



AMENDMENT
NOTICE OF REGULAR MEETING AGENDA
LANCASTER CITY COUNCIL
MUNICIPAL CENTER CITY COUNCIL CHAMBERS
211 N. HENRY STREET, LANCASTER, TEXAS



Monday, September 13, 2021 - 7:00 p.m.

While one or more City Council Members may be present via video or audio link due to the COVID-19 emergency situation, a quorum of the City Council will be at the Municipal Center City Council Chambers, as required by the Texas Open Meetings Act.

Please click the link below for forms:

<https://www.lancaster-tx.com/1413/Notice-Regarding-Public-Participation>

Please click the link below to join the webinar:

https://us02web.zoom.us/join/tZEscOyorjsoHdL6IK9bwvpKOFLCdTHJvG_S

The meeting will be broadcast live via video at the following address:

<http://www.lancaster-tx.com/324/Watch-Meetings>

7:00 P.M. REGULAR MEETING

CALL TO ORDER

INVOCATION: Ministerial Alliance

PLEDGE OF ALLEGIANCE: Deputy Mayor Pro-Tem Jaglowski

PROCLAMATION: Blood Cancer Awareness Month; National Payroll Week

PUBLIC TESTIMONY/CITIZEN'S COMMENTS:

At this time, citizens who have pre-registered before the call to order will be allowed to speak on any matter for a length of time not to exceed three minutes. No Council action or discussion may take place on a matter until such matter has been placed on an agenda and posted in accordance with law. Anyone desiring to speak on an item scheduled for a public hearing is requested to hold their comments until the public hearing on that item.

CONSENT AGENDA:

Items listed under the consent agenda are considered routine and are generally enacted in one motion. The exception to this rule is that a Council Member may request one or more items to be removed from the consent agenda for separate discussion and action.

1. Consider approval of minutes from the City Council Regular Meeting held on May 10, 2021, and May 24, 2021.

2. Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain food establishment inspections and environmental services.
3. Consider a resolution adopting the City of Lancaster's Financial Policy providing for prudent financial management of all funds to enable the City to maintain a long-term stable and positive financial condition; and to provide guidelines for the day-to-day planning and operation of the City's financial matters.
4. Consider a resolution adopting the City of Lancaster's Investment Policy providing that all funds of the city be managed and invested for safety, liquidity, and diversification and yield investments chosen in a manner that promotes diversity by market sector, credit, and maturity; providing that this policy serves to satisfy the requirements of Chapter 2256 of the Local Government Code, "Public Funds Investment Act".
5. Consider a resolution adopting the City of Lancaster Debt Management Policy establishing guidelines for debt financing to provide for land, long-term capital additions, and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.
6. Consider declaring certain board, commission or committee position(s) vacant due to resignations.
7. Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster, the City of Dallas and County of Dallas, Texas. For the annual Project 25 (P25) Infrastructure Support Fee in the amount of \$28.00 per month, per Subscriber Radio or console.

PUBLIC HEARING:

8. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District.
9. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Boardwalk Public Improvement District.
10. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District.
11. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District.

12. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Meadowview Public Improvement District.
13. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Millbrook East Public Improvement District.
14. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Pleasant Run Estates Phase 1-A Public Improvement District.
15. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Rolling Meadows Public Improvement District.
16. Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District.
17. Conduct a public hearing and discuss an ordinance regarding the proposed fiscal year 2021/2022 budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022; providing that expenditures for said fiscal year shall be in accordance with said budget.
18. Conduct a public hearing and discuss an ordinance regarding the proposed revenue increase from levying ad valorem taxes for fiscal year 2021/2022 at \$0.769287 per one hundred dollars assessed valuation of all taxable property within the corporate limits to provide revenues for current maintenance and operational expenses and interest and sinking fund requirements; providing due and delinquent dates; penalties and interest; providing a homestead exemption and disability exemption.

ACTION:

19. Discuss and consider an ordinance, establishing the Lancaster Paid Quarantine Leave Program for Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers.
20. Discuss and consider a resolution approving a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Project Rex (Thred Up, Inc.).
21. Discuss and consider a resolution ratifying a grant agreement, in an amount not to exceed one hundred seventy thousand dollars (\$170,000), with Project Rex (ThredUp, Inc.) from funds collected from the one-fourth (1/4) of one (1) percent additional sales and use tax for the promotion and development of new and expanded business enterprises, as authorized by state law.

EXECUTIVE SESSION:

22. City Council shall convene into closed executive session to consult with the City's Attorney regarding pending or contemplated litigation pursuant to Texas Government Code Section 552.971(1)(a): litigation regarding taxation under 34 TAC 3.334.
23. Reconvene into open session and take any action necessary.

ADJOURNMENT

EXECUTIVE SESSION: The City Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the Texas Government Code to seek legal advice concerning such subject.

ACCESSIBILITY STATEMENT: Meetings of the City Council are held in municipal facilities that are wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

Certificate

I hereby certify the above Notice of Meeting was posted at Lancaster City Hall on September 10, 2021 @ 10:00 a.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.



Carey D. Neal, Jr.

Assistant City Manager

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

1.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure
Quality Development
Professional and Committed City Workforce

Submitted by: Sorangel O. Arenas, City Secretary

Agenda Caption:

Consider approval of minutes from the City Council Regular Meeting held on May 10, 2021, and May 24, 2021.

Background:

Attached for your review and consideration are minutes from the City Council Regular Meeting held on May 10, 2021, and May 24, 2021.

Attachments

Draft Minutes 05.10.2021

Draft Minutes 05.24.2021

MINUTES

LANCASTER CITY COUNCIL REGULAR MEETING OF MAY 10, 2021

The City Council of the City of Lancaster, Texas, met in a called Regular Meeting in the Council Chambers of City Hall on May 10, 2021, at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present (City Hall & Zoom):

Mayor Clyde C. Hairston
Carol Strain-Burk
Deputy Mayor Pro-Tem Stanley M. Jaglowski
Marco Mejia
Mayor Pro-Tem Racheal Hill
Betty Gooden-Davis

Councilmembers Absent:

Keithsha C. Wheaton

City Staff Present (City Hall & Zoom):

Opal Mauldin-Jones, City Manager
Fabrice Kabona, Deputy City Manager
Carey D. Neal Jr., Assistant City Manager
Andrew Waits, Director of Public Works
Dori Lee, Director of Human Resources
Jermaine Sapp, Director of Equipment and Facilities Services
Kenneth Johnson, Fire Chief
Kim Hall, Director of Finance
Lisa Wube, Director of Parks and Recreation
Sam Urbanski, Police Chief
Shane Shepard, Director of Economic Development
Vicki Coleman, Director of Development Services
Alton Dixon, Purchasing Agent
Bryce Reed, Communications and Public Relations Coordinator
Cheryl Womble, Administrative & Community Relations Supervisor
Crystal Cloud, Utility Billing Manager
John Melton, Library Manager
Kellen Benbrook, Airport Manager
Keturah Barnett, Assistant to the City Manager
Kimberli Walker, Court Administrator
Nina Neubert, Dispatch Manager
David T. Ritter, City Attorney
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Hairston called the meeting to order at 7:00 p.m. on May 10, 2021.

Invocation:

Bishop Clyde C. Hairston of Miracle Temple Fellowship Church gave the invocation.

Pledge of Allegiance:

Councilmember Betty Gooden-Davis led the pledge of allegiance.

Proclamations:

Mayor Hairston read Put on Purple Day and Public Works Week proclamations.

Public Testimony/Citizen's Comments:

There were no speakers.

Action:

1. **Administer Oath of Office, present Certificate of Election, and seat newly elected Mayor.**

Judge Valencia Nash administered the Oath of Office for Clyde C. Hairston. Certificates of Election were presented.

Consent:

2. **Consider approval of minutes from the City Council Regular Meeting held on April 12, 2021.**

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Mayor Pro-Tem Hill to approve consent items 2. The vote was cast 6 for, 0 against. [Wheaton absent]

Action:

3. **Discuss and consider a resolution denying Oncor's application to amend its Distribution Cost Recovery Factor (DCRF) to increase distribution rates with each of the cities in their service area, including the City of Lancaster.**

City Manager Mauldin-Jones shared the City of Lancaster is a member of a 156-city coalition known as the Steering Committee of Cities served by Oncor ("OCSC"). OCSC has been the primary public interest advocate before the Public Utility Commission, the Courts, and the Legislature on electric utility regulation matters on our behalf. The purpose of the resolution is to deny the DCRF application proposed by Oncor as recommended by the Steering Committee of Cities Served by Oncor.

On April 8, 2021, Oncor Electric Delivery Company LLC filed an Application for Approval to Amend its Distribution Cost Recovery Factor ("DCRF") to Increase Distribution Rates with each of the cities in their service area. In the filing, the Company asserts that it is seeking an increase in total distribution revenue requirement by approximately \$97,826,277.

The resolution authorizes the City to join with the Steering Committee of Cities Served by Oncor ("OCSC") to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue. The Public Utility Commission's rule allows cities 60 days to act on this application. That deadline is June 7, 2021.

The resolution was provided by the legal counsel, Llyod Gosselink Rochelle & Townsend, P.C., that represents Steering Committee of Cities served by Oncor, of which the City of Lancaster is a member.

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Strain-Burk to approve item 3. The vote was cast 6 for, 0 against. [Wheaton absent]

4. **Discuss and consider a resolution authorizing the City Manager to execute a development agreement between the City of Lancaster and Lancaster Rolling Meadows Ltd. relating to building materials for the development of the Rolling Meadows property located north of Belt Line Road and east of Rolling Hills Place and is approximately 21.14 acres in size. The property is more particularly described as property located in the Valentine Wampler Survey, Abstract No. 1546, G.K. Sneed Survey, Abstract No. 1278 and J.M. Rawlins Survey, Abstract No. 1208 in the City of Lancaster, Dallas County, Texas.**

City Manager Mauldin- Jones shared this is a development agreement between the City of Lancaster and Lancaster Rolling Meadows Ltd. relating to building materials for the development of the Rolling Meadows property located north of Belt Line Road and east of Rolling Hills Place and is approximately 21.14 acres in size. The property is more particularly described as property located in the Valentine Wampler Survey, Abstract No. 1546, G.K. Sneed Survey, Abstract No. 1278 and J.M. Rawlins Survey, Abstract No. 1208 in the City of Lancaster.

This item is related to zoning case Z21-06, an amendment to Planned Development District No. 26 (PD-26) to allow modifications to the design criteria for Phase 3 of the Rolling Meadows subdivision. The purpose of this development agreement is to ensure this subdivision develops utilizing the building materials and design for the proposed home plans and elevations as identified in Exhibit C. On September 1, 2019, the Texas Legislature passed House Bill 2439 which generally prohibits local governments from enforcing local codes concerning building materials on commercial and residential properties. However, developers may enter into agreements with Texas cities to specify building materials; these agreements do not violate H.B. 2439 and are enforceable. The development agreement specifies building materials for the additional home plans and elevations as depicted in Exhibit C of the Development Agreement. Staff recommends approval of the development agreement.

Developer Randell Curington provided a presentation.

MOTION: Mayor Pro-Tem Hill made a motion, seconded by Councilmember Mejia to approve the entire element and classic plans and elevations. The vote was cast 6 for, 0 against. [Wheaton absent]

Public Hearing:

5. **Z21-06 Conduct a public hearing and consider an amendment to Planned Development District No. 26 (PD-26) to allow modifications to the design criteria for Phase 3 of the Rolling Meadows subdivision. The property is located north of Belt Line Road and east of Rolling Hills Place and is approximately 21.14 acres in size. The property is more particularly described as property located in the Valentine Wampler Survey, Abstract No. 1546, G.K. Sneed Survey, Abstract No. 1278 and J.M. Rawlins Survey, Abstract No. 1208 in the City of Lancaster, Dallas County, Texas.**

City Manager Mauldin-Jones shared this was a companion item to item 4. On March 21, 2021 a notice for this public hearing appeared in the Focus Daily Newspaper. Staff also mailed 72 notifications of this Public Hearing to property owners within 200-feet of the subject site and zoning signs were placed on the property. There was one (1) letter received in support and no letters received in opposition of this request. On April 6, 2021 the Planning and Zoning Commission recommended approval of the request to approve the Carolina (Elevation C), Dogwood (Elevation ES), Wisteria (Elevations A & B), Magnolia (Elevations F, CS, AS & A) and Dewberry (Elevations C, CS & D) plans and denial of the other plans. Additionally, staff recommends including approval of Magnolia Elevation C and Wisteria Elevation D.

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Mayor Pro-Tem Hill to close the public hearing. The vote was cast 6 for, 0 against. [Wheaton absent]

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve item 5 with the expanded plans. The vote was cast 6 for, 0 against. [Wheaton absent]

Action:

6. Discuss and consider election of a Mayor Pro-Tempore.

Councilmember Mejia nominated Councilmember Hill.

Councilmember Strain-Burk nominated Councilmember Jaglowski

The roll call vote was cast 4 for, 2 against [Strain-Burk and Jaglowski] [Wheaton absent] for Councilmember Hill to serve as Mayor Pro-Tempore.

7. Discuss and consider election of a Deputy Mayor Pro-Tempore

Councilmember Mejia nominated Councilmember Jaglowski.

The roll call vote was cast 6 for, 0 against [Wheaton absent] for Councilmember Jaglowski to serve as Deputy Mayor Pro-Tempore.

Mayor Hairston shared his gratitude to the citizens of the City of Lancaster. Mayor Hairston shared his gratitude to the Council and that he looks forward to continue working together.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Gooden-Davis to adjourn. The vote was cast 6 for, 0 against. [Wheaton absent]

The meeting was adjourned at 8:13 p.m.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

MINUTES

LANCASTER CITY COUNCIL REGULAR MEETING OF MAY 24, 2021

The City Council of the City of Lancaster, Texas, met in a called Regular Meeting in the Council Chambers of City Hall on May 24, 2021, at 7:00 p.m. with a quorum present to-wit:

Councilmembers Present (City Hall & Zoom):

Mayor Clyde C. Hairston
Carol Strain-Burk
Deputy Mayor Pro-Tem Stanley M. Jaglowski
Marco Mejia
Keithsha C. Wheaton
Betty Gooden-Davis

Councilmembers Absent:

Mayor Pro-Tem Racheal Hill

City Staff Present (City Hall & Zoom):

Opal Mauldin-Jones, City Manager
Carey Neal, Assistant City Manager
Andrew Waits, Director of Public Works
Chris Youngman, Emergency Management Chief
Dori Lee, Director of Human Resources
Jermaine Sapp, Director of Equipment and Facilities Services
Kenneth Johnson, Fire Chief
Kim Hall, Director of Finance
Lisa Wube, Director of Parks and Recreation
Sam Urbanski, Police Chief
Shane Shepard, Director of Economic Development
Vicki Coleman, Director of Development Services
Alton Dixon, Purchasing Agent
Bryce Reed, Communications and Public Relations Coordinator
Cheryl Womble, Administrative & Community Relations Supervisor
Crystal Cloud, Utility Billing Manager
John Melton, Library Manager
Kellen Benbrook, Airport Manager
Keturah Barnett, Assistant to the City Manager
Kimberli Walker, Court Administrator
David T. Ritter, City Attorney
Sorangel O. Arenas, City Secretary

Call to Order:

Mayor Hairston called the meeting to order at 7:00 p.m. on May 24, 2021.

Invocation:

Bishop Clyde C. Hairston of Miracle Temple Fellowship Church gave the invocation.

Pledge of Allegiance:

Councilmember Strain-Burk led the pledge of allegiance.

Proclamations:

Mayor Hairston read the National Stroke Awareness proclamation.

Public Testimony:

There were no speakers.

