

## City Council Work Session Handouts

September 18, 2017

- I. Review and Discuss the Administrative Code Renewal
- II. Review and Discuss the Richardson Cultural Arts Commission's 2017-2018 Arts Grants Funding Recommendations
- III. Review and Discuss the Investment Policy
- IV. Review and Discuss the Dallas Central Appraisal District and Collin Central Appraisal District Board Representation 2018-2019

City Council Work Session: September 18, 2017

# Administrative Code Review

# Background

- The administrative code is established in Chapter 2 of the Code of Ordinances and describes the responsibilities and duties of the city manager and department directors.
- The City Council is required to conduct a biannual review of the administrative code and make any amendments as needed.

# Administrative Code Structure

- Sec. 2-51
  - Administrative Departments (description)
  - Organization Chart
- Sec. 2-52: City Manager
- Sec. 2-53 – 2-72: Responsibility of department directors
- Sec 2-73: Biannual review

# Department Directors

- Director of development services
- Director of health
- Director of finance
- Fire chief
- Golf professional
- Director of library services
- Director of communications
- Director of parks and recreation
- Director of human resources
- Chief of police
- Director of public services
- Chief information officer
- Director of capital projects/engineering

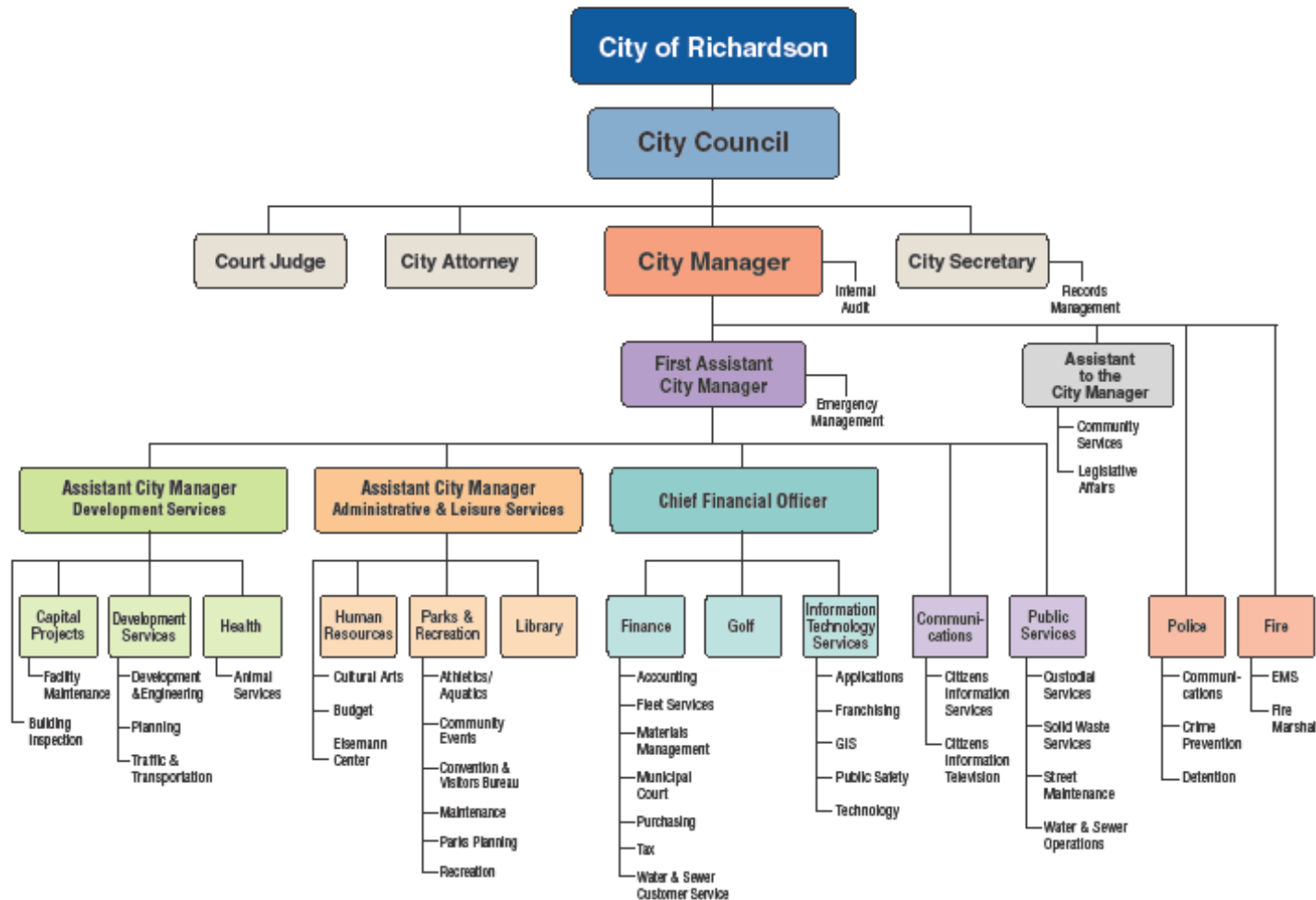
# Proposed Amendments

- Sec 2-52 (f)
  - Update section to become consistent with State regulations
- Sec 2-52 (i)
  - Update section to be consistent with adopted Financial Policy by acknowledging economic development programs may be funded by various sources provided the funds have been approved and dedicated for such purposes
- Sec 2-52 (j)
  - Update section to reflect new Charter section number and language

# Proposed Amendments

- Sec 2-56
  - Update language to reflect the City's new, multi-faceted Environmental Partnerships Initiative's
- Sec 2-56 (f)
  - Update language to provide Parks to set appropriate charges for programs and events

# Organizational Chart



# Next Steps

- The Administrative Code will be placed on the September 25<sup>th</sup> City Council Agenda for consideration/renewal.
- Future Administrative Code biannual review will be on or before October 1, 2019.



# Recommendations from the Richardson Cultural Arts Commission

City Council Work Session  
September 18, 2017



# Richardson Cultural Arts Commission

**Catherine Burdette**

Chairman

**Kim Quirk**

Vice Chairman

**Curtis Dorian**

**Barbara McNutt**

**Sandy Palisch**

**Anthony Pampillonia**

**Chuck Riehm**

**Scott Dunn**

City Council Member

City Council Liaison

**Shanna Sims-Bradish**

Assistant City Manager

Staff Liaison



# Cultural Arts Commission Role

The Cultural Arts Commission serves as the advisory board to the city council and the city management in matters involving the promotion of close cooperation between the city and private citizens, institutions and agencies interested in or conducting activities relating to the arts. The Commission shall be responsible:

To provide and assist in the development of the cultural arts in the city by providing a biannual “state of the arts” assessment to the city council.

To make recommendations to the city council relative to expenditures of city funds for the purposes of promoting and sustaining the arts in the city.

To serve as a review board for the funding of proposed programs within the community that are to be funded from allocations made by the city council from hotel/motel occupancy tax.

