26	700,000.00	0.00	3,607,202.69	7,208.65	N/A	N/A	1.470	0.590
Texas Class LGIP	02 Utility Fund	123,435.25	250.33	0.00	0.00	123,685.58	250.33	N/A	N/A	1.470	0.590
Texas Class LGIP	05 Capital Improvement Fund	1,424,953.48	2,889.96	0.00	0.00	1,427,843.44	2,889.96	N/A	N/A	1.470	0.590
Texas Class LGIP	06 Debt Service Fund	2,257,216.23	135,112.90	249,124.61	0.00	2,143,204.52	4,412.26	N/A	N/A	1.470	0.590
Total Texas Class LGIP		7,956,474.39	294,586.45	949,124.61	0.00	7,301,936.23	14,761.20	N/A	N/A	1.470	0.590
TexStar LGIP	01 General Fund	1,799.51	1.34	0.00	0.00	1,800.85	1.34	N/A	N/A	0.957	0.197
TexStar LGIP	02 Utility Fund	94,694.84	69.27	0.00	0.00	94,764.11	69.27	N/A	N/A	0.957	0.197
TexStar LGIP	03 Drainage Fund	104,287.41	76.77	0.00	0.00	104,364.18	76.77	N/A	N/A	0.957	0.197
TexStar LGIP	04 Sanitation Fund	176,674.26	124.14	50,000.00	0.00	126,798.40	124.14	N/A	N/A	0.957	0.197
TexStar LGIP	05 Capital Improvement Fund	298,335.77	216.03	5,500.00	0.00	293,051.80	216.03	N/A	N/A	0.957	0.197
TexStar LGIP	06 Debt Service Fund	32,949.63	1,104.67	0.00	0.00	34,054.30	24.61	N/A	N/A	0.957	0.197
TexStar LGIP	12 Restricted Court Fund	179,170.08	131.79	0.00	0.00	179,301.87	131.79	N/A	N/A	0.957	0.197
Total TexStar LGIP		887,911.50	1,724.01	55,500.00	0.00	834,135.51	643.95	N/A	N/A	0.957	0.197
Sub Total/Average Pool Accounts		9,804,977.69	297,157.12	1,004,624.61	0.00	9,097,510.20	16,251.81	0.00		1.388	0.512
Total / Average		31,844,080.17	52,098,860.40	55,149,239.42	3,812.77	28,797,513.92	117,640.16	75,309.64		1.665	1.380

PORTFOLIO HOLDINGS DISTRIBUTION BY ASSET CLASS



City of Harker Heights
Investment Portfolio - by Maturity Range (all)
As of 6/30/2020