Consent:

1. Consider approval of minutes from the City Council Regular Meeting held on April 26, 2021.
2. Consider a resolution approving the terms and conditions of an agreement with Bickerstaff Heath Delgado Acosta, LLP for redistricting services.
3. Consider an ordinance establishing Reasonable Response Community Ranges for civil emergency response time requirements for certain positions.
4. Consider a resolution authorizing the purchase of six (6) WatchGuard 4RE/V300 In-Car/Body Camera Systems, one (1) WatchGuard V300 Transfer Station and two (2) WatchGuard 4RE Interview Room Camera Systems from Motorola Solutions, through an interlocal agreement with BuyBoard, in an amount not to exceed fifty-six thousand one hundred thirty dollars (\$56,130.00).
5. Consider a resolution awarding RFP 2021-17 to Construction Solutions USA, LLC for upgrades to LED lights, for the following municipally owned facilities: Veterans Memorial Library, 1700 Veterans Memorial Parkway, Lancaster, Texas 75134, James R. Williams Pump Station, 1999 North Jefferson, Lancaster, Texas 75134, and 700 East Main Street, Lancaster, Texas 75146; in an amount not to exceed seventy-eight thousand eight hundred forty-eight dollars and seventy-five cents (\$78,848.75).
6. Consider a resolution approving the terms and conditions of an agreement for roof repairs, in an amount not to exceed one hundred fifty-eight thousand, one hundred sixty-nine dollars (\$158,169.00), to J. Reynolds & Company Inc. for the following city properties through an interlocal agreement with The Interlocal Purchasing System (TIPS): Veterans Memorial Library, 1600 Veterans Memorial Parkway, Lancaster, Texas 75134; Recreation Center, 1700 Veterans Memorial Parkway, Lancaster, Texas 75134; and, Public Safety Building, 100 Craig Shaw Memorial Parkway, Lancaster, Texas 75134

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Strain-Burk to approve Consent items 1-6. The vote was cast 6 for, 0 against. [Hill absent]

Public Hearing:

7. **Z21-08 Conduct a public hearing and consider a Specific Use Permit (SUP) for a secondary living unit at 509 North Elm Street, located approximately 200 feet south of West Fifth Street. The property is on the west side of Elm Street. The property is approximately .5 acre and is further described as Lot 24 (24.2) Block C in the Westridge Annex Subdivision, City of Lancaster, Dallas County, Texas.**

City Manager Mauldin-Jones Share this item is Specific Use Permit (SUP) for a secondary living unit at 509 North Elm Street, located approximately 200 feet south of West Fifth Street. The Future Land Use Plan of the Comprehensive Plan designates the subject property as Mixed-Use Neighborhood. Single-family detached homes are not a permitted use in this designation; Section 14.402 Use Standards Section (6) Guest Quarters/Secondary Living Unit of the Lancaster Development Code (LDC) states, "Guest quarters or secondary living unit may be allowed on a property in a residential or commercial zoning district

provided that it is ancillary to the primary use and that only one such facility is provided." The request is not compatible with the Comprehensive Plan of the Future Land Use Plan.

On December 31, 2021, the applicant applied for an accessory structure permit, and it was approved on January 20, 2021. On March 19, 2021 the applicant attempted to pull a second water meter for this structure and it was determined that the proposed accessory structure is for a secondary living unit and therefore required a SUP. Section 14.401 Land Use Schedule of the Lancaster Development Code (LDC), secondary living units are permitted in the SF-6 zoning district only after obtaining a SUP. Section 14.402 Section (6) Use Standards, a secondary living unit shall not exceed 900 square feet or 50% of the main structure or whatever is less. Although the proposed use complies with the minimum size requirements of 900 square feet and the minimum setback requirements for the SF-6 zoning district, the secondary living use is not compliant with the Future Land Use Plan of the Comprehensive Plan which does not permit single family detached homes. Allowing a secondary living unit would further increase its non-conformity with the Future Land Use Plan.

On April 18th, 2021, a notice for this public hearing appeared in the Focus Daily Newspaper. Staff also mailed notifications of this public hearing to all 25 property owners that are within 200-feet of the subject site. At that time there were no letters received in support or opposition to this request. However, since that time there has been 1 letter that was received in opposition to the request. On May 4th, 2021 the Planning and Zoning Commission recommended approval of the SUP request as presented. Staff recommends denial of the request.

Councilmember Mejia requested history on this item.

City Manager Mauldin-Jones shared the applicant requested a permit for a storage building, the permit was granted. However, when the plans were submitted there was a secondary living structure, staff shared this requires a SUP and they would have to stop work.

City Attorney Ritter shared that this permit would not binding to the city. The mistake of the Building Official cannot override the Ordinance.

Councilmember Mejia asked if the structure could still be used?

City Attorney Ritter shared that the kitchen would have to be removed and maybe other items to make it storage and not living quarters.

Councilmember Mejia ask if we can find a compromise to make the best of this situation.

Councilmember Gooden-Davis shared she wonders did it began with deceit. When the applicant was asked to stop building they continued.

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to close the public hearing. The vote was cast 6 for, 0 against. [Hill absent]

Councilmember Strain-Burk ask if this could be stipulated that this could only be use for storage and that they could not have water.

City Attorney shared that could fall under the accessory building. Accessory building is permitted.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Gooden-Davis to denied item 7. The vote was cast 6 for, 0 against. [Hill absent]

8. M21-16 Conduct a public hearing and consider an ordinance amending the City of Lancaster Comprehensive Plan's Future Land Use Plan regarding three (3) tracts of land addressed as 2700 and 2950 West Wintergreen Road and 2900 South Longhorn Drive situated in the M. Parks Survey, Abstract No. 1120, City of Lancaster, Dallas County, Texas.

City Manager Mauldin-Jones shared this item is amending the City of Lancaster Comprehensive Plan's Future Land Use Plan regarding three (3) tracts of land. This is a request to amend the Future Land Use Plan of the Comprehensive Plan from Suburban Mixed-Use Center to Logistics/Distribution at 2700 and 2950 West Wintergreen Road and 2900 South Longhorn Drive. As noted above, the Future Land Use Map of the Comprehensive Plan identifies this site as Suburban Mixed-Use Center. The Suburban Mixed-Use Center is intended to create regional destinations, including entertainment venues, regional oriented retail and lifestyle centers. Suburban Mixed-Use Center primary land uses include regional retail, urban residential, senior housing, hotels, professional office, restaurants, multi-tenant commercial, live/work/shop units with secondary land uses such as civic and institutional uses as well as parks. The proposed Logistic/Distribution focuses on creating and retaining large floor plate, clean warehouse space and flex space in the city. Primary land uses include transportation related distribution centers, technology/data centers, flex office with secondary land uses supporting logistics suppliers, retail and office uses, incubators, training facilities, civic/institutional uses and parks.

Staff supports the applicant's request to amend the Future Land Use Plan of the Comprehensive Plan based on the following reasons: The existing LI zoning on the property, the current LI uses already developed within the industrial park site and The property is within an industrial park that has deed restrictions which only allow for light industrial use. On April 18, 2021, a notice for this public hearing appeared in the Focus Daily Newspaper. There were no letters in opposition or support for this zoning change request. The Planning and Zoning Commission recommended approval at their May 4, 2021 meeting. Staff concurs and recommends approval of the ordinance as presented.

Councilmember Strain-Burk asked if only the Longhorn Business Park has the deed restrictions and not the adjacent properties?

City Manager Mauldin-Jones shared only the Longhorn Business Park has the deed restrictions.

Deputy Mayor Pro-Tem Jaglowski shared his gratitude to Longhorn Business Park to bring the buildings to modern standards

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to close the public hearing. The vote was cast 6 for, 0 against. [Hill absent]

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to approve item 8. The vote was cast 6 for, 0 against. [Hill absent]

9. M21-18 Conduct a Public Hearing and consider an ordinance amending the Master Thoroughfare Plan of the City of Lancaster Comprehensive Plan relocating east Longhorn Drive to approximately 252 feet east of its current location.

City Manager Mauldin-Jones shared this is a companion item to item 8 to amendment to the Master Thoroughfare Plan of the City of Lancaster Comprehensive Plan relocating East Longhorn Drive to approximately 252 feet east of its current location. Notice of this public hearing was published in the official publication of record Focus Daily News on April 18, 2021. This item is being considered at a regular City Council meeting noticed in accordance with the Texas Open Meetings Act. Staff recommends approval of the proposed amendment to the Master Thoroughfare Plan of the Comprehensive Plan as presented.

Mayor Hairston opened the public hearing.

There were no speakers.

MOTION: Councilmember Strain-Burk made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to close the public hearing. The vote was cast 6 for, 0 against. [Hill absent]

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Gooden-Davis to approve item 9. The vote was cast 6 for, 0 against. [Hill absent]

Action:

10. M21-13 Discuss and consider an ordinance of the City of Lancaster, Texas granting four (4) special exceptions to (1) The maximum building height requirement contained in Section 14.500(i), (2) Building articulations in Section 14.505 (3) Permanent landscape and ground cover in Section 14.804 of the Lancaster Development Code and (4) Driveway spacing in Section 1-05 (E) of the General Design Manual on properties located on the southwest corner of West Wintergreen Road and East Longhorn Drive addressed 2700 and 2950 west Wintergreen Road and 2900 East Longhorn Drive, City of Lancaster, Dallas, County, Texas.

City Manager Mauldin-Jones shared this item is requesting four (4) special exceptions to (1) The maximum building height requirement contained in Section 14.500(i), (2) Building articulations in Section 14.505 (3) Permanent landscape and ground cover in Section 14.804 of the Lancaster Development Code and (4) Driveway spacing in Section 1-05 (E) of the General Design Manual on properties located on the southwest corner of West Wintergreen Road and East Longhorn Drive addressed 2700 and 2950 West Wintergreen Road and 2900 East Longhorn Drive.

(1) Building Height Exception: This is a request for an exception to Article V. (Development District Standards) of the Lancaster Development Code (LDC) Section 14.500(i) which requires buildings in Light Industrial (LI) zoning districts to have a maximum building height of 35 feet above grade. The applicant is proposing three warehouses on three lots that will be approximately 846,000 square feet in total. The applicant is requesting a height variance of up to 49 feet. The applicant states that increased industrial building height is needed for functional and operational purposes. Staff supports the request for increased height for the proposed three buildings. purposes. Staff supports the request for increased height for the proposed three buildings.

(2) Building Articulations Exception: The applicant is requesting an exception from Section 14.505 Industrial Standards, Subsection (a) General Industrial District Standards (3) Building Articulation which states that " A. Requirements. Facades which face streets shall meet the following minimum standards for articulation:1. Horizontal Articulation. No building wall shall extend for a distance equal to 4 times the wall's height without having an off-set of 25% of the wall's height, and that new plane shall extend for a

distance equal to at least 20% of the maximum length of the first plane. 2. Vertical Articulation. No horizontal wall shall extend for a distance greater than 4 times the height of the wall without changing height by a minimum of 25% of the wall's height". The purpose of articulations is to accentuate the visible parts of a building from public streets. It helps each part of the building to stand out clearly and avoids a situation whereby a building is monotonous in design. The applicant is requesting exceptions to the building articulation requirements for all three (3) buildings. The applicant states that the horizontal articulations will create projections into the truck court and auto parking areas which can cause truck circulation issues; vertical articulations will cause issues with roof drainage and the increased height will further inhibit the building's capability to be screened from the street. In order to minimize the visual impact of dock doors and truck courts, the applicant will be installing an 8 feet landscape screen that will shield the truck courts from public streets. They are also providing architectural depth by using form-liner and reveal patterns in order to enhance the curb appeal of all of the buildings. Furthermore, glass, sunshades, and canopies will be used around the office areas in order to enhance the front facing facades of each building. Staff recommends that the facades which face a public street and do not have dock doors or truck courts meet the vertical and horizontal articulations. However, staff recommends approval of the exception request for facades with dock doors which face public street conditioned that the applicant will be providing dense landscaping to shield facades with dock doors from public view and will be providing other architectural features on such facades.

(3) Landscape Exception: The applicant is requesting exceptions from two (2) requirements of the City of Lancaster Landscape Ordinance as follows. a. 20% Permanent Landscaping Section 14.804 (b) (1) of the Landscape Ordinance states that, "For all nonresidential and multi-family parcels, at least 20% of the site shall be permanently landscaped. All of the required landscaped area shall be located in the street yards, side yards, and parking lots." Section 14.805 (b) of the Landscape Ordinance also states that, "The total square footage of the required landscape area may be reduced by 20% if all landscaping materials have lower water demand, as identified by the Texas A&M Extension Service". 100% of all the planting materials that will be used on all three sites have a lower water demand. The applicant is requesting to have: 71,162 square feet of 83,288 square feet required landscape for Building 1 site; 108,616 square feet of 167,383.2 square feet required landscape for Building 2 site; and 44,033 square feet of 58,615.2 square feet required landscape for Building 3.b. Ground Cover Requirement: Section 14.804 (b) (B) (6) of the Landscape Ordinances states that, "At least 10% of the required landscape area shall be maintained in ground cover." For Building 2, 16,783.3 square feet of ground cover is required on the site and the applicant is providing 13,696 square feet. This is 3,087.3 square feet less than what is required. Although the applicant is requesting an exception for two (2) of the landscape requirements, the applicant is exceeding the minimum amount of street trees, shrubs, and internal parking lot screening on all three sites and is exceeding the minimum number of ground cover on sites 1 and 3. The applicant is also installing 100% xeriscape which will aid in water conservation. Overall, the sites meet the spirit and intent of the Lancaster Development Code as it will enhance and improve the physical appearance of the site and staff supports the applicant's request.

(4) Driveway Spacing Exception: The applicant is requesting an exception from the driveway requirement of the General Design Manual. Section 1-05 Street Systems, Subsection E. Driveway Standards (f) of The General Design Manual states that "The driveways for corner lot, if allowed, must be located a minimum of hundred (100') feet from point of intersection of the curb lines of both streets" The applicant is seeking to deviate from the above 100 feet by reducing to 48 feet driveway spacing for the easternmost drive connection between Fabrication Drive and South Longhorn Drive from East Longhorn Drive stating that 100 feet requirement restricts maneuverability of trucks in the truck court. The drives in question are highlighted on the attached driveway spacing request exhibit. The applicant went further to provide traffic projection for both the intersections of Fabrication Drive and East Longhorn Drive and South Longhorn Drive and East Longhorn Drive. The expected traffic volumes for both intersections are expected to very be low as demonstrated on the attached trip generation summary table. Staff supports the applicant's request for smooth truck traffic operations within the truck court. The anticipated low trip generation of

both the intersections of Fabrication Drive and East Longhorn Drive and South Longhorn Drive and East Longhorn Drive will not negatively impact truck traffic movements in and around the subject area. Both Engineering and Public Works staff noted that the existing facility to the west on this shortened street has many pathways for traffic flow thereby avoiding traffic flow issues within the proposed and existing facilities.

Staff recommends the following: 1. Approval of the 49 feet maximum building height as requested. 2. Approval of articulation exceptions on facades with dock doors as requested, and recommends vertical and horizontal articulations on facades that do not have dock doors as required, and installation of dense landscaping to shield facades with dock doors from public view. 3. Approval of the landscape exception as requested 4. Approval of driveway spacing exception as requested.

City Attorney shared in consultation with staff the Ordinance be amended, subsection 1 remain the same, subsection 2 remain the same, subsection 4 remain the same. The request is for subsection 3, section 14.804 to add imposing a requirement upon the property owner and any successors in interest to maintain all landscaping install as a requirement to these exceptions.

MOTION: Deputy Mayor Pro-Tem Jaglowski made a motion, seconded by Councilmember Wheaton to approve item 10 with modification read by the City Attorney Ritter. The vote was cast 6 for, 0 against. [Hill absent]

11. M21-21 Discuss and consider a resolution authorizing the City Manager to execute a development agreement between the City of Lancaster and Johnson Development Associates, Inc. related to the relocation of East Longhorn Drive which is situated in the M. Parks Survey, Abstract No. 1120, City of Lancaster, Dallas County, Texas.

City Manager Mauldin-Jones shared this is a companion item to the other 3 items to execute a development agreement between the City of Lancaster and Johnson Development Associates, Inc. related to the relocation of East Longhorn Drive. Longhorn Drive is a public road with existing public utilities within the rights-of-way. To assemble these fragmented pieces of land, it requires that the developer relocate and reconstruct the eastern portion of Longhorn Drive, along with all those associated utilities. The developer is proposing to relocate and reconstruct the rights-of-way and associated utilities at their sole expense. All required public improvements would be designed and installed in accordance with the City's adopted standards. Staff recommends approval of the resolution as presented.

MOTION: Councilmember Mejia made a motion, seconded by Councilmember Strain-Burk to approve item 11. The vote was cast 6 for, 0 against. [Hill absent]

12. Discuss and consider a resolution authorizing the City Manager to execute an agreement with Gexa Energy, LP for storm recovery amounts resulting from the Electric Reliability Council of Texas (ERCOT) February 2021 winter storm event.