To make recommendations on the allocation of funding for historical preservation and/or restoration that is to be funded by the allocation of funds from the hotel/motel occupancy tax.



# Grant Process

- Grant guidelines and application forms were reviewed and revised in the Spring/Summer of 2017 by the Cultural Arts Commission
- Applications were provided in June 2017 to local arts groups who have received funding in prior years and others who have expressed an interest in the grant program
- Applications were accepted until July 28, 2017



# Grant Process

- Application Packet includes:
  - Application - including list of performances, number of audience members, list of board members, list of significant funding sources
  - Three page narrative
  - Strategic plans
  - Financial statements, proposed season budget, 2016 tax filing
  - 501(c)3 letters of determination from the IRS
- Applicant presentations were made to Cultural Arts Commission on Saturday, August 19, 2017
- The Cultural Arts Commission deliberated on their recommended allocations of funds on August 24, 2017

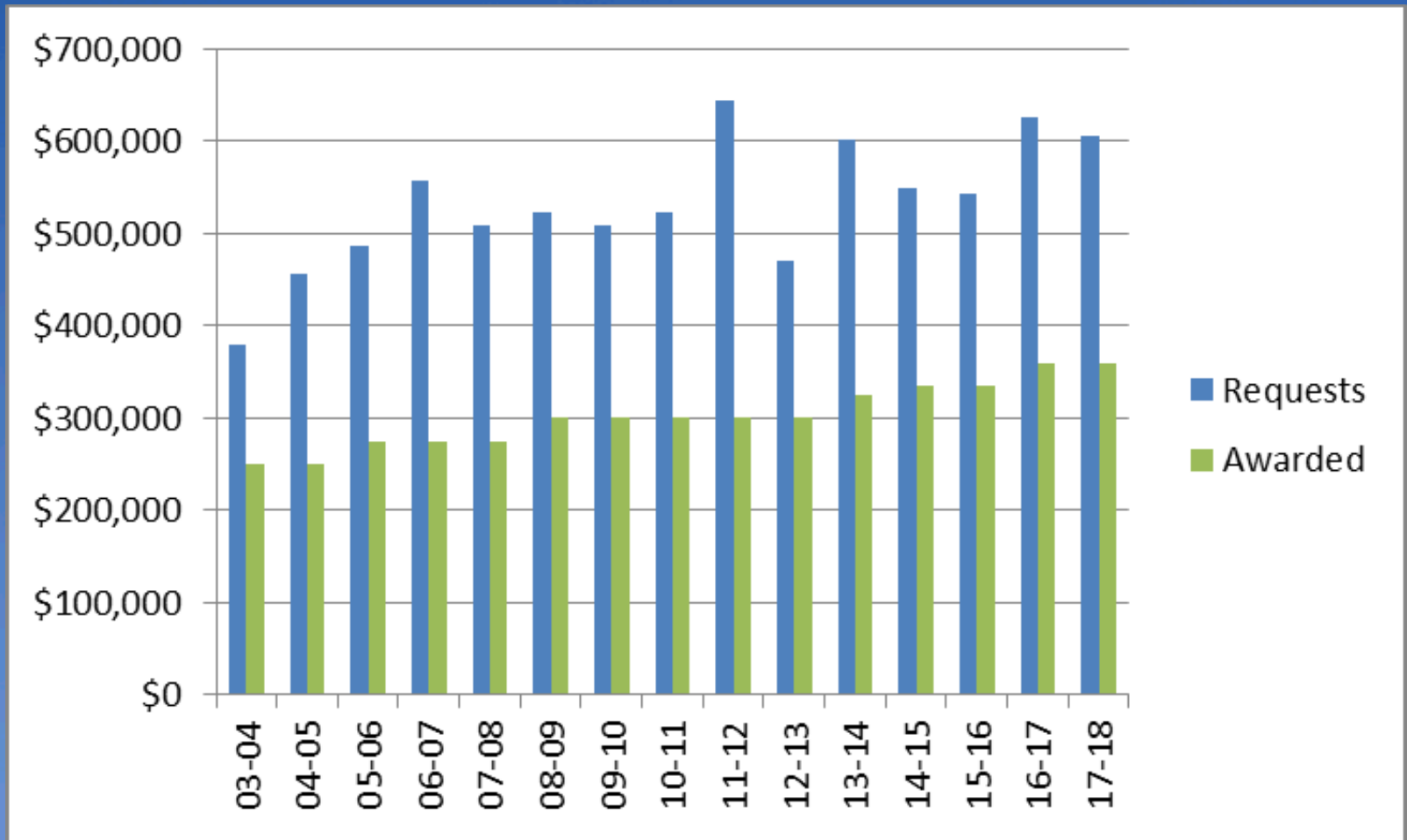


# 2017-2018 Requests

- 32 applications were received
- The total amount of the requests was \$605,003
- 4 new groups applied this year:
  - Bare Bones Shakespeare
  - Kalakriti Performing Arts Presents RAAS All-Stars
  - Odysseus Chamber Orchestra
  - Texas Muslim Women's Foundation\*
- 2 groups that were funded last year did not apply due to not having new performances in Richardson in 2017-2018:
  - Epiphany DanceArts
  - Lunatic Theatre



# Funding, Requests and Awards



# Cultural Arts Commission

## Recommendations

- Applicants were each asked about what they bring to the Richardson community and how their organization can contribute to the City's **Cultural Arts Master Plan**.
- All applicant groups should be seeking/receiving funds from **multiple sources**.
- **Collaboration** is important and is viewed as a real positive whether during a proposed season or special project.
- Providing quality community service and **outreach** are paramount to this support. A group's outreach within Richardson is evaluated and taken into consideration.
- **Revitalization** is expected from more established groups. Maintaining the status quo is not acceptable in today's arts market.
- Encouraging entities from beyond Richardson to perform/present in Richardson is an effort to supplement the concept of **synergy** in North Texas.
- The **economic impact** of a group's programming is examined.