Description	Maturity Date	Days To Maturity	Yield	Face Amount/Shares	Cost Value	Market Value	% of Portfolio
0-1 Month							
BancorpSouth - Checking MM	N/A	1	1.500	4,767,436.98	4,767,436.98	4,767,436.98	16.56
First National Bank Texas - Checking MM	N/A	1	0.100	32,105.11	32,105.11	32,105.11	0.11
Level One Bank - Farmington Hills, MI 1.6 7/14/202	07/14/2020	14	1.600	245,000.00	245,000.00	245,127.40	0.85
LoneStar LGIP	N/A	1	0.190	961,438.46	961,438.46	961,438.46	3.34
Synovus Bank - Columbus, GA 1.6 7/17/2020	07/17/2020	17	1.600	245,000.00	245,000.00	245,156.80	0.85
Texas Class LGIP	n/a	1	0.590	7,301,936.23	7,301,936.23	7,301,936.23	25.36
TexStar LGIP	n/a	1	0.197	834,135.51	834,135.51	834,135.51	2.90
Total / Average 0-1 Month		1	0.875	14,387,052.29	14,387,052.29	14,387,336.49	49.97
1-3 Months							
BancorpSouth Bank 2.35 8/27/2020	08/27/2020	58	2.350	1,029,837.53	1,029,837.53	1,029,837.53	3.58
Bank of Hope - Los Angeles, CA 2.75 8/31/2020	08/31/2020	62	2.750	250,000.00	250,000.00	251,120.00	0.87
Bank of Lexington Inc - Lexington, KY 2.75 8/14/20	08/14/2020	45	2.750	250,000.00	250,000.00	250,825.00	0.87
BBVA Compass Bank - Temple, TX 1.55 9/7/2020	09/07/2020	69	1.550	1,509,686.68	1,509,686.68	1,509,686.68	5.24
BBVA Compass Bank - Temple, TX 2.00 8/12/2020	08/12/2020	43	2.000	1,040,803.45	1,040,803.45	1,040,803.45	3.61
BMW Bank North America - Salt Lake City, UT 2.65 8	08/10/2020	41	2.650	250,000.00	250,000.00	250,722.50	0.87
Hanmi Bank - Los Angeles, CA 2.7 8/10/2020	08/10/2020	41	2.700	250,000.00	250,000.00	250,717.50	0.87
Merrick Bank - South Jordan, UT 2.7 8/10/2020	08/10/2020	41	2.700	249,000.00	249,000.00	249,714.63	0.87
Oriental Bank - San Juan, PR 2.75 8/10/2020	08/10/2020	41	2.750	250,000.00	250,000.00	250,750.00	0.87
Total / Average 1-3 Months		54	2.149	5,079,327.66	5,079,327.66	5,084,177.29	17.65
3-6 Months							
BBVA Compass Bank - Temple, TX 1.52 11/9/2020	11/09/2020	132	1.520	754,749.31	754,749.31	754,749.31	2.62
Farmers State Bank - Waterloo, IA 1.75 10/9/2020	10/09/2020	101	1.750	200,000.00	200,000.00	200,936.00	0.70
First National Bank Texas 1.34 12/3/2020	12/03/2020	156	1.340	1,032,322.61	1,032,322.61	1,032,322.61	3.58
First National Bank Texas 1.34 12/3/2020	12/03/2020	156	1.340	1,032,322.63	1,032,322.63	1,032,322.63	3.58
VCC Bank - Richmond, VA 1.75 10/9/2020	10/09/2020	101	1.750	200,000.00	200,000.00	200,894.00	0.70
Total / Average 3-6 Months		144	1.433	3,219,394.55	3,219,394.55	3,221,224.55	11.18
6-9 Months							
Bank of the West - San Francisco, CA 1.55 2/18/202	02/18/2021	233	1.550	245,000.00	245,000.00	247,013.90	0.86
First General Bank - Rowland Heights, CA 1.5 2/19/	02/19/2021	234	1.500	245,000.00	245,000.00	246,945.30	0.86
First National Bank Texas 2.38 1/7/2021	01/07/2021	191	2.380	2,589,254.21	2,589,254.21	2,589,254.21	8.99
Total / Average 6-9 Months		198	2.244	3,079,254.21	3,079,254.21	3,083,213.41	10.71

Description	Maturity Date	Days To Maturity	Yield	Face Amount/Shares	Cost Value	Market Value	% of Portfolio
9-12 Months							
CommunityBank TX - Beaumont, TX 1.7 4/22/2021	04/22/2021	296	1.700	249,000.00	249,000.00	252,144.87	0.88
Morgan Stanley Bank - Salt Lake City, UT 1.75 4/19	04/19/2021	293	1.750	247,000.00	247,000.00	250,208.53	0.87
Total / Average 9-12 Months		295	1.725	496,000.00	496,000.00	502,353.40	1.75
1-2 Years							
BBVA Compass Bank - Temple, TX 1.55 7/23/2021	07/23/2021	388	1.550	1,509,686.68	1,509,686.68	1,509,686.68	5.25
First National Bank Texas 1.4 10/14/2021	10/14/2021	471	1.400	757,458.60	757,458.60	757,458.60	2.63
Goldman Sachs Bank USA - New York, NY 1.75 10/18/2	10/18/2021	475	1.750	247,000.00	247,000.00	252,063.50	0.86
Total / Average 1-2 Years		422	1.524	2,514,145.28	2,514,145.28	2,519,208.78	8.74
Total / Average		89	1.380	28,775,173.99	28,775,173.99	28,797,513.92	100.00