City Manager Mauldin-Jones shared The City of Lancaster, along with over 170 cities and political subdivisions, is a member of the Texas Coalition for Affordable Power (TCAP). The Texas Legislature deregulated the state's electricity market in 2001. The Cities Aggregation Power Project (CAPP) and the South Texas Aggregation Project (STAP) was formed to buy power in blocks for governmental entities. In 2010, CAPP and STAP merged to form TCAP. TCAP is a non-profit organization committed to providing electricity at the lowest possible cost to its members. TCAP has procured electricity for its members since the beginning of retail electric deregulation in Texas in 2001. The City of Lancaster executed a fixed rate, five-year electricity supply agreement with GEXA Energy for City facilities in March 2016 (Resolution 2016-02-12) effective January 1, 2018, through December 31, 2022. In recent years, the electric market and the mix of available sources and suppliers have changed dramatically. On December 7, 2020, City

Council approved a resolution approving the terms and conditions of the TCAP professional services agreement and GEXA Energy's Commercial Electric Service Agreement for power provided on and after January 2023.

In February 2021, the state of Texas experienced an unprecedented winter storm that impacted residents and businesses state-wide. In a letter dated May 7, 2021, Gexa Energy provided written notification that the effects of the February 2021 Winter Storm Uri produced higher than anticipated Ancillary Service costs. The reason for the increase is due to the charges incurred from the Electric Reliability Council of Texas (ERCOT) for Ancillary Electricity. The ancillary services rate is set by ERCOT, and it can change as frequently as every hour. ERCOT is assessing this rate to every customer. As a member of TCAP we have payment options. Option 1 is a lump sum payment of \$311, 329.25 due by May 31, 2021. Option 2 is monthly payments from June 2021 through December 2028 in the amount of \$4,644.84, for a total of \$422,676.80 over a period of 91 months.

The City will incur the Storm Recovery Amount Monthly Surcharge of four thousand six hundred and sixty-four thousand dollars and eighty-four cents (\$4,664.84) which is equivalent to an estimated monthly \$/kw (dollars per kilowatt-hour) charge of \$.006, for a total of four hundred twenty-two thousand six hundred seventy-six dollars and eighty cents (\$422,676.80). The monthly surcharge will begin to be invoiced for June 2021 usage and continue through December 2028. The monthly surcharge expense will be covered through the City's General Fund. Staff recommends approval of the resolution, as presented.

Councilmember Strain-Burk shared she would like to see option 1.

Councilmember Mejia shared this is wrong this is something the city did not incur. He would like to see the electric company send a bill and the city send a bill on the trouble the city incurred from not having electricity. Councilmember Mejia shared he would like option 2.

Councilmember Wheaton asked if any projects would suffer from doing option 1.

City Manager Mauldin-Jones shared it would lessen the ability to do some of the onetime capital projects that are on target to be completed.

Deputy Mayor Pro-Tem Jaglowski asked if the city had incurred damages from the storm and if we have received any notice that they would reimburse for any losses?

City Manager Mauldin-Jones shared the city did incur damages due to the storm and we have not received any notice of reimbursement.

MOTION: Councilmember Mejia made a motion, seconded by Deputy Mayor Pro-Tem Jaglowski to approve item 12, Option 2. The vote was cast 5 for, 1 against. [Strain-Burk] [Hill absent]

13. Discuss and consider a resolution authorizing the award of request for proposal (RFP) 2021-4 to Central North Construction, LLC for the installation of landscape and irrigation and related improvement along State Highway 342 (Dallas Ave.) from Cedardale Road to Alexander Avenue in connection with the Texas Department of Transportation (TxDOT) Green Ribbon Project in an amount not to exceed \$1,307,025.75.

City Manager Mauldin-Jones shared this item is a proposal (RFP) 2021-4 to Central North Construction, LLC for the installation of landscape and irrigation and related improvement along State Highway 342 (Dallas Ave.) from Cedardale Road to Alexander Avenue in connection with the Texas Department of Transportation (TxDOT) Green Ribbon Project. In 2007, City of Lancaster voters approved a thirty-seven million five hundred forty-five thousand six hundred ninety-five dollars (\$37,545,695) bond package for

street, streetscape, and illumination improvements. Design and construction of streetscape and illumination for Pleasant Run Road, Beltline Road, Houston School Road, and Dallas Avenue (State Highway 342) were identified projects. The illumination project for Beltline Road was completed in 2017. The illumination project for Houston School Road was completed in 2021. Staff secured grant funding in the amount of \$2, for the installation of the streetscape along Dallas Avenue (State Highway 342) through the Texas Department of Transportation (TXDOT) Green Ribbon project. Halff Associates, Inc. prepared the streetscape plan submitted to TxDOT for the design elements. In July 2020, TXDOT entered into an Advanced Funding Agreement (AFA) with the city, to pay for the installation of landscape, and related improvements along SH 342 from Cedardale to Alexander Avenue. This bid was processed in accordance with all local and state purchasing statutes. Four bids were received, two being a certified M/WBE. The lowest qualified bidder was identified as Central North Construction, LLC. The bids were reviewed by TxDOT and Halff Associates Inc., and the project will be managed by Halff Associates Inc.

Bids were advertised in the Focus Daily News on February 11 and 18, 2021. Bids were posted on the city's electronic procurement system. A pre-bid meeting was held on February 25, 2021, and bids were opened on March 12, 2021. This item is being considered at a regular meeting of the city Council noticed in accordance with the Texas Open Meetings Act. According to the AFA, TXDOT will fund a total of two million two hundred seventy-eight thousand nine hundred seventy-eight dollars and eighty cents (\$2,278,978.80) for the design and construction of landscape and related improvements. The city will be responsible for any costs incurred over the \$2,278,978.80 and for any hardscape related to wayfinding signage. The construction portion of the project is one million three hundred and seven thousand twenty-five dollars and seventy-five cents (\$1,307,025.75). Staff recommends approval of the resolution as presented.

Deputy Mayor Pro-Tem Jaglowski shared his gratitude to staff for doing a great job on this project.

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Wheaton to approve item 13. The vote was cast 6 for, 0 against. [Hill absent]

MOTION: Councilmember Strain-Burk made a motion, seconded by Councilmember Wheaton to adjourn. The vote was cast 6 for, 0 against. [Hill absent]

The meeting was adjourned at 8:14 p.m.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

2.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Healthy, Safe & Engaged Community

Submitted by: Fabrice Kabona, Deputy City Manager

Agenda Caption:

Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster and Dallas County Department of Health and Human Services to provide certain food establishment inspections and environmental services.

Background:

Dallas County Department of Health and Human Services provides certain food establishment inspections and environmental health services to cities throughout the County on a contract for services basis.

Dallas County will continue to operate certain food establishment and environmental health services for the residents of the City of Lancaster with the goal of promoting the effectiveness of healthy safe food and environmental programs.

Operational Considerations:

Food establishment inspections and environmental services, are coordinated through our Development Services, Neighborhood Services and Public Works departments.

Legal Considerations:

The City Attorney has reviewed and approved the resolution as to form.

Public Information Considerations:

This resolution is being considered at a Regular Meeting of the City Council, in accordance with the Texas Open Meetings Act.

Fiscal Impact:

The City will collect \$150.00 annually for two (2) inspections per location along with a \$50.00 administrative fee. \$150.00 per location is paid to Dallas County per the agreement term.

Beginning with the third food establishment inspection, the City will pay seventy-five dollar (\$75.00) for each additional inspection requested by the City. The City will collect seventy-five dollars (\$75.00) to be paid to the County for a re-opening or inspection fee of a food establishment that has been closed due to non-compliance of the Texas Health and Safety Code, or any other State rules and regulations.

The City shall pay the County the stipulated fees within thirty (30) days of the monthly request for payment, or if County fails to make the payment request, then the City shall pay the stipulated fees no later than the last date of this Agreement Term. Any payment not made within (30) days of its due date

shall bear interest in accordance with the Texas Government Code. It is of note that the City charges an established administrative fee of \$50.00 per inspection of this program.

Included in this agreement are environmental health services related to vector and/or mosquito control complaints. This includes spraying for mosquitos and treating standing water for the West Nile virus. In the event aerial spraying is needed, the City will have the option to participate and would be responsible for its proportionate share of the cost.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, AND DALLAS COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES TO PROVIDE CERTAIN FOOD ESTABLISHMENT INSPECTIONS AND ENVIRONMENTAL SERVICES; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER; REPEALING ALL RESOLUTIONS IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Dallas County Department of Health and Human Services has offered to provide certain food establishment inspections and environmental health services to cities throughout the County on a contract for services basis; and

WHEREAS, the City of Lancaster desires to participate with Dallas County in establishing coordinated food establishment and environmental health services for its residents and all of Dallas County; and

WHEREAS, Dallas County will operate certain food establishment and environmental health services for the residents of the City in order to promote the effectiveness of healthy and safe food and environmental programs.

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

SECTION 1. That the Dallas County Department of Health and Human Services Interlocal Agreement for Fiscal Year 2022, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens, be, and the same is hereby, in all things approved.

SECTION 2. That the City Manager of the City of Lancaster, Texas, is hereby authorized to execute said agreement.

SECTION 3. That any prior Resolution of the City Council in conflict with the provisions contained in this Resolution are hereby repealed and revoked.

SECTION 4. That should any part of this Resolution be held to be invalid for any reason, the remainder shall not be affected thereby, and such remaining portions are hereby declared to be severable.

SECTION 5. That this Resolution shall take effect immediately from and after its passage, and it is duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

STATE OF TEXAS	§	INTERLOCAL AGREEMENT FOR FOOD
	§	ESTABLISHMENT INSPECTION AND
	§	ENVIRONMENTAL HEALTH SERVICES BETWEEN
	§	DALLAS COUNTY, ON BEHALF OF DALLAS
COUNTY OF DALLAS	§	COUNTY HEALTH AND HUMAN SERVICES, AND
	§	CITY OF LANCASTER

SECTION 1: PARTIES

This Interlocal Agreement ("Agreement") is made by and between the City of Lancaster, Texas ("City"), a Texas municipal corporation, and Dallas County, Texas, a political subdivision of the State of Texas on behalf of the Dallas County Health and Human Services (collectively "County" or "DCHHS"), pursuant to the authorities granted by Chapter 791 of the Texas Local Government Code (known as the Interlocal Cooperation Act), Texas Health and Safety Code Chapter 437, Food and Drug Health Regulations, and 121, Local Regulation of Public Health, along with Title 25 Texas Administrative Code, Chapter 229, and any other applicable laws, as well as the City ordinance for inspection services of food establishments within City's jurisdiction and other environmental health services to City. The County or the City may hereinafter be referred to individually as "Party", or collectively, as the "Parties".

SECTION 2: TERM

The Term of this Agreement is for a period commencing on the Effective Date as defined herein and continuing through September 30, 2022 unless otherwise stated in this Agreement. ("Term")

SECTION 3: INSPECTION SERVICES AND REQUIREMENTS

- A. The County will perform a minimum of two (2) inspections (one every six months) during the Term of each food establishment for which the City has submitted an inspection request and for which a fee has been collected from the said food establishment;
- B. Additional follow-up inspections will be performed as deemed necessary by the County;
- C. Any additional request for follow-up inspections by the City of food establishments, including food establishments that are closed due to non-compliance with the State and other applicable rules and regulations will be charged additional fees;
- D. Each food establishment inspection will be made by a Registered Professional Sanitarian employed by DCHHS, in compliance with all state laws and regulations;
- E. An examination of the following will be made during each inspection: food and food protection; personnel; food equipment and utensils; water source; sewage; plumbing; toilet and hand-washing facilities; garbage and refuse disposal; insect, rodent, and animal control; floors, walls, and ceiling; light; ventilation; and other operations.

SECTION 4: FEES AND PAYMENTS TO THE COUNTY

- A. The City will collect and submit to the County a fee of One Hundred Fifty and 00/100 Dollars (\$150.00) per a Term for each food establishment inspected.

B. Beginning with the third inspection of a food establishment, the City will pay a Seventy Five and 00/100 Dollars (\$75.00) fee for each additional inspection of that establishment requested by the City.

C. The City will collect Seventy Five and 00/100 Dollars (\$75.00) to be paid to the County for a re-opening or inspection fee of a food establishment that has been closed due to non-compliance of Chapter 437 of the Texas Health and Safety Code, or any other state rules and regulations.

D. The fees are not subject to change without notice and agreement by the City. If additional costs are associated with the services under this Agreement, County will notify City of those additional costs and invoice the City separately for those additional costs.

E. The City shall pay County the stipulated fees within thirty (30) days of the monthly request for payment, or if County fails to make the payment request, then City shall pay the stipulated fees no later than the last date of this Agreement Term upon receipt of not less than thirty (30) days advance written notice from the County of amounts due. Any payment not made within thirty (30) days of its due date shall bear interest in accordance with Chapter 2251 of the Texas Government Code.

SECTION 5: OTHER ENVIRONMENTAL HEALTH SERVICES

A. Upon written request from City, the County will respond to Vector and/or Mosquito Control complaints by inspecting the property and surrounding area for standing water and provide the treatment of water that contains immature mosquitoes with larvicide. If there is a mosquito borne disease in the area, the County will provide ground application services that include spraying for adult mosquitoes ("adulticiding"), and treating standing water with larvicide ("larvaciding").

B. In the event aerial spraying is needed to control St. Louis Encephalitis or West Nile virus throughout the County, the City will have the option to participate in the County's emergency aerial mosquito spraying plan. Should the City agree to participate in the plan, the City must provide written notice to County and agree to the following:

- 1) Indicate the areas and amount of acres to be sprayed; and
- 2) Pay the City's proportioned share of the cost based upon the number of acres to be sprayed multiplied by the per-acre spraying cost.

SECTION 6: RECORDS

The County will keep a copy of all inspection reports and will on a monthly basis send such inspection reports to the City. If the County receives a request for inspection records, the County will respond in accordance with Texas Government Code, Chapter 552, also known as the "Texas Public Information Act".

SECTION 7: TERMINATION

A. Without Cause: This Agreement may be terminated in writing, without cause, by either party upon thirty (30) days prior written notice to the other party;

B. With Cause: The County reserves the right to terminate the Agreement immediately and upon provision of written notice to City, in whole or in part, at its sole discretion, for the following reasons:

- 1) Lack of, or reduction in, funding or resources;
- 2) The City's non-performance of the specifications of this Agreement or non-compliance with the terms of this Agreement;
- 3) In County's sole discretion, if termination is necessary to protect the health and safety of County employees;
- 4) The City's improper, misuse or inept use of funds or resources; and/or
- 5) The City's submission of data, statements and/or reports that are incorrect, incomplete and/or false in any way.

SECTION 8: CITY ORDINANCE

In order for this Agreement to be valid, the City must have or adopt a City/Town ordinance that provides for the inspection of food establishments by a Registered Professional Sanitarian. The City must require the payment of a fee(s) by each food establishment. Ordinance enforcement shall be the responsibility of the City.

SECTION 9: INDEMNIFICATION

A. The County, not waiving any rights or its sovereign immunity, agrees to the extent allowed by the Texas Torts Claim Act to be responsible for any liability or damages the County may suffer as a result of claims, demands, costs or judgments, including all reasonable attorney's fees, against the County including workers compensation claims, arising out of the performance of the County employees under this Agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) or corporations(s) occurring during the performance of this Agreement and caused by the sole negligence of the County, its agents, officers, and/or employees.

B. The City, not waiving any rights or its sovereign immunity, agrees to the extent allowed by the Texas Torts Claim Act to be responsible for any liability or damages that the City may suffer as a result of claims, demands, costs or judgments, including all reasonable attorney's fees, against the City including workers compensation claims, arising out of the performance of the City employees under this Agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) or corporations(s) occurring during the performance of this Agreement and caused by the sole negligence of the City, its agents, officers, and/or employees.

C. County and City agree that any such liability or damages as stated above occurring during the performance of this Agreement caused by the joint or comparative negligence of their employees, students, agents, or officers shall be determined in accordance with comparative responsibility laws of the State of Texas.