# 2017-2018 Funding

- The 2017-2018 Budget includes \$375,000 for arts grants annual funding in the Hotel/Motel Tax Fund.
- The Cultural Arts Commission is recommending allocating:
  - \$360,000 for annual operations grants
  - Reserving \$15,000 for one-time initiative grants to be evaluated in Spring 2018



Arts Group	16-17 Awarded	17-18 Request	17-18 Recommendation
Arts Incubator of Richardson	3,500	11,000	7,500
Bare Bones Shakespeare	NA	10,000	-
Chamber Music International	24,500	35,000	24,500
Chamberlain Performing Arts (Chamberlain Ballet)	7,000	12,000	6,500
Collin County Ballet Theatre	2,000	50,000	10,000
Contemporary Chorale	5,500	5,000	5,000
Core Theatre	2,000	20,000	3,500
Dallas Asian American Youth Orchestra	7,500	9,000	6,500
Dallas Chinese Community Center	5,000	10,000	5,200
Dallas Repertoire Ballet	6,800	8,500	6,400
Friends of the Richardson Public Library, Inc.	4,500	7,000	4,500
Kalakriti Performing Arts Presents Raas All-Stars	NA	8,500	2,000
Lone Star Wind Orchestra	12,500	17,000	12,000
Odysseus Chamber Orchestra	NA	9,336	1,000
Pegasus Theatre Incorporated	8,000	10,000	9,000
Plano Civic Chorus	1,500	18,174	1,500
Plano Community Band	2,000	8,918	1,500
Plano Symphony Orchestra	8,000	40,000	6,500
Read Play Love	2,000	8,200	1,000
Repertory Company Theatre, Inc. (RCT)	60,000	75,000	52,000
Richardson Civic Art Society (RCAS)	11,900	13,125	10,700
Richardson Community Band	16,000	18,000	16,000
Richardson Reads One Book	6,500	6,500	6,500
Richardson Symphony, Inc.	78,000	82,000	78,000
Richardson Theatre Centre, Inc.	36,000	42,000	36,000
Rich-Tone Chorus	14,500	16,500	14,000
Spectacular Senior Follies	2,600	5,000	3,500
Texas Muslim Women's Foundation	NA	10,000	3,700
Texas Performing Chinese Arts Assn.	4,000	6,650	3,000
Texas Winds Musical Outreach, Inc.	10,400	12,600	10,000
Tuzer Ballet	12,000	15,000	10,000
Video Association of Dallas	2,300	5,000	2,500
<b>TOTAL</b>	<b>356,500</b>	<b>605,003</b>	<b>360,000</b>



# Notable Arts Achievements

- **Expanded Programming**
  - **AIR** offers numerous community programs such as AIR Time, Ricochet 2017, SEED events as well as PopUp art shows
- **Regional Attraction**
  - **Collin County Ballet** is bringing the Regional Dance America festival to the Eisemann Center. This event will include more than 600 dance students from five states for classical ballet instruction in Richardson
- **Cultivate a New Generation of Arts Participants**
  - **Richardson Symphony Orchestra's** 1849 Club was established to engage Richardson's diverse community in enjoying and supporting classical music within Richardson
- **Collaboration**
  - **Texas Muslim Women's Foundation** has partnerships with UTD, SMU, UNT, Dallas Museum of Art and the Dallas Contemporary Museum to bring the "I AM tour" visual exhibition to the Eisemann Center
- **Artistic Excellence**
  - **Dallas Chinese Community Center** presented a special exhibition of Chinese calligraphy and painting in July 2017 featuring works from 18 artists that are located throughout the country



# Next Steps

- Upon City Council review and feedback, approval of the recommendations will be placed on the September 25, 2017 City Council agenda for ratification
- Checks will be disbursed to groups after City Council action on the recommendations after October 1<sup>st</sup>
- Cultural Arts Commission continues to work with the groups throughout the year in regards to the implementation of the Cultural Arts Master Plan
- Final reports are due from funded groups by September 30, 2018



**Executive Summary**  
**Investment Policy Renewal**  
**September 18, 2017**

**Background**

The State's Public Funds Investment Act ("PFIA") and the City's investment policy require that the governing body annually review and ratify the investment policy and strategies of the City. This item is normally placed on your agenda in the fall.

- The Investment Officers and Committee monitor the City's investment policy and overall program by reviewing federal and state legislation, accounting standards, market conditions, quality/performance of brokers and financial institutions, and training requirements.
- When necessary, Staff makes recommendations to change the policy and presents the policy to the City Council for their review.

**Current Investment Environment**

- The investment policy has served the City well during the current economy.
- Ongoing Flight to Quality –
  - Global uncertainty continues to linger, including the economic impact of hurricanes Harvey and Irma.
  - The Federal Reserve has continued to keep interest rates below historic norms.

**Legislative Activity & Recommended Changes**

- The Texas Legislature met in 2017 and passed 4 bills impacting the City's Investment Policy:
  - HB 2829 and HB 2647 are housekeeping bills that clarify investments that are currently allowed but were not specifically called out in the PFIA: obligations of the Federal Home Loan Bank and interest-bearing bank deposits. See Article VI (A) and VI (I) for new conforming language.
  - HB 1003 removes the 90-day weighted average maturity limit and the \$1 Net Asset Value requirement for money market mutual funds to conform to recent Securities and Exchange Commission rules for these funds. See Article VI (H) for new conforming language.
  - HB 1707 eliminates the requirement for broker/dealers to certify that they have received and reviewed the City's Investment Policy. Investment pools would still be required to file this certification.
    - Article VIII (B) (2) and (B) (4) updates broker/dealer regulatory body to Financial Industry Regulatory Authority (FINRA) and adds new conforming language.

- Staff added language to Article VIII (B) (4) requiring broker/dealers to acknowledge they have received and reviewed our investment policy to ensure compliance with FINRA Rules 2111 relating to “Suitability” and 2090 relating to “Know Your Customer.” These FINRA rules provide protections to the City that were removed from the PFIA

### **Investment Policy Award**

The City received the Government Treasurers Organization of Texas (“GTOT”) Certificate of Distinction for the tenth time in February of 2017. This award recognizes the development and maintenance of a high-quality investment policy. The investment policy is reviewed and evaluated every two years for the Certificate. GTOT’s review did not indicate any recommended changes.

### **Required Guidelines**

The Investment Policy provides the required guidelines that staff follows in investing the City’s money. The major guidelines include:

- Investment Objectives
  - Safety
  - Liquidity
  - Yield – Benchmark is the 91-day T-Bill
- Authorized Investments
  - US Treasury and Agency Instruments
  - Investment Pools & Money Market Funds that are rated AAA
  - Certificates of Deposits – Collateralized or FDIC insured
  - No Mortgage-Backed Securities are allowed as an investment
- Diversification
  - Maintain liquidity by staggering maturities
  - Only 25% of the portfolio can be invested in any individual Local Government Investment Pool or Money Market Fund.
  - Limit of 50% in CDs
- Authorized Brokers/Dealers
  - 6 Institutional Brokers – take bids for securities
  - 4 Local Government Investment Pools
    - Texpool, TexStar, Texas Term, Lone Star Govt. Overnight
  - 2 Money Market Mutual Fund companies (Federated, Invesco)
- Safekeeping (Holding of our Securities)
  - Safekeeping Agreement with the Safekeeping Bank
  - Delivery vs. Payment (Investments delivered to safekeeping before money sent)
- Current Collateralization
  - Deposits & CD’s – 102% - high-quality securities held by Federal Reserve Bank or Federal Home Loan Bank

- Letters of Credit
  - No Mortgage-Backed Securities are allowed for collateral
- Quarterly Reports
  - Included on the City's web site

### **Recommendation**

Staff recommends approval of the Investment Policy with the changes discussed at this time. The resolution will be placed on the consent agenda for the meeting on September 25, 2017.