D. This Section 9 shall survive termination, expiration, or suspension of this Agreement.

SECTION 10: INSURANCE

The City agrees that it will at all times during the term of this Agreement maintain in full force and effect insurance, or self-insurance, to the extent permitted by applicable law under a plan of self-

insurance, that is also maintained in accordance with sound accounting practices. It is expressly agreed that City will be solely responsible for all cost of such insurance; any and all deductible amounts in any policy; and in the event that the insurance company should deny coverage. It is the intent of this provision that the City's insurance covers all cost and expense so that County will not sustain any expense, cost, liability or financial risk as a result of any of the performance of services under this Agreement; as all such liability, cost, expense, premiums and deductibles are the sole responsibility and risk of the City.

SECTION 11: NOTICE

Any notice or certification required or permitted to be delivered under this Agreement shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the contact person shown at the respective addresses set forth below, or at such other addresses as shall be specified by written notice delivered in accordance herewith:

COUNTY

Clay Lewis Jenkins, County Judge
Dallas County
411 Elm St, 2nd Floor
Dallas, Texas 75202

CITY

City of Lancaster
211 N. Henry St.
PO Box 940
Lancaster, TX 75146

W/copy to:

Philip Huang, Director DCHHS
2377 N Stemmons Fwy #820
Dallas, TX 75207

SECTION 12: MISCELLANEOUS PROVISIONS

12.1 ENTIRE AGREEMENT AND AMENDMENT

This Agreement, including any Exhibits and Attachments, constitutes the entire agreement between the parties and supersedes any other agreements concerning the subject matter of this transaction, whether oral or written. No modification, amendment, novation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing and executed by the Parties. Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in federal or state law or regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or regulation.

12.2 COUNTERPARTS, NUMBER/GENDER AND HEADINGS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Words of any gender used in this Agreement shall be held and construed to include any other gender. Any words in the singular shall include the plural and vice versa, unless the context clearly requires otherwise. Headings are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

12.3 SEVERABILITY

If any provision of this Agreement is construed to be illegal, invalid, void or unenforceable, this construction will not affect the legality or validity of any of the remaining provisions. The unenforceable or illegal provision will be deemed stricken and deleted, but the remaining provisions shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

12.4 FISCAL FUNDING CLAUSE

Notwithstanding any provisions contained in this Agreement, the obligations of the County under this Agreement are expressly contingent upon the availability of funding for each item and obligation for the term of the Agreement and any pertinent extensions. The City shall not have a right of action against County in the event County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during the current or future fiscal years. In the event that County is unable to fulfill its obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, County, at its sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice to the City at the earliest possible time prior to the end of its fiscal year.

12.5 DEFAULT/CUMULATIVE RIGHTS/MITIGATION

It is not a waiver of default if the non-defaulting party fails to declare a default or delays in taking any action. Waiver of any term, covenant, condition or violation of this Agreement shall not be deemed or construed a waiver unless made in authorized written instrument, nor shall such waiver be deemed or construed a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. Pursuit of any remedy provided in this Agreement shall not preclude pursuit of any other remedies herein provided or any other remedies provided by law or equity, including injunctive relief, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any obligation of the defaulting party hereunder or of any damages accruing by reason of the violation of any of the terms, provisions, and covenants herein contained. The City has a duty to mitigate damages.

12.6 GOVERNMENTAL IMMUNITY

This Agreement is expressly made subject to City's and County's Governmental Immunity, including, without limitation, Title 5 of the Texas Civil Practice and Remedies Code and all applicable State and federal laws. The parties expressly agree that no provision of this Agreement is in any way intended to constitute a waiver of any immunities from suit or from liability, or a waiver of any tort limitation, that City or County has by operation of law, or otherwise. Nothing in this Agreement is intended to benefit any third party beneficiary.

12.7 COMPLIANCE WITH LAWS AND VENUE

In providing services required by this Agreement, City must observe and comply with all licenses, legal certifications, or inspections required for the services, facilities, equipment, or materials, and all applicable federal, State, and local statutes, ordinances, rules, and regulations. Texas law shall govern this Agreement and venue shall lie exclusively in Dallas County, Texas.

12.8 RELATIONSHIP OF PARTIES

Each Party is an independent contractor and not an agent, servant, joint enterpriser, joint venturer or employee of the other Party.

12.9 CONTRA PROFERENTUM

The doctrine of contra proferentum shall not apply to this Agreement. If an ambiguity exists in this Agreement, the Agreement shall not be construed against the party who drafted the Agreement and such party shall not be responsible for the language used.

12.10 ASSIGNMENT

Neither Party may transfer or assign its interest in this Agreement without prior written consent of the non-assigning Party. County approval to transfer or assign City's interest in this Agreement is subject to formal approval by the Dallas County Commissioners Court. City approval to transfer or assign County's duties to perform this Agreement is subject to formal approval by the Lancaster City Council.

12.11 CONTINUING OBLIGATIONS

All obligations of this Agreement which expressly or by their nature survive the expiration, termination or transfer of this Agreement shall continue in full force and effect after and notwithstanding its expiration, termination or transfer until such are satisfied in full or by their nature expire.

12.12 FORCE MAJEURE

Neither Party shall be in default or responsible for delays or failures in performance resulting from causes beyond its control. Such causes include but are not limited to acts of God, fire, storm, flood, earthquake, natural disaster, nuclear accident, strike, air traffic disruption, lockout, riot, freight embargo, public regulated utility, or governmental statutes, orders, or regulations superimposed after the fact. Any party delayed by force majeure shall as soon as reasonably possible give the other party written notice of the delay. The Party delayed shall use reasonable diligence to correct the cause of the delay, if correctable, and if the condition that caused the delay is corrected, the Party delayed shall immediately give the other parties written notice thereof and shall resume performance under this Agreement as soon as practicable. The date of delivery or of performance shall be extended for at least a minimum time period equal to the time lost by reason of the delay.

12.13 BINDING EFFECT

This Agreement and the respective rights and obligations of the parties hereto shall inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

12.14 SIGNATORY WARRANTY

City and County represent that each has the full right, power and authority to enter and perform this Agreement in accordance with all of the terms and conditions herein, and that the execution and delivery of this Agreement is made by authorized representatives of the parties to validly and legally bind the parties to all terms, performances and provisions set forth in this Agreement.

EXECUTED THIS 1 DAY OF October 2021. ("Effective Date")

FOR DALLAS COUNTY:

BY: Clay Lewis Jenkins
County Judge

DATE: _____

Recommended:

BY: Dr. Philip Huang
Director, DCHHS

Approved as to Form*:

JOHN CREUZOT
CRIMINAL DISTRICT ATTORNEY
DALLAS COUNTY, TEXAS

RUSSELL RODEN
CHIEF, CIVIL DIVISION

BY: James R. Palomo
Assistant District Attorney

FOR CITY:

BY: Opal Mauldin-Jones
City Manager

DATE: _____

Recommended (CITY):

BY: Sorangel O. Arenas
Title: City Secretary

Approved as to Form (CITY):

BY: David T. Ritter
Title: City Attorney

*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client, Dallas County. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

3.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Mike Delmore, Interim Director of Finance

Agenda Caption:

Consider a resolution adopting the City of Lancaster's Financial Policy providing for prudent financial management of all funds to enable the City to maintain a long-term stable and positive financial condition; and to provide guidelines for the day-to-day planning and operation of the City's financial matters.

Background:

Financial Policy Statements provide guidelines to enable the City to achieve and maintain a long-term stable and positive financial position, and also provide guidelines for the day-to-day planning and operations of the City's financial affairs. These policy statements are to be reviewed and refined annually as part of the budget preparation process to reflect current laws as well as significant changes in the City which will impact the prevailing policy.

Operational Considerations:

There are no fundamental changes proposed in the policy. Review allows Council to determine and demonstrate compliance with the finance-related legal and contractual issues in accordance with provisions of the City Charter and the Texas Local Government Code.

Legal Considerations:

The City Attorney has reviewed and approved the resolution as to form.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution
Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE CITY OF LANCASTER FINANCIAL POLICY PROVIDING FOR PRUDENT FINANCIAL MANAGEMENT OF ALL FUNDS TO ENABLE THE CITY TO MAINTAIN A LONG TERM STABLE AND POSITIVE FINANCIAL CONDITION AND PROVIDE GUIDELINES FOR THE DAY-TO-DAY PLANNING AND OPERATION OF THE CITY'S FINANCIAL MATTERS; PROVIDING THAT THE SAME SHALL BE IMPLEMENTED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lancaster Financial Policy is reviewed annually as part of the budget preparation process; and

WHEREAS, the City of Lancaster Financial Policy provides for financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication regarding all City funds;

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

SECTION 1. The City of Lancaster Financial Policy, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens is hereby in all things approved; and, the City Manager and staff shall implement and execute the procedures and policies adopted therein.

SECTION 2. This resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

**City of Lancaster, Texas
FINANCIAL MANAGEMENT
POLICY**

September 13, 2021



Lancaster



2019

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CITY OF LANCASTER, TEXAS
FINANCIAL MANAGEMENT POLICY STATEMENT

The goal of the Financial Management Policy is to enable the City to achieve a long-term, stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, planning, accountability, and full disclosure. The purpose of the Financial Management Policy is to provide guidelines for planning and directing the City's day to day financial affairs and to assist staff in developing recommendations to the Mayor or City Council. Specifically, this policy framework mandates the pursuit of the following fiscal objectives:

I. Revenues

Design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

II. Expenditures

Identify priority services, establish and define appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

III. Fund Balance/Working Capital/Net Assets

Maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from emergencies.

IV. Capital Expenditures and Improvements

Annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

V. Debt Management

Establish guidelines for debt financing that will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

VI. Cash Management and Investments

Invest the City's operating cash to ensure the absolute safety of principal, provide for necessary liquidity and optimize yield in accordance with the City's adopted Investment Policy.

VII. Intergovernmental Relations

Coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing governmental services on an equitable basis and support appropriate favorable legislation at the state and federal level.

VIII. Grants

Aggressively investigate, pursue and effectively administer federal, state, local and foundation grants-in-aid, which address and support the City's current priorities and policy objectives.

IX. Economic Development

Initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

X. Fiscal Monitoring

Prepare and present reports for the current and multi-year periods that analyze, evaluate and forecast the City's financial performance and economic condition.

XI. Accounting, Auditing and Financial Reporting

Comply with prevailing federal, state and local statutes and regulations. Conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA).

XII. Internal Controls

Establish a system of internal controls designed to maintain an environment to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition.

XIII. Risk Management

Prevent and/or reduce the financial impact to the City due to claims and losses through prevention, transfer of liability and/or a program of self-insurance of the liability.

XIV. Operating Budget

Develop and maintain a balanced budget for operating funds that presents a clear understanding of the goals of the City Council, service levels and performance standards. A Balanced Budget is defined as revenues and any appropriated fund balance equal expenditures.

XV. Five Year Plans

Long term financial planning is intended to ensure sustainability of programs and integrate operating and capital financial planning.

I. Revenues

The City shall use the following guidelines to design, maintain and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

A. Balance and Diversification in Revenue Sources

The City shall strive to maintain a balance and diversified revenue system to protect the City from fluctuations in any one source due to changes in economic conditions that adversely impact that source.

B. User Fees

For services that benefit specific users, where possible the City shall establish and collect fees to recover the cost of those services. Where feasible and desirable, the City shall seek to recover full direct and indirect costs. City staff shall review user fees on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure and to recommend adjustments where necessary.

C. Property Tax Revenues/Tax Rate

The City shall strive to reduce its reliance on residential property tax revenues by revenue diversification, implementation of user fees and economic development. The City shall also strive to minimize tax rate increases.

D. Utility/Enterprise Funds User Fees

Utility rates and enterprise funds user fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide additional funding for capital improvements and provide adequate levels of working capital and debt coverage.

E. Administrative Services Charges

The City shall prepare a cost allocation plan to determine the administrative services charges due to the General Fund from enterprise funds for overhead and staff support. Where appropriate, the enterprise funds shall pay the General Fund for direct services rendered.

F. Revenue Estimates for Budgeting

In order to maintain a stable level of service, the City shall use a conservative, objective and analytical approach when preparing revenue estimates for current and multi-year periods. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and should avoid mid-year service reductions.

G. Revenue Collection and Administration

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible in order to facilitate payment. In addition, since revenue should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall pursue to the full extent allowed by state law all delinquent taxpayers and other overdue in payments to the City. The fees based on user charges shall be reviewed annually to ensure continuing coverage of the cost of services. The City shall revise user fees with review of the City Council to adjust for the costs of inflation and additional recovery increments. The City shall review and adopt utility rates annually that shall generate revenues required to fully cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs. A method is established whereby the General and administrative services performed on the Enterprise Fund's behalf. The process shall be documented and disclosed to the City's auditors for review. All revenue collections will be consolidated under Finance and be audited annually.

II. Expenditures

The City shall use the following guidelines to identify necessary services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of services.

Current Funding Basis

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues plus the planned use of fund balance accumulated through prior year savings.

Avoidance of Operating Deficits

The City shall take timely corrective action if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year-end.

Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs and to continue service levels.

Periodic Program Reviews

Periodic program reviews for efficiency and effectiveness shall be performed. Programs not meeting efficiency and effectiveness objectives shall be brought up to required standards or be subject to reduction or elimination.

Purchasing

The City shall make every effort to maximize any discounts offered by creditors/vendors. Vendors with balances due the City will have payments due to the vendor offset against the amount due the city. The City will follow state law concerning the amount of purchase requiring formal bidding procedures and approval by the City Council. For purchases where competitive bidding is not required, the City shall seek to obtain the most favorable terms and pricing possible. Every effort will be made to include minority business enterprises in the bidding process.

Quarterly reports shall be prepared showing actual expenditures compared to the adopted budget. Modifications within the operating categories (materials, supplies, and services) and/or modifications within the personnel and capital categories may be made with the approval of the City Manager.

Where appropriate, performance measures and productivity indicators shall be used as guidelines and reviewed for efficiency and effectiveness. This information shall be included in the annual budgeting process.

Purchases shall be made in conformation with the States formal bidding process and requirements. Recommendations of bids and contracts in excess of \$50,000 shall be presented to City Council for their formal approval.

III. Fund Balance/Working Capital/Net Assets

In accordance with the requirements of Governmental Accounting Standards Board Statement Number 53, the City shall use the following guidelines to explain and define the purpose of fund balance, working capital and retained earnings of the various operating funds. The City will describe fund balance as follows: (1) Un-spendable – portion of net resources that cannot be spent, i.e. assets that will never convert to cash or not convert during the current period, or resources that must be maintained intact pursuant to legal or contractual requirements. (2) Restricted – portion of net resources that are required to be reserved by external legal restrictions such as debt covenants, grantors, contributors or other governments. (3) Committed – portion of fund balance that represents resources whose use is constrained by limitations that the City

imposes upon itself by council action and require council action to release. (4) Assigned – portion of fund balance that reflects the City's intended use of resources. (5) Unassigned-surplus fund balance.

The City shall use the following guidelines to maintain the fund balance, working capital and net assets of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position from unforeseeable emergencies.

General Fund Unassigned Fund Balance

The City shall strive to maintain the General Fund unassigned fund balance at an amount equal to a minimum of twelve (12) percent of the general operating budget with a target of reaching eighteen (18) percent and a maximum of twenty-five (25) percent. The City will maintain an unallocated fund balance of an amount equal to a minimum of twelve (12) percent of the general operating budget. Any excess above the minimum will be designated to the Capital Improvement Program and the Equipment Replacement Program. These designations will be reviewed annually and authorized by the Council. The minimum twelve (12) percent unallocated fund balance will be used to avoid cash-flow interruptions, generate interest income, reduce need for short-term borrowing and assist in maintaining an investment-grade bond rating.

Other Operating Funds Unrestricted Net Assets; Enterprise Working Capital

In other operating funds, the City shall strive to maintain a positive unrestricted net assets position to provide sufficient reserves for emergencies and revenue shortfalls. The unallocated fund balance of other funds should be maintained as follows:

<u>Fund</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Water/Wastewater	12.00%	18.00%	25.00%
Airport Fund	12.00%	18.00%	25.00%
Golf Fund	12.00%	18.00%	25.00%

Debt Service Funds 12% of Current Year Debt Payment

Use of Fund Balance/Net Assets

Fund Balance/Net Assets shall be used only for emergencies, non-recurring expenditures, major capital purchases that cannot be accommodated through current year savings, and as designated by Council. Should such use reduce the balance below the appropriate level set as the objective for that fund, recommendations will be made on how to restore it.

Periodic review of cash flow position shall be performed to determine performance of cash management and investment policies. A detailed policy structure shall be followed with respect to Cash/Treasury Management. The underlying theme shall be that idle cash shall be invested with the goals and objectives as identified in the City's Investment Policy.

Procedures shall be taken so as to maximize any discounts offered by creditors. Current liabilities shall be paid within 30 days of receiving the invoices. Accounts receivable procedures shall target for a maximum of 60 days of service.

IV. Capital Infrastructure and Equipment Replacement

Capital Expenditures and Improvements

The City shall annually review and monitor the condition of the City's capital equipment and infrastructure, setting priorities for its replacement and renovation based on needs, funding alternatives and availability of resources.

Capital Improvements Program

The City shall annually review the Capital Improvements Program (CIP), potential new projects and the current status of the City's infrastructure, replacement and renovation needs, updating the program as appropriate. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability, for every project, all operation, maintenance and replacement expenditures shall be fully casted. The CIP shall also present the City's long-term borrowing plan, debt payment schedules and other debt outstanding or planned, including general obligation bonds, revenue bonds, certificates of obligation and lease/purchase agreements.

Replacement of Capital Assets (Equipment) on a Regular Schedule

The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets. Within the resources available each fiscal year, the City shall replace these assets according to this schedule.

Capital Expenditure Financing

The City recognizes that there are several methods of financing capital requirements. It can budget the funds from current revenues; it can take the funds from fund balance/retained earnings as allowed by the Fund Balance/Net Assets Policy; it can utilize funds from grants and foundations or it can borrow money through debt. Debt financing includes general obligation bonds, revenue bonds,

certificates of obligation, lease/purchase agreements and certificates of participation. Guidelines for assuming debt are set forth in the Debt Policy Statements.

A Capital Improvement Program shall be adopted for a period of five (5) years and reviewed annually for prioritization, based on analysis of the City's infrastructure. The replacement and maintenance for capital items shall also be projected for the next five (5) years. Future maintenance shall be fully cost, providing sufficient funding for future maintenance and replacement. The City shall identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to council for approval. The City shall determine the least costly financing method for all new projects.

Where applicable, assessments, pro-rata charges or other user-based fees should be used to fund capital projects which have a limited benefit to the whole City.

Assets shall be maintained to protect the government's investment and minimize the future replacement and maintenance costs. The Annual operating budget shall provide for adequate maintenance and issuance of all capital plant and equipment.

V. Debt Management

The City shall use the following guideline for debt financing which will provide needed capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Use of Debt Financing

Debt financing, including general obligation bonds, revenue bonds, certificates of obligation and lease/purchase agreements, shall only be used to purchase capital assets. Debt payments should be structured to provide that capital assets, which are funded by the debt, have a longer life than the debt associated with those assets. Long Term Debt shall not be used for operating purposes. The life of the bonds shall not exceed the useful life of the projects.

Amortization of Debt

The City shall structure new best issue payment schedules to utilize the City's declining debt payment schedules to keep tax increases for debt to a minimum. Capital projects that, by their character or size, are outside the normal core service projects will require careful evaluation of financial feasibility.

Affordability Targets

The City shall use an objective analytical approach to determine whether it can afford to assume new debt beyond the amount it retires each year. This process shall compare generally accepted standards of affordability to the current values for the City. These standards shall include debt per capita, debt as a percent of taxable value, debt service payments as a percent of current revenues and current expenditures and the level of overlapping net debt of all local taxing jurisdictions. The process shall also examine the direct costs and benefits of the proposed expenditures as determined in the City's annual update of the Capital Improvements Planning Program. The decision on whether or not to assume new debt shall be based on these costs and benefits and on the City's ability to "afford" new debt as determined by the aforementioned standards. The City shall use cities with similar bond ratings for debt ratio benchmarks.

Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated bid. In situations where a competitive bidding process is not elected, the bond counsel/advisors shall present the reasons why to the City. Also, the City shall participate in the selection of the underwriter with the assistance of the bond counsel/advisors in the case of a negotiated bid.

Rating Agencies Presentations

Full disclosure of operations and open lines of communications shall be made to the bond rating agencies. City staff, with assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies.

Continuing Disclosure

The City is committed to continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities.

Debt Refunding

City staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt.

When appropriate, self-supporting revenue bonds shall be issued before general obligation bonds. Interest earnings on bond proceeds shall be credited to the appropriate bond/capital fund. The bonds shall have a provision which allows them to be recalled after the tenth year of issue.

The Debt Service Fund(s) reserves should equal ten percent (10%) of the current year's debt payment. This minimum does not include the amounts accruing for the next debt payment.

The City shall be actively involved in the selection of all bond counsel, advisors, underwriters, and paying agents. The City shall evaluate the merits of rotating professional advisors and consultants and the kinds of services and fee structures available from independent financial advisors, investment banking firms and commercial banks. Also, the City shall carefully itemize and scrutinize all costs associated with the issuance of bonds.

The City shall explore all funding alternatives in addition to long-term debt including leasing, grants, and other aid, developer contributions, capital recovery fees, and current funds.

The City will establish and maintain an equipment replacement fund. If any equipment is secured through a lease/purchase agreement, it will have a useful life of at least five (5) years.

VI. Cash Management and Investments

The City's available cash shall be invested according to the standard of prudence set forth in Section 2256.0066 of the Texas Government Code. The following shall be the objectives of the City of Investment Policy listed in their order of importance: preservation of capital and protection of investment principal, maintenance of sufficient liquidity to meet anticipated cash flows, diversification to avoid unreasonable market risks and attainment of a market value rate of return. The investment income derived from pooled investment accounts shall be allocated to contributing funds based upon the proportions of respective average balances relative to total pooled balances.

VII. Intergovernmental Relations

The City shall coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis and support appropriate favorable legislation at the state and federal levels.

Inter local Cooperation in Delivering Services

In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the costs of services, to share facilities and to develop joint programs to improve service to its citizens.

Legislative Program

The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding for implementation.

VIII. Grants

The City shall seek, apply for, obtain and effectively administer federal, state and foundation grants-in-aid that address the City's current and future priorities and policy objectives.

Grant Guidelines

The City shall seek, apply for and obtain those grants that are consistent with priority needs and objectives identified by Council.

Grant Review

The City shall review all grant submittals for their cash or in-kind match requirements, their potential impact on the operating budget and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified and approved prior to application, as set forth in the Grant Policy.

IX. Economic Development

The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base.

Commitment to Expansion and Diversification

The City shall encourage and participate in economic development efforts to expand Lancaster's economy and tax base, to increase local employment and to invest when there is a defined specific long-term return. These efforts shall not only focus on new areas but on redevelopment of older areas and other established sections of Lancaster where development can generate additional jobs and other economic benefits.

Increase Non-Residential Share of Tax Base

The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.

Coordinate Efforts with Other Jurisdictions

The City's economic development program shall encourage close cooperation with other local jurisdictions to promote the economic well-being of this area.

Use of Other Incentives

The City shall use tax re-investment zones as allowed by law and shall seek new sources to encourage business expansion. The City shall also coordinate with state and federal agencies on offering any incentive programs they may provide for potential economic expansion.

X. Fiscal Monitoring

Reports shall be prepared and presented on a regular basis to analyze, evaluate and forecast the City's financial performance and economic condition for the current year and for multi-years.

Financial Status and Performance Reports

Quarterly reports shall be prepared comparing expenditures and revenues to current budget for fiscal year-to-date, and to prior year actual fiscal year-to-date.

Five-Year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures, including a discussion of major trends affecting the City's financial position, shall be prepared. The forecast shall examine critical issues facing the City, economic conditions and the outlook for the upcoming budget year. The document shall incorporate elements of the International City Management Association financial trend monitoring system, providing further insight into the City's financial position and alerting the Council to potential problem areas requiring attention.

XI. Accounting, Auditing and Financial Reporting

The City shall comply with prevailing local, state and federal regulations. Its accounting practices and financial reporting shall conform to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA). The City Council shall select an independent firm of certified public accountants to perform an annual audit of all operations. The City shall continue to participate in the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program and the Texas

Comptroller's Office Leadership Circle program promoting financial transparency.

The City will follow a five-year review and optional rotation of external (independent) auditors. The auditors must demonstrate that they have the experience and adequate staffing to handle the City's audit in a timely manner. The audited financial statements should be prepared within 120 days of the close of the fiscal year.

Annual reporting will be done within the guidelines set forth in the Governmental Accounting and Auditing Financial Review and under the standards currently being set by the Governmental Accounting Standards Board. Interim activity reports will be made available to council and management.

Full disclosure will be provided in the financial statements and bond representations.

Financial systems will be maintained to monitor expenditures and revenues on a monthly basis with a thorough analysis and adjustment (if required) at mid-year.

The City will strive to maintain accounting policies and practices in the preparation of its annual financial report. The report will be presented to the Governmental Finance Officers Association for review of qualifications that meet those necessary to obtain the Certificate of Achievement for Excellence in Financial Reporting.

XII. Internal Controls

The Chief Financial Officer is responsible for developing citywide written guidelines on accounting, cash handling, and other financial matters that will be approved by the City Manager. The Chief Financial Officer will assist department heads as needed in tailoring these guidelines into detailed written procedures to fit each department's specific requirements.

Each department head is responsible to ensure that good internal controls are followed throughout his or her department, that all finance department guidelines on accounting and internal controls are implemented, and that all independent auditor internal control recommendations are addressed.

XIII. Risk Management

The City will utilize a safety program, an employee health program and a risk management program to prevent and/or reduce the financial impact on the City from claims and losses. Transfer of liability for claims will be utilized where appropriate via transfer to other entities through insurance and/or by contract. Prevention of claims through the safety program and the employee health program will be employed.

XIV. Operating Budget

The City shall establish an operating budget, which shall link revenues and expenditures to the goals of the City Council. It will be the City's goal to participate in the Government Finance Officers Association's Distinguished Budget Presentation Award program and to obtain the award annually.

Current operating revenue will be sufficient to support current operating expenditures. Debt or bond financing will not be used to finance current expenditures. Deferrals, short-term loans, or one-time sources shall be avoided as budget balancing techniques. Annually recurring revenue will not be less than annually recurring operating budget expenditures (operating budget minus capital outlay) or Council may authorize the City Manager to utilize unrestricted fund balance to make up the difference.

The City has developed a program to integrate performance measures and productivity indicators within the annual budget.

XV. Five Year Financial Plans

Capital Improvement Plan

The City shall prepare annually a five-year Capital Improvements Plan that incorporates all capital funds, existing and planned, showing planned projects by phase and by fiscal year. The first year of this CIP shall constitute the City's capital budget for the year.

Long Range Financial Forecast

The City shall prepare annually a Long Range Financial Forecast that projects revenue and expenditures for the General, Utility, Debt Service and any other major fund for a five-year period. The forecast shall attempt to determine the impact on future revenue and expenditures from changes in the economy, population change, and implementation of the CIP including planned bond sales.

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

4.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Mike Delmore, Interim Director of Finance

Agenda Caption:

Consider a resolution adopting the City of Lancaster's Investment Policy providing that all funds of the city be managed and invested for safety, liquidity, and diversification and yield investments chosen in a manner that promotes diversity by market sector, credit, and maturity; providing that this policy serves to satisfy the requirements of Chapter 2256 of the Local Government Code, "Public Funds Investment Act".

Background:

Annually, as part of the budget process, staff reviews the investment policy to ensure that it is updated and consistent with current governing regulations. Chapter 2256 of the Texas Government Code known as the "Public Funds Investment Act" (PFIA) requires the City Council to annually review and adopt an investment policy.

Operational Considerations:

No fundamental changes are proposed in the policy.

Legal Considerations:

The "Public Funds Investment Act", Chapter 2256 of the Texas Government Code requires the City to adopt its investment policy by resolution.

The City Attorney has received and approved the resolution as to form.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Fiscal Impact:

No individual investment securities are currently owned by the City at this time. We have funds invested in three pools: TexPool, Texas Class, and Logic.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE CITY OF LANCASTER INVESTMENT POLICY PROVIDING THAT ALL FUNDS OF THE CITY BE MANAGED AND INVESTED IN A MANNER THAT SERVES TO SATISFY THE REQUIREMENTS OF THE LOCAL GOVERNMENT CODE CHAPTER 2256 (PUBLIC FUNDS INVESTMENT ACT): PROVIDING THAT THE SAME WILL BE IMPLEMENTED, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lancaster Investment Policy is reviewed annually as part of the budget preparation process; and

WHEREAS, Chapter 2256 of the Government Code commonly known as the "Public Funds Investment Act, requires the city to adopt a written investment policy regarding the investment of its funds by rule, order, ordinance, and or resolution: and

WHEREAS, the Public Funds Investment Act requires the treasurer, the chief financial officer (if the treasurer is not the chief financial officer) to attend an investment training course as required by the Public Funds Investment Act; and

WHEREAS, the designated officials of the city have attended an investment training course as required by the Public Funds Investment Act; and

WHEREAS, the attached investment policy and incorporated strategy comply with the Public Funds Investment Act as amended and authorize the investment of city funds in safe prudent investments; and

WHEREAS, the City Council must review and approve such Investment Policy at least once annually; and

WHEREAS, the City Council hereby affirms that the Written Investment Policy will continue to protect City Assets by identifying investment objectives, addressing the issues of investment risk versus rewards, and providing the framework for the establishment of controls, limitations, and responsibilities of City employees in the performance of their fiduciary responsibilities.

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

SECTION 1. The City of Lancaster Debt Management Policy, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens is hereby in all things approved; and, the City Manager and staff shall implement and execute the procedures and policies adopted therein.

SECTION 2. This resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

City of Lancaster, Texas
INVESTMENT POLICY
September 13, 2021



City of Lancaster, Texas

Investment Policy

I. Purpose

The purpose of this document is to set forth specific investment policy and strategy guidelines for the City of Lancaster, Texas, the Lancaster Economic Development Corporation (LEDC), and the Lancaster Recreation Development Corporation (LRDC) in order to achieve the objectives in order of priority; safety, public trust, liquidity, diversification, and yield for all investment activity. This policy ensures compliance with Chapter 2256, Public Funds Investment Act of the Texas Government Code to define, adopt and annually review the investment policy of the city.

II. Policy Statement

It is the policy of the City of Lancaster 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 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 ("The Act"). The earnings from investment will be used in a manner that best serves the interest of the City.

III. Scope

This investment policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity. These funds shall be defined in the City's Annual Financial Report and any new funds created by the City unless specifically exempted by the City Council and this policy.

IV. Objective and Strategy

The City shall manage and invest with five primary objectives, listed in order of priority: safety, public trust, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To match anticipated cash flow requirements, the maximum

weighted average maturity of the overall portfolio may not exceed six months.

A. Safety

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.

B. Public Trust

All parties of the City's investment process shall seek to act responsibly as custodians of the public trust. Investment advisors and officials shall avoid any transaction that might impair public confidence in the City's ability to govern effectively and maintain a sound, sustainable city government.

C. Liquidity

The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating and debt/bond requirements which might be reasonably anticipated.

D. 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.

E. Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account the City's risk constraints and the cash flow needs of the portfolio. "Market rate of return" may be defined as the average yield of the current six month U.S. Treasury bill.

Additional priorities are: (1) understanding of the suitability of the investment to the financial requirements of the city; and (2) marketability of the investment if the need arises to liquidate the investment before maturity.

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.

V. Legal limitations, Responsibilities and Authority

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes.

VI. Standards of Care

A. Delegation of Investment Authority

The Chief Financial Officer, acting on behalf of the City is designated as the Investment Officer of the City and is responsible for investment management decisions and activities. The Director of Finance is designated as the Chief Financial Officer for the City of Lancaster. The Chief Financial Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in the investment management and procedures. All participants in the investment process shall seek to act as a prudent person as custodian of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this policy. The Procedures will include reference to safekeeping, require and include the "Bond Market Master Repurchase Agreements" (as applicable), wire transfer agreements, banking services contracts, and other investment related activities.

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 liaison/deputy in the event circumstances require timely action and the Investment Officer is unavailable.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy.

Authorization Resolution

A Trading Resolution shall be established authorizing the Investment Officer to engage in investment transactions on behalf of the City. The persons authorized by the Resolution to transact business for the City must also be authorized to approve wire transfers used in the process of investing.