### **Attachment**

- Resolution approving Investment Policy

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHARDSON, TEXAS, ADOPTING THE CITY OF RICHARDSON INVESTMENT POLICY ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, in accordance with the Public Funds Investment Act, Chapter 2256, TEX. GOV'T CODE, the City Council of the City of Richardson, Texas, by resolution adopted an investment policy; and

**WHEREAS**, Section 2256.005, Tex. Gov't Code, requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies.

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

**SECTION 1.** That the City of Richardson Investment Policy, attached hereto as Exhibit “A,” be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this Resolution.

**SECTION 2.** That the City Council of the City of Richardson has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

**SECTION 3.** That all provisions of the resolutions of the City of Richardson, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

**SECTION 4.** That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution which shall remain in full force and effect.

**SECTION 5.** That this Resolution shall become effective immediately from and after its passage.

**DULY RESOLVED AND ADOPTED** by the City Council of the City of Richardson, Texas, on this the \_\_\_\_\_ day of September, ~~2016~~2017.

CITY OF RICHARDSON, TEXAS

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
PETER G. SMITH, CITY ATTORNEY  
(PGS:8-4-16:TM 78164)

## **Exhibit “A”**

### **City of Richardson Investment Policy**

#### **ARTICLE I PURPOSE AND NEED FOR POLICY**

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature (“Public Funds Investment Act”) requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the City of Richardson funds.

#### **ARTICLE II SCOPE**

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Richardson.

- A. These funds are accounted for in the City’s Annual Financial Report and include the following:
- (1) the General Fund;
  - (2) Special Revenue Funds;
  - (3) Capital Project Funds;
  - (4) Enterprise Funds;
  - (5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
  - (6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
  - (7) Any new fund created by the City unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

- B. This policy excludes:
- 1) Employee Retirement and Pension Funds administered or sponsored by the City.
  - 2) Defeased bond funds held in trust escrow accounts.

C. Review and Amendment

The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution or an ordinance stating the review has been completed and recording any changes made to either the policy or strategy statements.

**ARTICLE III  
PRUDENCE**

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

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- (1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- (2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Director of Finance, the Chief Financial Officer, the City Manager and the City Council of the City of Richardson, and that appropriate action is taken by the investment officials and their oversight managers to control adverse developments.

**ARTICLE IV  
OBJECTIVES**

A. Preservation and Safety of Principal

Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. Yield

The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

**ARTICLE V  
RESPONSIBILITY AND CONTROL**

A. Delegation

Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Chief Financial Officer by the City Manager. The Chief Financial Officer has delegated this responsibility to the Director of Finance. The Director of Finance has delegated this responsibility to the Treasurer & Revenue Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Treasurer & Revenue Manager may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Treasurer & Revenue Manager and/or his/her representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates

All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Treasurer & Revenue Manager and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The City Council, by resolution, has authorized the City Manager to appoint these individuals. The Director of Finance and the Treasurer & Revenue Manager shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

C. Internal Controls

Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy shall be performed by the City's independent auditor.

D. Ethics and Conflicts of Interest

An investment officer of the City who has 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. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has 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.

Investment officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

E. Investment Training Requirements

The Director of Finance, the Treasurer & Revenue Manager, and the Investment officials shall attend at least one ten hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten hour requirement, each

investment officer shall receive not less than eight hours of instruction in their investment responsibilities at least once during each two year period that begins on October 1<sup>st</sup> and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City of Richardson may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. A list will be maintained of the number of hours and conferences attended for each investment official and a report of such information will be provided to the Investment Committee.

## **ARTICLE VI AUTHORIZED INVESTMENTS**

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, 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.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:
  - (1) and such Certificates of Deposit are:
    - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors;
    - b. Secured by obligations described in Article VI, sections A through D above
  - (2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

Certificates of Deposit brokered by an authorized broker/dealer that has its main office or a branch office in Texas who contractually agrees to place the funds in federally insured

depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

- G. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by a combination of cash and obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

- H. No-load money market mutual funds if the mutual fund:

- (1) Is registered with and regulated by the Securities and Exchange Commission;
- ~~(2) Has a dollar weighted average stated maturity of 90 days or fewer; and~~
- ~~(3) Includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.~~
- ~~(4)~~(2) Provides the City with a prospectus and other information required by the SEC Act of 1934.

- I. Interest-bearing banking deposits that are:

- (1) guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or the National Credit Union Share Insurance Fund or its successor; or
- (2) deposited through an authorized broker/dealer or depository institution that has its main office or branch in Texas who contractually agrees to place the deposits in accordance with the conditions prescribed in Section 2256.009(a)(8) of the Government Code (Public Funds Investment Act) as amended.

- ~~I-J.~~ Investment instruments not authorized for purchase by the City of Richardson include the following:

- (1) Banker's Acceptances;
- (2) "Bond" Mutual Funds;
- (3) Collateralized Mortgage Obligations of any type; and
- (4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

J-K. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take. Investment officials shall monitor financial news resources to confirm ratings for each investment that is required to maintain a minimum rating, and document the current rating on a monthly basis.

## **ARTICLE VII PORTFOLIO AND INVESTMENT ASSET PARAMETERS**

### **A. Bidding Process for Investments**

It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:

- (1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
- (2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

### **B. Maximum Maturities**

The City of Richardson will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase.

### **C. Maximum Dollar-Weighted Average Maturity**

Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

### **D. Diversification**

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- (1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- (2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- (3) The following maximum limits, by instrument, are established for the City's total portfolio:
  - U.S Treasury Notes/Bills ..... 100%
  - U.S. Government Agencies & Instrumentalities..... 100%
  - U.S. Treasury & U.S. Agency Callables..... 25%
  - Certificates of Deposit ..... 50%
  - Repurchase Agreements (*See D. (4) below*)..... 50%
  - Money Market Mutual Funds (*See D.(5) below*)..... 100%
  - Local Government Investment Pools (*See D.(5) below*)..... 100%
  - State of Texas Obligations & Agencies ..... 25%
  - Obligations of states, agencies, cities and other political subdivisions of any state ..... 25%
- (4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- (5) The City shall not invest more than 25% of the investment portfolio in any individual money market mutual fund or government investment pool.
- (6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

**ARTICLE VIII  
 AUTHORIZED BROKER/DEALERS  
 AND FINANCIAL INSTITUTIONS**

- A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:
- (1) all primary government securities dealers; and
  - (2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of

the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:
- (1) Audited financial statements;
  - (2) Proof of ~~National Association of Securities Dealers (N.A.S.D.)~~Financial Industry Regulatory Authority (FINRA) certification, unless it is a bank;
  - (3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
  - (4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has:
    - i. for investment pools or investment management firms with discretionary investment authority:
      - a) ~~has~~ implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy, except to the extent that this authorization:
        1. is dependent on an analysis of the makeup of the City's entire portfolio; ~~or~~
        2. requires an interpretation of subjective investment standards; or
        3. relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.
      - ii. for all other business organizations:
        - b) reviewed the investment policy in satisfaction of the Business Organization's duties under ~~to ensure compliance with~~ FINRA Rules 2111 (Suitability) and 2090 (Know Your Customer)

## ARTICLE IX SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original

copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

## **ARTICLE X COLLATERAL**

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

### **A Market Value**

The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

### **B Collateral Substitution**

Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

### **C Collateral Reduction**

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

### **D Letters of Credit**

Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

## **ARTICLE XI INVESTMENT REPORTS**

### **A. Reporting Requirements**

The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 45 days following the end of the quarter.

### **B. Investment Records**

An investment official designated by the Treasurer & Revenue Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an

accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review

The City's independent external auditor must formally review the quarterly investment reports annually to insure compliance with the State of Texas Public Funds Investment Act and any other applicable State Statutes.

**ARTICLE XII  
INVESTMENT COMMITTEE**

A. Members

An Investment Committee, consisting of the City Manager or his designee, the Director of Finance, the Treasurer & Revenue Manager, the Controller, and an appointed investment official, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope

The Investment Committee shall include in its deliberations such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

C. Procedures

The investment policy shall require the Investment Committee to provide minutes of investment information discussed at any meetings held. The committee should meet at least annually to discuss the investment program and policies.

**ARTICLE XIII  
INVESTMENT STRATEGY STATEMENTS**

The City of Richardson portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy.

The City of Richardson maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

#### A. Operating Funds

Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

#### B. Reserve and Deposit Funds

Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

#### C. Bond and Certificate Capital Project Funds and Special Purpose Funds

Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

#### D. Debt Service Funds

Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

Preservation and Safety of Principal - All investments shall be high quality securities with no perceived default risk.

Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.

Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

**EXECUTIVE SUMMARY  
COLLIN CENTRAL APPRAISAL DISTRICT  
BOARD OF DIRECTORS APPOINTMENTS FOR 2018 & 2019  
September 11, 2017**

**APPOINTMENT PROCESS:**

- There are 5 board positions representing the entities at-large
- Kenneth Maun, Collin County Tax Assessor/Collector, is an ex-officio member (Tax Code Sec. 6.03a)
- Each entity may make nominations (one to five candidates)
- An entity may allocate their voting entitlement to one candidate or distribute them among candidates
  
- **OCTOBER 1:** Chief Appraiser must deliver notice of voting entitlement to each entity
  - **VOTING ENTITLEMENT CALCULATION**
    - Prior Year (2016) Tax Levy for the Entity divided by the Sum of the Prior Year (2016) Tax Levy for all the Entities
    - Multiply the Quotient by 1,000 and round the product to the nearest whole number
    - Multiply the result by the number of directorships to be filled
    - Richardson's voting entitlement for 2018 is 65
  - Richardson voting entitlement for 2016 was 67 (of 5,000 total)
  - For 2016 there were 6 nominations for the 5 board positions
  - Wayne Mayo was nominated by the City and was elected with 714 votes in the 2015 election for 2016
- **OCTOBER 14:** Entities wishing to nominate a candidate must do so by sending an official resolution to CCAD by this date
- **OCTOBER 30:** Chief appraiser prepares ballot containing names of the nominees and submits to entities
- **DECEMBER 15:** Each entity wishing to vote must do so by official resolution by this date
- **JANUARY 1:** Chief Appraiser declares winner(s) and notifies entities

**CURRENT BOARD MEMBERS:**

- Earnest R. Burke of Plano
- Ronald Carlisle of Frisco
- Michael Pirek of Plano
- Wayne Mayo of Richardson, Chairman of the Board
- Gary Rodenbaugh of Allen
- Ken Maun of Fairview, Ex-Officio (County Tax Assessor/Collector – Legislature Board Appointment)

**STATUS:**

- Richardson resident Wayne Mayo has expressed his interest to be reappointed.
- Mr. Mayo currently serves as chairman of the Board of Directors
  - From 1992-1998 Mr. Mayo served on the CCAD Appraisal Review Board (ARB)
  - Mr. Mayo has served the last 20 years on CCAD Board, Chairman since 2004
  - 44 years of real estate and 38 years of appraising experience
  - Former Richardson City Council Member; served 2 terms from 1983-1987
  - Resident of Richardson
- **DIRECTOR QUALIFICATIONS (RESTRICTIONS):**
  - **RESIDENCY:** must reside in district for 2 years immediately preceding office term
  - **EMPLOYMENT:** may not be an employee of a taxing unit within the district (unless the employee is also an elected official of the governing body of a taxing unit)
  - **RELATIONSHIPS:** may not serve if related to someone who appraises property for use in proceedings before the appraisal review board
  - **BUSINESS INTERESTS:** may not serve if they have a substantial interest in a business entity which has a contract with the appraisal district or, in the case of a taxing unit, has a contract related to the performance of an activity governed by the Tax Code or if they are a tax agent

**RECOMMENDATION**

- Staff recommends nominating and voting for Wayne Mayo
- A resolution has been prepared for the September 25, 2017 City Council Agenda nominating Mr. Mayo
- A resolution will be placed on the November 13, 2017 City Council Agenda voting for Mr. Mayo

**ATTACHMENTS:**

- Wayne Mayo – Personal Profile
- Comparison of CCAD Allocation of Votes, 2016 vs 2018
- 2018 Allocation of Votes
- Distribution of Votes 2016

## **PERSONAL PROFILE**

L. W. (Wayne) Mayo

Native Texan - Born in Dallas; graduated from Woodrow Wilson High School

Attended East Texas State University (graduated 1965)  
B.S. Degree in Biology & Physical Education

Teacher for 4 years (math & science); Coached  
Awarded Lifetime Membership Texas PTA

Real Estate for 44 years; Appraiser for 38 years

Married 53 years

### **CIVIC & PROFESSIONAL ACTIVITIES:**

#### **Realtor & Appraiser Associations:**

National Association of Independent Fee Appraisers (NAIFA) - 36 years

National Association of Realtors

Texas Association of Realtors

Lake Cities Board of Realtors

Served as a member of the Professional Standards Committee on Ethics, Chairman of the Arbitration Committee & Chairman of the Grievance Committee for the Greater Dallas Board of Realtors (GDBR)

Vice-Chairman of Professional Standards Committee on Ethics for the Collin County Board of Realtors

Member, Collin County Appraisal Review Board (1992-1998)

Vice-Chairman, Collin County Appraisal Review Board (1994)

Chairman, Collin County Appraisal Review Board (1995, 1996, 1997 & 1998)

Collin County Appraisal District Board of Directors (1998-2017)

Collin County Appraisal District Chairman of the Board (2004-2017)

Past President, Dallas Chapter, NAIFA

Deputy State Director, NAIFA (1990-91)

State Director for Texas, NAIFA (1991-93)

Regional Governor, Southwest Central Region, NAIFA (1993-96)

National Director, NAIFA (1996-98; 2008-2009)