B. Prudence

The standard prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, 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 capital as well as the expected income to be derived."

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and the appropriate action is taken to control adverse market effects.

C. 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 (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management. Therefore, The Director of Finance shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

Quarterly Investment Reports must be formally reviewed at least annually by the Independent auditor and reported to the City Council.

A compliance audit of management controls on investments and adherence to the City's established investment policies will be conducted in conjunction with the City's annual audit by the independent auditor.

Cash Flow Forecasting

Cash Flow forecasting is designed to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

D. Ethics and Conflicts of Interest

City employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions. City staff shall properly disclose to the City Manager and City Secretary any material financial interest in a financial institution that conducts business with the City.

An investment officer or City Council member of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a disclosure statement disclosing that personal business interest. 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 state with the Texas Ethics commission and the City Council disclosing that relationship.

E. Training

Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties, and shall attend an investment training session not less than once in a two-year period and receive not less than 10 hours of instruction relating to

investment responsibilities. The City shall provide the training through courses and seminars offered by professional organizations and associations in order to insure the quality and capability of the City's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). Professional organizations and associations that may provide investment training included the Government Treasurer's Organization of Texas, the University of North Texas, the Government Finance Officers Association of Texas, or the Texas Municipal League.

VII. Authorizations

A. Authorized Investments

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act.

1. Obligations of the United States Government, its agencies and instrumentalities and government sponsoring enterprises, not to exceed two years to stated maturity, excluding collateralized mortgage obligations (CMOs);
2. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with the bank, not to exceed one year to stated maturity;
3. Repurchase agreement and reverse repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Bond Market Master Repurchase Agreement is on file with the City and the counterparty bank or primary dealer. Flex repurchase agreements used specifically for capital projects may extend beyond two years but only to match the expenditure plan of the projects;
4. No-load, SEC registered money market funds, each approved specifically before use by the City;

- 5 Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and

If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version is approved by the City Council.

B. Competitive Bidding Requirement

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

C. Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis.

D. Exemption for Existing Investments

Any investment currently held that does not meet the guidelines of this policy, but are authorized investments at the time of purchase, shall be exempted from the requirements of this policy and is not required to be liquidated. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

E. Authorized Financial Dealer and Institutions

All investments made by the City will be made through either the City's banking services bank or a primary dealer. The Investment Officer will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding. The City Council must review, approve and adopt the Authorized List of Brokers on at least an annual basis.

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- Provision of an audited financial statement each year
- Proof of certification by the National Association of Securities Dealers (NASD) and provision of CRM number
- Proof of current registration with the State Securities Commission

Every broker/dealer and bank the City transacts business with will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City.

VIII. Diversification and Maturity Limitations

It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

<u>Security Type</u>	<u>Max% of Portfolio</u>
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 50%
Fully insured or collateralized CDs	not to exceed 30%
Repurchase agreements	100%
Money Market funds	
For Bond funds	80%
Local Government Investment Pools	100%
Liquidity Pools	Not to exceed 20%
Maximum percent ownership of pool for bond funds	not authorized

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment 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 five (5) years. The Investment Officer may not invest any portion of the portfolio for a period greater than ten (10) years.

IX. Safekeeping and Collateralization

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by an independent Third Party safekeeping agent.

All safekeeping arrangements shall be designated by the Investment Officer and an agreement of the terms executed in writing. The third party custodian 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 held for the City or pledged to the City.

All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Collateralization

Collateralization is required on the time and demand deposits over the FDIC insurance coverage of \$250,000 and repurchase agreements.

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

Securities pledged as collateral will be held in the City's name by an independent third party with whom the City has a current custodial agreement. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions in relation to possession of the collateral, the substitution or release of investment securities,

ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least quarterly to assure that the market value of the pledged securities is adequate.

X. Performance Evaluation and Reporting

A. Methods

The Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner consistent with the requirements of Section 2256.023 (Internal Management Reports) of the PFIA, and that will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the City Council.

An independent auditor shall formally review the quarterly reports prepared under this section at least annually, and that auditor shall report the results of the review to City Council.

B. Performance Standards

The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, public trust, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. The investment officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note.

C. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly. The market value of each investment shall be obtained from a source such as the Wall Street Journal, a reputable brokerage firm or security pricing service and reported on the investment reports.

XI. Depositories

The City will designate one banking institution through a competitive process as its central banking services provider at least every three years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to the City.

XII. Investment Policy Adoption by City Council

The City's Investment Policy shall be adopted annually by the City Council. The policy and strategies shall be reviewed on an annual basis prior to adoption. A written resolution approving the review and changes to the policy will be passed and recorded by the City Council.

City of Lancaster, Texas
Authorized Investment Officials

Opal Mauldin-Jones, City Manager

Christine Harris, Assistant Director of Finance

City of Lancaster, Texas
Statement of Ethics and Conflicts of Interest

Investment officials for the City of Lancaster shall refrain from personal business relationships with business organizations that could conflict with the proper execution of the investment program, or which could impair their ability to make partial investment decisions. This would only apply to personal business relationships with business organizations that have been approved by City Council to conduct investment transactions with the City of Lancaster.

An investment official is considered to have a personal business relationship with a business organization if:

- (1) The investment official 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.
- (2) Funds received by the investment official from the business organization exceed 10 percent of the investment official's gross income for the previous year.
- (3) The investment official 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 official.

I do hereby certify that I do not have a personal business relationship with any business organization approved to conduct investment transactions with the City of Lancaster, nor am I related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the City of Lancaster as of the date of this statement.

City of Lancaster
Investment Officials

Opal Mauldin-Jones, City Manager

Date

Christine Harris, Assistant Director of Finance

Date

City of Lancaster, Texas
Approved Broker/Dealers, Financial Institutions and Investment Pools

Broker/Dealers

Hilltop Securities Inc.

Public Depositories

JP Morgan Chase, NA
(Primary)

Investment Pools

TexPool

LOGIC

Texas Class

City of Lancaster, Texas
Certification by Business Organization

(date)

City of Lancaster, Texas

(Attn: Designated Investment official)

211 N. Henry Street

Lancaster, TX 75146

Dear Mr./s. (investment official):

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

The undersigned Registered Principal of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Registered Principal of the Business Organization offering to enter an investment transaction with the Investor (Note: as such terms are used in the Public Funds Investment Act, chapter 2256, Texas Local Government Code) and;
2. The Registered Principal of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and;
3. The Registered Principal of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the investor's entire portfolio or requires and interpretation of the subjective investment standards.

Registered Principal

Broker Assigned to the Account

Signed By: _____

Printed Name: _____

Title: _____

Date: _____

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

5.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Mike Delmore, Interim Director of Finance

Agenda Caption:

Consider a resolution adopting the City of Lancaster Debt Management Policy establishing guidelines for debt financing to provide for land, long-term capital additions, and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Background:

Debt management policy statements are written guidelines, allowances and restrictions that guide the debt issuance practices for the City. Government Finance Officers Association (GFOA) recommends that state and local governments adopt comprehensive written debt management policies; and that the Debt Management Policy include the issuance process, management of the debt portfolio, and adherence to various laws and regulations. These policy statements will be reviewed annually to reflect current laws as well as significant changes in the City which may have an impact.

The GFOA recommends that cities have a derivative clause as part of its comprehensive debt management policy. In order to maintain the City's conservative financial policy the investment in derivatives be prohibited. The proposed policy has been updated to include a derivative clause in section VI Long Term Debt, F. Derivatives.

Operational Considerations:

The Debt Management Policy sets forth comprehensive guidelines for the financing of capital expenditures and demonstrates good fiscal administration of the City's debt obligations while promoting accountability to its citizens. Adherence to a debt management policy signals that the government is well managed and is likely to meet its debt obligations in a timely manner. Approval by the governing body ensures that there is a common understanding regarding the entity's approach to debt financing. Debt Management policies provide precedents for future policy-makers and financial managers on common financial goals and strategies; thereby providing credibility and transparency.

Legal Considerations:

This policy demonstrates compliance with the related legal and contractual issues in accordance with provisions of the City Charter, the Texas Local Government Code; and bond referenda approved by voters.

The resolution has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, ADOPTING THE CITY OF LANCASTER DEBT MANAGEMENT POLICY PROVIDING FOR PRUDENT FINANCIAL MANAGEMENT OF ALL DEBT FINANCING TO ENABLE THE CITY TO MAINTAIN A LONG TERM STABLE AND POSITIVE FINANCIAL CONDITION AND PROVIDE FOR NEEDED LAND, LONG-TERM CAPITAL ADDITIONS AND INFRASTRUCTURE IMPROVEMENTS WHILE MINIMIZING THE IMPACT OF DEBT PAYMENTS ON CURRENT AND FUTURE REVENUES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lancaster Debt Management Policy is reviewed annually as part of the budget preparation process; and

WHEREAS, the City of Lancaster Debt Management provides for financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication regarding all City funds;

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

SECTION 1. The City of Lancaster Debt Management Policy, attached hereto and incorporated herein by reference as Exhibit "A", having been reviewed by the City Council of the City of Lancaster, Texas, and found to be acceptable and in the best interest of the City and its citizens is hereby in all things approved; and, the City Manager and staff shall implement and execute the procedures and policies adopted therein.

SECTION 2. This resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Exhibit "A"

**City of Lancaster, Texas
DEBT MANAGEMENT
POLICIES
September 13, 2021**



DEBT MANAGEMENT POLICIES

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CITY OF LANCASTER, TEXAS DEBT MANAGEMENT POLICIES

I. PURPOSE

The Debt Management Policies set forth comprehensive guidelines for the financing of capital expenditures. It is the objective of the policies that (1) the city obtains financing only when necessary, (2) the process for identifying the timing and amount of debt or other financing be as efficient as possible and (3) the most favorable interest and other costs be obtained.

With the establishment of these guidelines for debt financing to provide needed land, long- term capital additions, and infrastructure improvements while minimizing the impact of debt payments on current and future revenues; the City shall annually review and monitor the state of the City's capital assets, setting priorities for the addition, replacement, and renovation of these assets based on needs, funding alternatives, and availability of resources.

II. RESPONSIBILITY

The primary responsibility for developing financing recommendations rests with the Director of Finance; however, the City shall employ the assistance of its financial advisors and consultants, as needed, to assist in the administration and management of the City's financial affairs, debt administration and financial modeling. In developing the recommendations, the Director of Finance shall be assisted by the Deputy City Manager and the Assistant Director of Finance. The Director of Finance shall hold as follows:

- meet no less than twice a year with Department Managers to consider the need for financing and assess progress on the Capital Improvement Program,
- meet as necessary in preparation for a financing,
- review changes in state and federal legislation,
- review annually the provisions of ordinances authorizing issuance of obligations, and to
- Annually review services provided by the Financial Advisor, Bond Counsel, Paying Agent and other service providers to evaluate the extent and effectiveness of services being provided.

As part of the budgeting process, each Department head will meet with the City Manager to determine their current and future needs for capital assets. The City Manager and Fleet Director will determine the priority of the Capital assets that need to be purchased or replaced. Based on current excess funds and budgets, a purchase and replacement schedule will be maintained. Finance will assist if any additional financing is required.

In developing financing recommendations, consideration will be given as follows:

- the time proceeds of obligation are expected to remain on hand and the related carrying cost;

- the options for interim financing including short term and inter fund borrowing, taking into consideration federal and state reimbursement regulations;
- the effect of proposed action on the tax rate and user charges;
- trends in interest rates; and
- other factors as appropriate.

A. Bond Counsel Involvement

The Bond Counsel will issue an opinion as to the legality and tax exempt status of any obligations. The city will also seek the advice of Bond Counsel on all other types of financings and on any other questions involving federal tax or arbitrage law. Bond Counsel is also responsible for the preparation of the ordinance authorizing issuance of obligations and all of the closing documents to complete their sale and will perform other services as defined by contract approved by the City Council. Bond counsel to the City shall provide an objective legal opinion concerning the issuance of bonds and other debt instruments. Generally, bonds are not marketable without the opinion of bond counsel indicating the bonds are valid and binding obligations of the City and exempt from federal and state income taxes.

Due to the complexity of the City's financial structure and the benefits that come from a history and knowledge of the City, the City maintains an ongoing relationship with the bond counsel for continuity. The engagement letter with bond counsel may be terminated as set forth in our contractual agreement.

B. Financial Advisor Involvement

The city will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, inform the city of various options, advise the city as to how choices will impact the marketability of city obligations, assist with determining the method of sale and the selection of other financing team members, and shall provide other financial advice and expertise, as needed. The Financial Advisor will inform the City Manager of significant issues. The City issues various types of securities to finance its capital improvement program and shall employ a financial advisor for these services. Debt issuance and restructuring requires a comprehensive list of services associated with municipal transactions including, but not limited to, analysis of market conditions, size and structure of the issue, method of sale, preparation of disclosure documents, evaluation of and advice on the pricing of securities, facilitation of rating agency relations, and calculation of debt service schedules.

Due to the complexity of the City's financial structure and the benefits that come from a history and knowledge of the City, the City maintains an ongoing relationship with the financial advisor for continuity. The City's agreement with the financial advisor may be terminated as set forth in our contractual agreement.

III. CAPITAL PROJECTS

The City shall maintain capital project funds to account for and report financial resources that are restricted, committed, or assigned for capital outlay (e.g., bond funds).

A. Capital Improvement Plan

As part of the annual budget process, the City shall prepare a capital improvement plan (CIP) based on the needs for capital improvements and equipment, including replacement and renovation and potential new projects. Annual capital spending needs shall be considered within the scope of the long-range capital improvement plan taking into consideration pay-as-you go, debt requirements, operating costs, etc.

Capital expenditures are generally defined as those to purchase and/or construct land, buildings, improvements other than buildings, and infrastructure, including roads, sidewalks, bridges, utility lines, etc., in order to provide services over a considerable period of time. Capital costs typically consist of preliminary and final engineering and design and construction, but may also include the acquisition of land or easements. For each project identified in the plan, a project scope and justification shall be provided for review and consideration and shall include cost estimates, funding sources, and projected annual operation and maintenance costs. Capital projects shall become part of the City's asset inventory.

The Capital Improvement Plan may be reviewed along with the annual budget. Appropriations are for the life of the capital project. At fiscal year-end, projects shall be reviewed and if complete, shall be closed. Following completion of a project, any remaining funds shall be re-appropriated as part of the next year's capital budget. Funds remaining from bond proceeds may only be used in accordance with the legal use of those funds.

B. Infrastructure Evaluation and Replacement/Rehabilitation

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities, and other infrastructure are fundamental and essential for public health and safety, environmental protections, and the economic well-being of the City. The City's CIP shall be focused on ensuring that infrastructure is replaced as needed to protect the City's investment, to minimize future replacement and maintenance costs, to maintain existing levels of service, and to accommodate growth.

Infrastructure will be replaced, if feasible, at the end of its useable service life. If upgrades are warranted to meet current design standards, a cost/benefit analysis shall be done and presented to City Council for review and consideration.

C. Capital Expenditure Financing

The City utilizes several basic methods of financing its capital needs: pay-as-you-go from current revenues, fund balance/working capital, and debt. Capital projects shall not commence prior to the necessary funds being appropriated.

When cash funding is available, the City may elect to pay for all or part of its capital improvements from the appropriate fund rather than through the issuance of debt. The anticipated benefit of pay-as-you-go financing is a reduced or minimized impact on the property tax rate and utility rates. The use of pay-as-you-go financing may not reduce fund balance below target levels.

Debt financing may include general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted by state law. Capital improvement projects may not be debt-financed for periods longer than the projected useful life of the project or improvement.

D. Reporting

A summary and status report on capital projects and expenditures may be included in the quarterly financial report presented to City Council.

IV. DEBT MANAGEMENT

The City shall establish guidelines for debt financing to provide needed land, long-term capital additions, and infrastructure improvements while minimizing the impact of debt payments on current and future revenues. The City has no general obligation legal debt limit other than a ceiling on the tax rate as specified by the State of Texas. The prescribed maximum is \$2.50 per \$100 assessed valuation.

A. Use of Debt Financing

Debt financing, including general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted by state law, may only be used to purchase capital assets that cannot be acquired from current revenues or fund balance/working capital. Debt financing may be used to fund infrastructure improvements and additions.

B. Debt Financing

The City may not assume more tax-supported general purpose debt than it retires each year without conducting an objective analysis regarding the City's ability to assume and support additional debt service. This analysis may include an examination of the costs and benefits of the proposed capital spending and the anticipated impact on the property tax rate. The decision to issue new debt should be based on this analysis, a review of the current and projected conditions of the municipal bond market, and the City's ability to service the new debt.

General Obligation Bonds require voter approval and shall be issued to accomplish projects identified in the bond referendum. General Obligation Bonds shall be used to fund capital assets of the City and shall not be used to fund current operating expenditures.

Certificates of Obligation may be issued without voter approval to finance any public works

project or capital improvement, as permitted by state law. The City may issue Certificates of Obligation in the event it is more economical than issuing Revenue Bonds.

Revenue Bonds are secured by the revenues of an enterprise fund and require adequate projected revenues to cover anticipated future payments over the life of the bonds. If the City determines it is feasible to issue Revenue Bonds, it may also be necessary to make adjustments to the City's utility rate structure to maintain required coverage. Coverage requirements, and the need for and level of reserve funds to provide additional security in support of the bonds, are subject to rating agency review and market standards.

C. Debt Structure

The term of any debt issuance may not exceed the useful life of the asset funded by the debt. Relative to the issuance of revenue bonds, the term of the debt shall also be consistent with the revenue-generating capacity of the asset. The maximum term of any debt issue shall not exceed 40 years.

The structure of any debt issuance shall be designed to achieve the best possible results for the City given current market conditions, etc. Consideration shall be given to the term, amortization schedule, interest rates, yield, pricing and call provisions.

To achieve a more favorable interest rate, the City shall strive to issue bonds in amounts such that the issue is bank qualified. However, if the City needs to issue debt that is non-bank qualified, the fact that the issue is so designated will not be a consideration if all other factors support the issuance.

D. Debt Refunding

The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. The City may issue a current refunding and there is no limit on the number of times the City may refund current bonds.

As a general rule, the net present value savings of an advance refunding should exceed three percent (3%) of the refunded maturities (including cost of issuance), unless, a debt restructuring is necessary.

E. Bond Elections

General obligation bond elections shall be determined and set by the City Council and an analysis showing the impact of the new debt on the City's tax rate and total debt capacity will be included with each proposal to issue new general obligation bonds.

F. Method of Sale

The City may use a competitive bidding process for the sale of debt unless the nature of the issue warrants a negotiated sale. The City may utilize a negotiated sale when the debt issuance is, or contains, a refinancing that is dependent on market timing.

G. Underwriting Syndicates

As part of the debt issuance process, the City shall partner with qualified and experienced firms. The City shall be actively involved in the debt issuance process and shall work with the financial advisor, bond counsel, and underwriter(s) to develop and recommend the most appropriate debt financing to meet the City's needs. For any given bond issue, the City may elect to work with a single underwriter or with an underwriting syndicate, which includes several firms and a designated lead underwriter.

H. Rating Agency Presentations

Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The City shall work with the financial advisor to prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, currently Moody's Investor Service, Standard & Poor's Ratings Services, and Fitch Ratings, based on the recommendation of the financial advisor.

I. Bond Ratings

The City shall prudently manage the general and enterprise funds in order to maintain or improve the City's bond rating.

J. Lease/Purchase Agreements

The City may consider lease/purchase agreements for short-term financing needs when it is the most cost-effective option.

K. Interest Earnings on Debt Proceeds

Interest earnings on debt proceeds shall remain in the construction fund or be transferred to the debt service fund. Interest earnings on water and wastewater debt proceeds shall remain in the enterprise fund.

L. Continuing Financial Disclosure

The City shall comply with all requirements for continuing financial disclosure prescribed by state and federal regulations and City bond ordinances. In order to meet these requirements, the City must annually provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board.

M. Post-Issuance Compliance

The City will follow post-issuance compliance policies and procedures to address the requirements of the Tax Code relative to its debt issuances. These requirements include restrictions on the use of proceeds, arbitrage yield restrictions, and the arbitrage rebate requirement. In general, these requirements are applicable throughout the period the debt issuance remains outstanding.

N. Arbitrage Investments and Reporting

The investment of bond proceeds shall be made in accordance with the same priority order of

safety, liquidity, and yield. Bond proceeds shall be invested in separate instruments or accounts and not commingled with other investment purchases. Arbitrage rebate calculations shall be done for each bond issue, as required, and funds shall be set aside for any positive arbitrage. Arbitrage shall be rebated to the federal government when due. The City is responsible for the annual arbitrage rebate calculation on each bond issue. The City shall provide the necessary information and records to a qualified firm for completing these calculations and preparing the required report filings. The City shall make timely payments of any rebate amount owed to the federal government. Requests for qualifications shall be solicited at least every five years from firms qualified to prepare arbitrage rebate calculations and reports

V. SHORT TERM DEBT

A. General

Short term obligations may be issued to finance projects or portions of projects for which the city ultimately intends to issue long term debt; i.e., it will be used to provide interim financing which will eventually be refunded with the proceeds of long term obligations.

Short term obligations may be backed with a tax or revenue pledge, or a pledge of other available resources.

The amount of short term obligations due to mature in a year shall not exceed 5% of outstanding long term debt.

Interim financing may be appropriate when long term interest rates are expected to decline in the future. In addition, some forms of short term obligations can be obtained quicker than long term obligations and thus can be used in emergencies until long term financing can be obtained. In some cases, when the amount of financing required in the immediate future is relatively small, it may be cheaper for the city to issue a small amount of short term obligations to provide for its immediate needs than to issue a larger amount of long term obligations to provide financing for both immediate and future needs when the carrying costs of issuing obligations which are not immediately needed are taken into account.

B. Commercial Paper

Interest rates on commercial paper are generally favorable to an issuer relative to interest on other forms of debt. However, it does not appear to be feasible for the City of Lancaster to issue commercial paper because the cost of issuance for small issuers is too great and the market for commercial paper from a small issuer is poor. In addition, cities may legally only issue commercial paper for revenue supported projects. However, should the opportunity to participate in a commercial paper issuance pool present itself, the advantages and disadvantages shall be evaluated.

C. Line of Credit

With the approval of the City Council, the city may establish a tax-exempt line of credit with a financial institution selected through a competitive process. Draws shall be made on the line of credit when (1) the need for financing is so urgent that time does not permit the issuance of long term debt, or (2) the need for financing is so small that the total cost of issuance of long term debt including carrying costs of debt proceeds not needed immediately is significantly higher.

Draws will be made on the line of credit to pay for projects designated for line of credit financing by the City Council. Only projects which will ultimately be financed with the proceeds of authorized bonds may be so designated.

Note: Lines of credit must mature within the current fiscal year.

The Director of Finance (or designee) will authorize draws and the Assistant Finance Director (or designee) will execute them. The Finance department will identify line-of-credit draws and expenditures on the books of account, and quarterly verify compliance and adequacy of documentation.

Additionally, a line of credit may be established to fulfill bond covenant requirements for a reserve fund when permitted under applicable ordinances and it is cost beneficial to do so. Before drawing on a line of credit for a capital item, the city should adopt a reimbursement resolution for the project in the event bonds need to be issued.

VI. LONG TERM DEBT

A. General

Long-term obligations will not be used for operating purposes, and the life of the obligations will not exceed the useful life of the projects financed.

Debt service structure will approximate level debt service unless operational matters dictate otherwise.

The city will strive to limit its annual issuance of long term obligations to \$10 million in order to take advantage of small issuer exemptions in the federal arbitrage laws. Should subsequent changes in the law raise these limits, then the city's policies will be adjusted accordingly.

The cost of issuance of private activity bonds is usually higher than for governmental purpose bonds. Consequently, private activity bonds will be issued only when they will economically benefit the city.

The cost of taxable debt is higher than for tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow valuable flexibility in subsequent contracts with users or managers of the improvement constructed with the bond proceeds.

Therefore, the city will usually issue obligations tax-exempt, but may occasionally issue taxable obligations.

B. Bonds – General Obligation or Revenue

Long-term general obligation or revenue bonds shall be issued to finance significant capital improvements for purposes set forth by voters in bond elections. Additionally, revenue bonds may be issued in response to public need without voter authorization.

Bonds may have an average life of 30 years or less.

A resolution of intent to issue bonds authorizing staff to proceed with preparations may be presented for the consideration of the City Council when the capital budget is presented, as necessary.

The city may consider the use of surety bonds, lines of credit or similar instruments to satisfy reserve requirements.

C. Certificates of Obligation

Certificates of obligation may be issued to finance permanent improvements and land acquisition, if the need arises between bond elections. In addition, they may be used to finance cost overruns or to acquire equipment costing at least \$100,000. The life of certificates of obligation issued to finance equipment shall match the life of the equipment.

In accordance with state law, a resolution authorizing publication of notice of intent to issue certificates of obligation shall be presented for the consideration of the City Council no less than 45 days before an expected issuance. The notice of intent shall be published in the City's publication of record or a newspaper of general circulation in the city once a week for two consecutive weeks with the first publication to be at least thirty (30) days prior to the sale date.

Certificates of obligation can be backed by revenues eligible to be pledged under state law. Some revenues are restricted as to the uses for which they may be pledged. Water and wastewater revenues may be pledged without limit for water and wastewater purposes, but may only be pledged up to \$100,000 for non-water and wastewater purposes.

Certificates of obligation may also be backed by a tax pledge under certain circumstances as defined by law. They may also be backed by a combination tax and revenue pledge.

D. Public Property Finance Contractual Obligation

Public property finance contractual obligations may be issued to finance the acquisition of personal property.

E. Anticipation Notes

Anticipation Notes empower municipalities to issue debt without giving notice of intent. Anticipation Notes may be secured and repaid by a singular pledge, but not plural pledge, of

revenue, taxes, or the proceeds of a future debt issue. Anticipation Notes are authorized by an ordinance adopted by the city.

Anticipation Notes may be used to finance projects or acquisition that could also be financed with Certificates of Obligation.

Anticipation Notes have several restrictions which include:

- 1) Anticipation Notes issued for general purposes must mature before the seventh anniversary of the date the Attorney General approves the issue,
- 2) Anticipation Notes may not be used to repay inter-fund borrowing or a borrowing that occurred 24 months prior to the date of issuance,
- 3) A governing body may not issue Anticipation Notes that are payable from bond proceeds unless the proposition authorizing the issuance of the bonds has already been approved by the voters.

F. Derivatives

The city is prohibited from investing directly or indirectly in derivatives. A derivative is a contract that derives its value from the performance of an underlying entity. Some of the more common derivatives include forwards, futures, options, swaps, and a variation of these such as synthetic collateralized debt obligations and credit default swaps. By avoiding investing in derivatives the city is acting in a prudent manner and following its conservative investment strategy.

G. Bond Elections

Before a bond election, the City Manager and City Councilmembers will be provided with competent debt capacity analyses, tax and user fee impact projections and other information as deemed appropriate by the City Manager's Office. The Bond Counsel and Financial Advisor will provide support during the process.

VII. REFUNDING

The city shall consider refunding debt whenever an analysis indicates the potential for present value savings of approximately 3% of the principal being refunded or at least \$200,000. The city will not refund less than 3% of its outstanding debt at one time except in unusual circumstances such as when it intends to change bond covenants.

Private activity bonds may be refunded in a current refunding only.

VIII. CAPITAL LEASING

Capital leasing is an option for the acquisition of a piece or package of equipment costing less than \$3,000,000.

Leasing shall not be considered when funds are on hand for the acquisition unless the interest expense associated with the lease is less than the interest that can be earned by investing the funds on hand or when other factors such as budget constraints, economic conditions or vendor responsiveness override the economic consideration.

Whenever a lease is arranged with a private sector entity, a tax exempt rate shall be sought. Whenever a lease is arranged with a government or other tax-exempt entity, the city shall strive to obtain an explicitly defined taxable rate so that the lease will not be counted in the city's total annual borrowings subject to arbitrage rebate.

If the interest rate is greater than three (3) percent, the lease agreement shall permit the city to refinance the lease at no more than reasonable cost should the city decide to do so. A lease which can be called at will is preferable to one which can merely be accelerated.

Since the market for lease financings is relatively inefficient, the interest rates available at any one time may vary widely. Therefore, if the interest rate is greater than three (3) percent; the city shall obtain at least three competitive proposals for any major lease financing. The net present value of competitive bids shall be compared, taking into account whether payments are in advance or in arrears, and how frequently payments are made. The purchase price of equipment shall be competitively bid as well as the financing cost.

The advice of the city's bond counsel shall be sought in any leasing arrangement and when federal tax forms 8038 are prepared to ensure that all federal tax laws are obeyed.

The city may consider issuing certificates of participation to finance a very large project. Care should be taken because financing costs may be greater than for other types of financing. When possible, the lease agreement will be backed with a tax pledge.

If the city is obligated to make payments more than a year in the future, then the agreement will probably be considered debt by the state. However, if the payments are subject to annual appropriation by the City Council, then they may not.

IX. OTHER TYPES OF FINANCING

From time to time other types of financing may become available. Examples of these options are debt pools with other entities and low-interest loans from state agencies such as the Texas Water Development Board.

X. RATIOS AND RESERVES

The portion of the city's property tax rate levied for debt service shall not exceed 40% of the total tax rate.

The Water and Wastewater Fund total long term debt outstanding shall not exceed the amount of fund equity.

The City will endeavor to maintain 1.25 coverage for all indebtedness of the Water and Wastewater Fund and 1.50 coverage for the Lancaster Recreational Development Fund.

Debt Service Funds should not have reserves or balances in excess of 1/12 of last year's principal and interest expense except that (1) the city's Water/Wastewater revenue bond debt service reserves will be maintained at the level of the average annual debt service plus amounts accrued for the next debt service payment, (2) the City's Parks & Recreation Sales Tax Venue

revenue bond reserves will be maintained at the level of maximum annual debt service plus amounts accrued for the next debt service payment.

When revenue supported, tax-backed debt is issued, a debt service reserve or similar alternative backup source from which to pay debt service will be established. The source of the reserve will be determined on a case by case basis. When the revenue source being financed with the debt has become well established, then it will no longer be necessary to maintain the reserve or similar alternative backup source.

XI. OFFICIAL STATEMENT

The Official Statement is the disclosure document prepared by or on behalf of the city for an offering of securities. The City's Financial Advisor and Bond Counsel will assist in the preparation of the Official Statement. The information contained in the Official Statement is gathered from departments/divisions throughout the city. Coordination and compilation of the information provided to the Financial Advisor by the City is the responsibility of the Assistant Director of Finance under the supervision of the Director of Finance.

XII. RATINGS

The city's goal is to maintain or improve its bond ratings. To that end, prudent financial management policies will be adhered to in all areas. Therefore, it is important for the City to continue to build its liquidity and maintain solid general fund performance. The City could receive a one-notch upgrade assuming that all other factors/inputs remain constant.

Full disclosure of operations will be made to the bond rating agencies. The city staff, with the assistance of the financial advisors and bond counsel, will prepare the necessary materials for presentation to the rating agencies.

The city shall maintain a line of communications with the national rating agencies informing them of major financial events in the city as they occur. The Comprehensive Annual Financial Report shall be distributed to the rating agencies after it has been accepted by the City Council.

The rating agencies will also be notified either by telephone or through written correspondence when the city begins preparation for a debt issuance. After the initial contact, a formal ratings application will be prepared and sent along with the draft of the Official Statement relating to the bond sale to the rating agencies. This application and related documentation should be sent several weeks prior to the bond sale to give the rating agencies sufficient time to perform their review.

A personal meeting with representatives of the rating agencies will be scheduled every few years or whenever a major project is initiated.

XIII. CREDIT ENHANCEMENTS

Credit enhancements are mechanisms which guarantee principal and interest payments. They include bond insurance and a line or letter of credit. A credit enhancement will be considered if it results in and lowers overall costs.

During debt issuance planning, the Financial Advisor will advise the city whether or not a credit enhancement is cost effective under the circumstances and what type of credit enhancement, if any, should be purchased. In a negotiated sale, bids may be taken during the period prior to the pricing of the sale. In a competitive sale, bond insurance may be provided by the purchaser if the issue qualifies for bond insurance.

XIV. SECONDARY MARKET DISCLOSURE

In compliance with SEC 15c2-12 regulations, which became effective July 3, 1995, municipal debt issuers are required to annually provide specified financial and operating information to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) designated by the SEC. This information is available free of charge via the Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org. Additionally, issuers must notify the State Information Depositories (SIDs) if one exists.