1997 "Texas Appraiser of the Year" for NAIFA

1997 "National Appraiser of the Year" for NAIFA

NAIFA National Treasurer (1998-99)

NAIFA National President – 2010

**Profile**  
**Page 2**

Honored with an award named for him by the Dallas Chapter of NAIFA (2000) – The Mayo Award

Texas Appraiser Licensing & Certification Board (1999-2006)  
Chairman, Texas Appraiser Licensing & Certification Board (2002-2005)  
Deputy Director (Region IV) for AARO (Association of Appraisal Regulatory Officials) (1999-2000)  
Member, State Advisory Board to the Appraisal Foundation (2002-2006)  
Honorary Life Member – Association of Appraisal Regulatory Officials

**Rotary**

Charter member - Richardson Central Rotary Club  
Served as Sergeant-at-arms, President-Elect & President (1983-84; 2014-15)  
Governor's Representative for District 581 for 4 years  
Chairman of the Australian Group Study Exchange  
Chairman of the Texas Tour for the German Mini-Exchange - 4 years  
Member of District 581 Youth Exchange Committee  
Perfect attendance - 30 years

**YMCA**

Board of Directors  
Served as Director of All Sports Activities Committee

**Chamber of Commerce**

Served on the Advisory Board and the Board of Directors  
Chairman of the annual Christmas Parade for 20 years  
Served on Tourist & Convention Committee and the Governmental Affairs Committee

**City of Richardson**

Served on the Richardson Park Board  
City Councilman - 4 years  
Served as Vice-President of the Collin County Public Officials Association

**City of Richardson, Texas**  
**Comparison of CCAD Allocation of Votes**  
**For Board of Directors**  
**History and 2016 vs 2018**

District	# of Votes Allocated										Increase (Decrease)
	2000	2002	2004	2006	2008	2010	2012	2014	2016	2018	2016 to 2018
Allen City	94	96	102	105	106	129	131	128	122	110	-12
Allen ISD	262	294	313	333	306	324	358	379	369	355	-14
Anna City	1	1	1	3	5	7	8	7	8	9	1
Anna ISD	12	11	11	17	24	26	25	23	25	29	4
Bland ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Blue Ridge City	0	0	0	1	0	1	1	1	1	1	0
Blue Ridge ISD	7	6	7	6	6	6	6	6	5	5	0
Carrollton City	n/a	n/a	n/a	n/a	1	1	1	1	1	1	0
Celina City	4	4	4	5	7	10	9	9	9	10	1
Celina ISD	21	20	22	27	29	32	33	30	30	33	3
Collin County	585	573	520	511	503	565	547	519	500	462	-38
Collin Co. Com. Coll.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	192	179	185	6
Community ISD	13	12	15	17	17	21	22	22	21	22	1
Dallas City	n/a	n/a	n/a	n/a	108	99	96	86	80	69	-11
Fairview City	3	3	5	6	8	11	13	13	12	11	-1
Farmersville City	4	3	2	2	3	3	3	3	3	3	0
Farmersville ISD	16	14	15	14	16	14	14	13	13	13	0
Frisco City	48	58	80	124	158	129	130	125	127	125	-2
Frisco ISD	188	238	411	519	641	549	556	568	591	615	24
Garland City	n/a	n/a	n/a	n/a	1	1	1	0	0	0	0
Gunter ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Josephine City	0	0	0	0	0	0	1	1	1	1	0
Lavon City	0	0	1	1	1	2	2	2	2	2	0
Leonard ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Lovejoy ISD	45	45	50	62	65	71	73	70	71	84	13
Lowery Crossing City	0	0	1	1	1	1	1	1	1	1	0
Lucas City	4	4	5	5	5	6	7	6	6	6	0
McKinney City	124	125	134	145	160	201	200	187	193	187	-6
McKinney ISD	335	350	454	466	456	460	435	403	427	423	-4
Melissa City	1	1	9	3	4	7	7	6	7	8	1
Melissa ISD	12	12	14	17	19	21	21	20	21	28	7
Murphy City	7	6	10	14	17	23	27	26	25	21	-4
Nevada City	0	0	0	0	0	0	0	0	0	0	0
New Hope City	0	0	0	0	0	0	0	0	0	0	0
Parker City	4	4	3	4	5	6	6	6	5	5	0
Plano City	538	513	407	378	357	382	371	351	334	320	-14
Plano ISD	2,451	2,388	2,156	1,909	1,624	1,466	1,439	1,350	1,342	1,339	-3
Princeton City	5	4	4	4	4	7	7	6	6	7	1
Princeton ISD	20	19	23	23	22	24	24	21	23	25	2
Prosper City	2	2	4	6	8	17	19	19	23	26	3
Prosper ISD	21	21	35	47	60	87	89	98	120	153	33
Richardson City	60	56	52	52	59	61	69	69	67	65	-2
Rockwall ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Royse City	n/a	n/a	n/a	n/a	1	2	2	1	1	2	1
Royse City ISD	n/a	n/a	n/a	n/a	4	4	4	4	4	5	1
Sachse City	2	3	2	5	5	8	9	10	10	12	2
St. Paul City	0	0	1	1	1	1	1	1	1	1	0
Trenton ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Van Alstyne City										0	0
Van Alstyne ISD	n/a	n/a	n/a	n/a	1	1	1	1	1	1	0
Weston City	0	0	0	0	0	0	0	0	0	0	0
Whitewright ISD	n/a	n/a	n/a	n/a	0	0	0	0	0	0	0
Wylie City	27	28	30	38	43	64	65	60	58	58	0
Wylie ISD	83	82	95	130	138	150	166	156	155	162	7
	4,887	4,883	4,870	4,827	4,999	5,000	5,000	5,000	5,000	5,000	0

**2018 ALLOCATION OF VOTES  
BOARD OF DIRECTORS ELECTION**

<b>DISTRICT</b>	<b>2016 TAX LEVY</b>	<b>% OF LEVY</b>	<b># OF VOTES (ROUNDED)</b>	<b># OF VOTES ALLOCATED</b>
ALLEN CITY	\$58,372,331	2.206%	110.00	110
ALLEN ISD	\$188,125,202	7.109%	355.00	355
ANNA CITY	\$4,570,584	0.173%	9.00	9
ANNA ISD	\$15,563,922	0.588%	29.00	29
BLAND ISD	\$174,366	0.007%	0.00	0
BLUE RIDGE CITY	\$180,368	0.007%	1.00	1
BLUE RIDGE ISD	\$2,785,739	0.105%	5.00	5
CARROLLTON CITY	\$283,110	0.011%	1.00	1
CELINA CITY	\$5,195,416	0.196%	10.00	10
CELINA ISD	\$17,376,179	0.657%	33.00	33
COLLIN COUNTY	\$244,345,203	9.234%	462.00	462
COLLIN COUNTY COLLEGE DISTRICT	\$97,663,373	3.691%	185.00	185
COMMUNITY ISD	\$11,820,726	0.447%	22.00	22
DALLAS CITY	\$36,258,967	1.370%	69.00	69
FAIRVIEW CITY	\$5,706,558	0.216%	11.00	11
FARMERSVILLE CITY	\$1,497,498	0.057%	3.00	3
FARMERSVILLE ISD	\$6,946,517	0.263%	13.00	13
FRISCO CITY	\$66,251,772	2.504%	125.00	125
FRISCO ISD	\$325,686,240	12.308%	615.00	615
GARLAND CITY	\$187,204	0.007%	0.00	0
GUNTER ISD	\$13,248	0.001%	0.00	0
JOSEPHINE CITY	\$390,389	0.015%	1.00	1
LAVON CITY	\$1,259,676	0.048%	2.00	2
LEONARD ISD	\$115,593	0.004%	0.00	0
LOVEJOY ISD	\$44,265,963	1.673%	84.00	84
LOWRY CROSSING CITY	\$317,276	0.012%	1.00	1
LUCAS CITY	\$3,428,024	0.130%	6.00	6
MCKINNEY CITY	\$98,708,424	3.730%	187.00	187
MCKINNEY ISD	\$223,918,467	8.462%	423.00	423
MELISSA CITY	\$4,320,132	0.163%	8.00	8
MELISSA ISD	\$14,615,687	0.552%	28.00	28
MURPHY CITY	\$11,139,271	0.421%	21.00	21
NEVADA CITY	\$133,503	0.005%	0.00	0
NEW HOPE CITY	\$90,011	0.003%	0.00	0
PARKER CITY	\$2,808,634	0.106%	5.00	5
PLANO CITY	\$169,134,438	6.392%	320.00	320
PLANO ISD	\$708,806,219	26.786%	1339.00	1,339
PRINCETON CITY	\$3,621,103	0.137%	7.00	7
PRINCETON ISD	\$13,179,707	0.498%	25.00	25
PROSPER CITY	\$13,830,855	0.523%	26.00	26
PROSPER ISD	\$80,950,192	3.059%	153.00	153
RICHARDSON CITY	\$34,611,966	1.308%	65.00	65
ROCKWALL ISD	\$13,662	0.001%	0.00	0
ROYSE CITY	\$993,499	0.038%	2.00	2
ROYSE CITY ISD	\$2,422,756	0.092%	5.00	5
SACHSE CITY	\$6,127,601	0.232%	12.00	12
ST. PAUL CITY	\$340,773	0.013%	1.00	1
TRENTON ISD	\$141,761	0.005%	0.00	0
VAN ALSTYNE CITY	\$0	0.000%	0.00	0
VAN ALSTYNE ISD	\$648,431	0.025%	1.00	1
WESTON CITY	\$85,863	0.003%	0.00	0
WHITEWRIGHT ISD	\$74,679	0.003%	0.00	0
WYLIE CITY	\$30,802,959	1.164%	58.00	58
WYLIE ISD	\$85,900,450	3.246%	162.00	162
<b>TOTALS</b>	<b>\$2,646,202,487</b>	<b>100.00%</b>	<b>5000.00</b>	<b>5,000</b>

**NOTE: ELIGIBILITY OF VOTING ENTITIES AND CALCULATIONS PER SECTION 6.03 OF THE TEXAS PROPERTY TAX CODE.**

**DISTRIBUTION OF VOTES  
BOARD OF DIRECTORS  
2016**

<b>TAXING ENTITY</b>	<b>Nominee Earnest Burke</b>	<b>Nominee Ronald Carlisle</b>	<b>Nominee Wayne Mayo</b>	<b>Nominee Michael Pirek</b>	<b>Nominee John Politz</b>	<b>Nominee Gary Rodenbaugh</b>	<b>Votes Cast</b>	<b>Votes Entitled Calculation</b>
ALLEN CITY						122	122	122
ALLEN ISD						369	369	369
ANNA CITY					8		8	8
ANNA ISD						25	25	25
BLAND ISD							0	0
BLUE RIDGE CITY							0	1
BLUE RIDGE ISD							0	5
CARROLLTON CITY							0	1
CELINA CITY							0	9
CELINA ISD							0	30
COLLIN COUNTY		125	125	125		125	500	500
COLLIN CO COLLEGE	89					90	179	179
COMMUNITY ISD	3	3	3	3	3	3	18	21
DALLAS CITY	40		40				80	80
FAIRVIEW CITY						12	12	12
FARMERSVILLE CITY					3		3	3
FARMERSVILLE ISD		5			4	4	13	13
FRISCO CITY		127					127	127
FRISCO ISD		591					591	591
GARLAND CITY							0	0
GUNTER ISD							0	0
JOSEPHINE CITY							0	1
LAVON CITY					1	1	2	2
LEONARD ISD							0	0
LOVEJOY ISD						71	71	71
LOWRY CROSSING							0	1
LUCAS CITY			6				6	6
MCKINNEY CITY					193		193	193
MCKINNEY ISD	85	85		85	85	87	427	427
MELISSA CITY							0	7
MELISSA ISD						21	21	21

**DISTRIBUTION OF VOTES  
BOARD OF DIRECTORS  
2016**

<b>TAXING ENTITY</b>	<b>Nominee Earnest Burke</b>	<b>Nominee Ronald Carlisle</b>	<b>Nominee Wayne Mayo</b>	<b>Nominee Michael Pirek</b>	<b>Nominee John Politz</b>	<b>Nominee Gary Rodenbaugh</b>	<b>Votes Cast</b>	<b>Votes Entitled Calculation</b>
MURPHY CITY					25		25	25
NEVADA CITY							0	0
NEW HOPE CITY							0	0
PARKER CITY			5				5	5
PLANO CITY				334			334	334
PLANO ISD	660		400	282			1342	1342
PRINCETON CITY							0	6
PRINCETON ISD					23		23	23
PROSPER CITY							0	23
PROSPER ISD							0	120
RICHARDSON CITY			67				67	67
ROCKWALL ISD							0	0
ROYSE CITY							0	1
ROYSE CITY ISD		4					4	4
SACHSE CITY			10				10	10
ST. PAUL CITY					1		1	1
TRENTON ISD							0	0
VAN ALSTYNE ISD							0	1
WESTON CITY							0	0
WHITEWRIGHT ISD							0	0
WYLIE CITY			58				58	58
WYLIE ISD							0	155
<b>TOTALS</b>	<b>877</b>	<b>940</b>	<b>714</b>	<b>829</b>	<b>346</b>	<b>930</b>	<b>4,636</b>	<b>5,000</b>
							<b>ENTITLED VOTES MINUS CAST VOTES:</b>	<b>364</b>
	<u>Nominated by</u>	<u>Nominated by</u>	<u>Nominated by</u>	<u>Nominated by</u>	<u>Nominated by</u>	<u>Nominated by</u>		
1	Plano ISD	Frisco ISD	Richardson City	Plano City	Farmersville City	Allen City		
2		Frisco City	McKinney City			Allen ISD		

**EXECUTIVE SUMMARY  
DALLAS CENTRAL APPRAISAL DISTRICT  
BOARD OF DIRECTORS APPOINTMENTS FOR 2018 & 2019  
September 11, 2017**

**APPOINTMENT PROCESS:**

- There are 5 board positions representing the following groups:
  - Dallas County
  - City of Dallas
  - Suburban Cities (Richardson's Representative)
  - Dallas ISD
  - Suburban School Districts
- John Ames, Dallas County Tax Assessor/Collector, is an ex-officio member (Tax Code Sec. 6.03a)
- Each Suburban City may make a nomination for the Suburban City Representative (or several cities may agree to nominate an individual) – See October 16 below
- Because there is no “at large” voting entitlement, an entity may vote only for candidates nominated for the position that represents that entity
  
- **OCTOBER 1:** Chief Appraiser must deliver notice of voting entitlement to each entity
  - **VOTING ENTITLEMENT CALCULATION**
    - By 1980 agreement each suburban city is entitled to one vote, which is different from the Property Tax Code process and from CCAD
    - Richardson voting entitlement for 2016 was one (as determined by the 1980 agreement)
    - For 2016, Michael Hurtt of DeSoto was nominated and elected with 16 votes of the 30 entities eligible to vote
- **OCTOBER 16:** Entities wishing to nominate a candidate must do so by sending an official resolution to DCAD by this date
- **OCTOBER 31:** Chief appraiser prepares ballot containing names of the nominees and submits to entities
- **DECEMBER 15:** Each entity wishing to vote for the suburban representative must do so by official resolution by this date
- **JANUARY 1:** Chief Appraiser declares winner(s) and notifies entities

**CURRENT BOARD MEMBERS:**

- John Warren (Dallas County Representative)
- John Threadgill (City of Dallas Representative)
- Dr. Lew Blackburn (Dallas ISD Representative)
- Michael Hurtt (Suburban Cities Representative), Chairman of the Board
- Steve Pryor of Grand Prairie (Suburban School Districts Representative)
- John Ames, Ex-Officio (County Tax Assessor/Collector – Legislature Board Appointment)

**STATUS:**

- The Suburban Cities Representative current member is Michael Hurtt
- Mr. Hurtt has expressed an interest in serving another term
  - Mr Hurtt has served on the DCAD Board since 2008
  - Former Mayor of DeSoto
  - Resident of DeSoto
- **DIRECTOR QUALIFICATIONS (RESTRICTIONS):**
  - **RESIDENCY:** must reside in district for 2 years immediately preceding office term
  - **EMPLOYMENT:** may not be an employee of a taxing unit within the district (unless the employee is also an elected official of the governing body of a taxing unit)
  - **RELATIONSHIPS:** may not serve if related to someone who appraises property for use in proceedings before the appraisal review board
  - **BUSINESS INTERESTS:** may not serve if they have a substantial interest in a business entity which has a contract with the appraisal district or, in the case of a taxing unit, has a contract related to the performance of an activity governed by the Tax Code or if they are a tax agent

**RECOMMENDATION**

- Staff recommends nominating and voting for Michael Hurtt
- A resolution has been prepared for the September 25, 2017 City Council Agenda nominating Mr. Hurtt
- A resolution will be placed on the November 13, 2017 City Council Agenda voting for Mr. Hurtt

**ATTACHMENTS:**

- Michael Hurtt – Personal Profile
- Comparison of Suburban Cities Votes for 2014 and 2016

### Personal Profile – Michael Hurtt

Michael Hurtt came to Dallas from Casper, Wyoming in 1971. Graduated from Mortuary Science College, and has been in this area ever since. He was elected to the DeSoto City Council in May of 1998, and served as Mayor Pro Tem those three years. He was elected Mayor in 2001, and again in 2004. He was the seated Mayor when DeSoto was recognized for the ALL AMERICA CITY Award in 2006. He has served as council liaison to the DeSoto Economic Development Corporation, the Arts Commission, and Keep DeSoto Beautiful, a commission he founded in DeSoto. He also served on the North Texas Commission Board of Directors. For 2016 he was elected by 16 of 30 eligible suburban cities to serve another term on the Dallas County Appraisal District Board of Directors. He also serves as Vice-Chairman of the DeSoto Economic Development Corporation. Mr. Hurtt was also appointed to the Advisory Board for Methodist Charlton Hospital for a three year term.

Mr. Hurtt was a member of the executive board of directors of the Dallas Zoological Society. He also served on Tex-21, the U.S. Conference of Mayors, and the National League of Cities. He was vice president of the Medical Center of Lancaster Hospital Board of Directors, and served on the board of Compass Hospital. In the past, Mr. Hurtt has served on the DeSoto Park Board, Strategy 2000, and the Charter Review Committee. He was also the chairman of the DeSoto Chamber of Commerce and the Best Southwest Chamber Partnership, past president of the DeSoto Rotary Club and the North Texas Funeral Directors Association.

Mr. Hurtt and his wife Marilyn have lived in DeSoto since 1988 and have two grandchildren. He is the owner of West/Hurtt Funeral Home in DeSoto since 1988.

**City of Richardson, Texas**  
**Comparison of DCAD Suburban Cities Votes Cast for Board of Directors**  
**2014 & 2016 Votes Cast**

<b>Suburban City</b>	<b>2014</b>	<b>2016</b>
Addison	Michael Hurtt	Blake Clemens
Balch Springs	Wanda Adams	Steven Gorwood
Carrollton	Michael Hurtt	Blake Clemens
Cedar Hill	Michael Hurtt	Michael Hurtt
Cockrell Hill	Michael Hurtt	Blake Clemens
Combine	No Vote	No Vote
Coppell	Michael Hurtt	Blake Clemens
DeSoto	Michael Hurtt	Michael Hurtt
Duncanville	Michael Hurtt	Michael Hurtt
Farmers Branch	Michael Hurtt	Michael Hurtt
Ferris	Michael Hurtt	Michael Hurtt
Garland	No Vote	No Vote
Glenn Heights	Gerald W. Lemons	Michael Hurtt
Grand Prairie	No Vote	No Vote
Grapevine	Abstain	No Vote
Highland Park	No Vote	Blake Clemens
Hutchins	Michael Hurtt	Michael Hurtt
Irving	Loren Byers	Loren Byers
Lancaster	Michael Hurtt	Michael Hurtt
Lewisville	No Vote	No Vote
Mesquite	Michael Hurtt	Michael Hurtt
Ovilla	Michael Hurtt	Michael Hurtt
Richardson	Michael Hurtt	Michael Hurtt
Rowlett	No Vote	Michael Hurtt
Sachse	Michael Hurtt	Michael Hurtt
Seagoville	Michael Hurtt	Michael Hurtt
Sunnyvale	Michael Hurtt	Michael Hurtt
University Park	Michael Hurtt	Blake Clemens
Wilmer	Michael Hurtt	Michael Hurtt
Wylie	Michael Hurtt	Blake Clemens