The information to be provided includes quantitative financial information and operating data as well as audited financial statements. This financial disclosure must be filed by March 31 of each year.

In addition to the financial and operating information any material event must be provided to EMMA within 10 business days of occurrence. Municipal debt issuers will be obligated to provide ongoing disclosure on the status of the following material events:

- Principal and interest payment delinquencies
- Nonpayment-related defaults
- Unscheduled draws on reserves
- Unscheduled draws on credit enhancements
- Substitution of credit or liquidity providers, or the failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to rights of security holders
- Bond calls
- Defeasances
- Matters affecting collateral
- Rating changes

The Director of Finance will be designated "Compliance Officer" for disclosure requirements. Levels of reporting will include:

- Annual compliance report to the City Manager,

- Notification by electronic filing to EMMA, and SID's of material events, with copies to the City Council
- Copies of [AFR](#) and updated tables from the Official Statement to EMMA and SIDs within six months of fiscal year end.

XV. ARBITRAGE LIABILITY MANAGEMENT

It is the city's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law.

A. General

Federal arbitrage legislation is intended to discourage entities from issuing tax exempt obligations unnecessarily. In compliance with the spirit of this legislation, the city will not issue obligations except for identifiable projects with very good prospects of timely initiation. Obligations will be issued as closely in time as feasible to the time contracts are expected to be awarded so that they will be spent quickly.

B. Responsibility

Because of the complexity of arbitrage rebate regulations and the severity of noncompliance penalties, the advice of Bond Counsel and other qualified experts will be sought whenever questions about arbitrage rebate regulations arise. The city maintains a contract for arbitrage rebate services.

The Director of Finance will be responsible for identifying the amount of unspent debt proceeds including interest which is on hand and for ensuring that, to the extent feasible, the oldest proceeds on hand are spent first.

The arbitrage rebate consultant maintains a system for computing and tracking the arbitrage rebate liability, and will notify the city of the amount of accrued liability. They will also be responsible for notifying the city two months in advance of when a rebate of excess arbitrage earnings is due to the Internal Revenue Service.

The city's bond counsel and financial advisor shall review in advance any arbitrage rebate payments and forms sent to the Internal Revenue Service.

The expenditure of obligation proceeds will be tracked in the financial accounting system by type of issue. Investments will be pooled for financial accounting purposes and may, at the discretion of the Director of Finance, be pooled for investment purposes. When investments of bond proceeds are co-mingled with other investments, the city shall adhere to the Internal Revenue Service rules on accounting allocations.

Arbitrage rebate costs shall be charged as negative interest revenue to the funds in which the related obligation proceeds were originally deposited.

C. Internal Interim Financing

In order to defer the issuance of obligations, when sufficient non-restricted reserve funds are on hand, consideration shall be given to appropriating them to provide interim financing for large construction contracts or parts of contracts. When the appropriations are subsequently re-financed with the proceeds of obligations or other resources, the non-restricted reserve funds shall be repaid. When expenditures are reimbursed from debt issuances, applicable state law and the Internal Revenue Service rules on reimbursements will be complied with so that the reimbursements may be considered expenditures for arbitrage purposes.

Requirements are in general:

- The city shall declare its intention to reimburse an expenditure with debt proceeds before paying the expenditure, and will exclude costs such as design and engineering fees or cost of issuance;
- Reimbursement bonds must be issued and the reimbursement made within one year after the expenditure was made or the property financed by the expenditure was placed in service, whichever is later; and
- The expenditure to be reimbursed must be a capital expenditure.

D. Two Year Spend-out Option

Arbitrage rebate legislation offers a safe harbor whereby obligations issued for construction will be exempt from arbitrage rebate if certain rules are adhered to and the proceeds are spent within two years. However, if this option is elected and all the proceeds are not spent according to the prescribed schedule, penalties are imposed. The option should be considered when circumstances indicate the city will with certainty be successful in achieving a two year spend out goal. Such circumstances may include, but are not limited to the following:

- Obligations are issued to finance a variety of small construction projects, not large projects which might be unexpectedly delayed after the issuance. Also, project management understands the requirements and is firmly committed to achieving the spend out goal.
- Obligations are issued for a single, large high priority project with a relatively short construction period and there is a high level of commitment to speedy completion.

When the two year spend out option is elected, debt will be issued for an estimated one year of expenditures to provide for unexpected delays of up to a year without incurring penalties. The exercise of the two year spend out option will always be coordinated with Bond Counsel and the Financial Advisor.

XVI. MODIFICATION TOPOLICIES

These policies will be reviewed annually and presented to the City Council for consideration.

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

6.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure
Quality Development
Professional and Committed City Workforce

Submitted by: Sorangel O. Arenas, City Secretary

Agenda Caption:

Consider declaring certain board, commission or committee position(s) vacant due to resignations.

Background:

On March 22, 2021, the City Council considered its annual appointments to the various Boards, Committees and Commissions of the City of Lancaster. However, staff has received the resignations listed below:

Name	Board	Term Expires
Angela Murphy	Planning and Zoning	2022
Amy Glover	Historic Landmark Preservation Board	2021
John G. Thomas	Capital Improvements Advisory Committee	2022

Operational Considerations:

As prescribed in Ordinance 2018-12-53 for all City Boards, Commissions and Committees, Section 5.02.007 Historic Landmark Preservation Committee, Subsection (b) states "Members of the Committee shall be appointed by the Planning & Zoning Commission and confirmed by City Council..."

Appointment to the mentioned Boards will be presented at a different meeting.

Public Information Considerations:

This item is being discussed and considered at a Regular Meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. City Council may declare a vacancy.
2. City Council may deny declaring a vacancy.

Recommendation:

Boards and Commissions appointments are solely at Council's pleasure.

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

7.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Sound Infrastructure

Submitted by: Chris Youngman Emergency Management Chief

Agenda Caption:

Consider a resolution approving the terms and conditions of an interlocal agreement by and between the City of Lancaster, the City of Dallas and County of Dallas, Texas. For the annual Project 25 (P25) Infrastructure Support Fee in the amount of \$28.00 per month, per Subscriber Radio or console.

Background:

On June 21, 2021, City Council received a presentation regarding an upgrade to our Public Safety radio communication system.

Project 25, or (P25) as undertaken and promoted by the Association of Public Safety Communication Officials (APCO), is the national standard for public safety digital radio. Having a P25 digital radio system will soon be a requirement as a prerequisite for the awarding of most federal and state grants. These systems promote interoperability, provide more frequencies to users, and are compatible with most vendors, regardless of the P25 system's infrastructure.

Operational Considerations:

The upgrade to the Public Safety radio communication system will allow the City to obtain the maximum radio interoperability and reliability of communications between Dallas, other governmental entities in Dallas County, and governmental entities within the regionally interoperable radio communication's area surrounding Dallas, including incidental interoperability use by these other non-Dallas entities during catastrophic or special use circumstances or during daily operations based on agreed subscriber terms.

Legal Considerations:

The terms of the agreement has been reviewed and approved by the City Attorney, as to form.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council, in accordance with the Texas Open Meetings Act.

Fiscal Impact:

The agreement is for an annual Infrastructure Support Fee in the amount of \$28.00 per month, per Subscriber Radio or console. The City of Lancaster will have two hundred three (203) radios and five (5) consoles.

Options/Alternatives:

1. City Council may approve resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution, as presented.

Attachments

Resolution

Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT, APPROVING AND ACCEPTING THE TERMS AND CONDITIONS OF THE INTERLOCAL AGREEMENT BETWEEN THE COUNTY OF DALLAS, STATE OF TEXAS, BY AND BETWEEN THE CITY OF DALLAS, TEXAS.

WHEREAS, City of Lancaster, and Dallas (the "Parties") are local governments as defined in Texas Government Code, Section 791.003(4) (the "Interlocal Cooperation Act"), that have the authority to enter into this Agreement, and have each entered into this Agreement by the action of its governing body in the appropriate manner prescribed by law; and

WHEREAS, pursuant to that certain Interlocal Agreement between Dallas and County of Dallas, Texas ("County"), ("County ILA"), Dallas and County partnered, secured and committed financial funding for the modernization and upgrading of Dallas' dated communications network (current radio system and infrastructure) to create a P25 compliant trunk voice radio communications system in compliance with state and federal requirements and capable of countywide coverage for use by both public safety and public works groups in Dallas, County, and all Dallas County cities seeking to engage the system for their local needs through subscriber agreements approved by Dallas (hereinafter the "P25 Radio System Project" or "Project"); and

WHEREAS, Dallas will own, operate, and maintain Trunked Voice Radio Systems for the purpose of providing Public Safety voice radio communications and is the sole license holder of the Dallas Trunked Voice Radio Systems with all privileges and responsibilities thereof; and

WHEREAS, pursuant to all the foregoing City of Lancaster and Dallas desire to enter into this agreement pursuant to the Interlocal Cooperation Act, as amended, to set forth the terms of their cooperation, rights, and obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:
of the mutual terms, conditions, promises, and covenants hereinafter set forth, the Parties agree to perform the following acts and to be bound by the following statements to establish, operate, and maintain Dallas's P25 Radio Systems Project (the "Project"):

SECTION 1. The City Council of the City of Lancaster approves and accepts the terms and conditions of the agreement with the City of Dallas, attached hereto as Exhibit "A," for the City of Lancaster; and authorizes the City Manager to execute for and on behalf of the City of Lancaster.

SECTION 2. That this Resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

COMMUNICATIONS SYSTEM AGREEMENT**CATEGORY 1 – GOVERNMENT ENTITY**

This INTERLOCAL AGREEMENT (this “Agreement”) is made and entered into in the County of Dallas, State of Texas, by and between the CITY OF DALLAS, TEXAS a municipal corporation, duly incorporated and existing under the constitution and laws of the State of Texas (“DALLAS”), and the CITY OF LANCASTER (USER), a municipal corporation, duly incorporated and existing under the constitution and laws of the State of Texas.

WHEREAS, CITY OF LANCASTER, and DALLAS (the “Parties”) are local governments as defined in Texas Government Code, Section 791.003(4) (the “Interlocal Cooperation Act”), that have the authority to enter into this Agreement, and have each entered into this Agreement by the action of its governing body in the appropriate manner prescribed by law; and

WHEREAS, DALLAS’ existing radio communications network is at the end of its product life cycle; and

WHEREAS, pursuant to that certain Interlocal Agreement between DALLAS and County of Dallas, Texas (“COUNTY”), (“County ILA”), DALLAS and COUNTY partnered, secured and committed financial funding for the modernization and upgrading of DALLAS’ dated communications network (current radio system and infrastructure) to create a P25 compliant trunk voice radio communications system in compliance with state and federal requirements and capable of countywide coverage for use by both public safety and public works groups in DALLAS, COUNTY, and all Dallas County cities seeking to engage the system for their local needs through subscriber agreements approved by DALLAS (hereinafter the “P25 Radio System Project” or “Project”); and

WHEREAS, in 2017, to achieve the purposes of the County ILA, DALLAS procured and entered into a contract with Motorola Solutions Inc. for completion of the P25 compliant countywide digital public radio system and added a microwave backbone that can be shared in the DALLAS’ Public Safety and Public Works communications system (the “Project”); and

WHEREAS, in order to obtain the maximum radio interoperability and reliability of the Project between DALLAS, other governmental entities in Dallas County, and governmental entities within the regionally interoperable radio communications area surrounding DALLAS, including incidental interoperability use by these other non-DALLAS entities during catastrophic or special use circumstances or during daily operations based on agreed subscriber terms, it is necessary to establish and enable a countywide equipment installation to achieve Project coverage spanning beyond DALLAS jurisdictional boundaries; and

WHEREAS, DALLAS will own, operate, and maintain Trunked Voice Radio Systems for the purpose of providing Public Safety voice radio communications and is the sole license holder of the DALLAS Trunked Voice Radio Systems with all privileges and responsibilities thereof.

WHEREAS, pursuant to all the foregoing CITY OF LANCASTER and DALLAS desire to enter into this agreement pursuant to the Interlocal Cooperation Act, as amended, to set forth the terms of their cooperation, rights, and obligations; and

WHEREAS, pursuant to all the foregoing, the Parties desire to enter into this Agreement pursuant to the Interlocal Cooperation Act, as amended; to set forth the terms of their cooperation, rights, and obligations in the Project, including, but not limited to, CITY OF LANCASTER's grant

NOW, THEREFORE, IN CONSIDERATION of the mutual terms, conditions, promises, and covenants hereinafter set forth, the Parties agree to perform the following acts and to be bound by the following statements to establish, operate, and maintain DALLAS's P25 Radio Systems Project (the "Project"):

1. Grant of License. DALLAS hereby grants the USER specific permission to operate USER's owned or leased field radio equipment or equipment attached and/or interfaced to the DALLAS P25 Trunked Voice Radio Systems (the "Radio System") infrastructure in accordance with the specific details and requirements for use as set forth in "Exhibit A, Terms of Use," which is attached hereto, incorporated herein, and made a part of this Agreement for all purposes. Failure to comply with these specific details and requirements may result in the immediate withdrawal of the specified permissions.
2. Term. The Agreement shall become effective upon the signing of the Agreement by the City of DALLAS (the "Effective Date") and shall continue in full force and effect unless terminated in accordance with the provisions set forth herein and in Exhibit A.
3. Compensation. USER shall remit payment to DALLAS in the amount and manner set forth in Exhibit A.
4. **RESPONSIBILITIES OF PARTIES**. USER agrees to be responsible for its own acts of negligence and DALLAS agrees to be responsible for its own acts of negligence which may arise in connection with this Agreement. In the event of joint and concurrent negligence, USER and DALLAS agree that responsibility shall be apportioned comparatively. This obligation shall be construed for the benefit of the parties hereto, and not for the benefit of any third parties, nor to create liability for the benefit of any third parties, nor to deprive the parties hereto of any defenses or immunities each may have as against third parties under the laws and court decisions of the State of Texas.
5. Independent Contractor. It is expressly understood and agreed that USER shall operate as an independent contractor as to all rights and privileges granted herein, and not as agent, representative or employee of the DALLAS. Subject to and in accordance with the conditions and provisions of this Agreement, USER shall have the exclusive right to control the details of its operations and activities and be solely responsible for the acts and omissions of its employees, directors, officers, agents, authorized representatives, subcontractors, and consultants. USER acknowledges that the doctrine of *respondeat superior* shall not apply as between the DALLAS, its employees, directors, officers, agents, and authorized representatives, and USER and its employees, directors, officers, agents, authorized representatives, subcontractors, and consultants. USER further agrees that nothing herein shall be construed as the creation of a partnership or joint enterprise between DALLAS and USER.

6. Non-Appropriation of Funds. DALLAS and USER will use best efforts to appropriate sufficient funds to support obligations under this Agreement. However, in the event that sufficient funds are not appropriated by either party's governing body, and as a result, that party is unable to fulfill its obligations under this Agreement, that party (i) shall promptly notify the other party in writing and (ii) may terminate this Agreement, effective as of the last day for which sufficient funds have been appropriated.

7. Right to Audit. USER agrees that the DALLAS shall, at no additional cost to the DALLAS, during and until the expiration of three (3) years after termination of this Agreement, have access to and the right to examine at reasonable times any directly pertinent books, documents, papers, records, and communications of the USER involving transactions relating to this Agreement. USER agrees that the DALLAS shall have access during normal working hours to all necessary USER facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The DALLAS shall give USER reasonable advance notice of intended audits.

8. Assignment. USER shall not have the right to assign or subcontract any of its duties, obligations or rights under this Agreement without the prior written consent of the DALLAS. Which such right shall be granted solely at the discretion of the DALLAS. Any assignment in violation of this provision shall be void.

9. No Waiver. The failure of either party to insist upon the performance of any provision or condition of this Agreement or to exercise any right granted herein shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

10. Governmental Powers/Immunities. It is understood and agreed that by execution of this Agreement, the neither DALLAS nor USER waives or surrender any of its governmental powers or immunities.

11. Amendments. No amendment to this Agreement shall be binding upon either party hereto unless such amendment is set forth in writing, dated subsequent to the date of this Agreement, and signed by both parties.

12. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

13. Confidential Information. To the extent permitted by law, USER for itself and its officers, agents and employees, agrees that it shall treat all information provided to it by the DALLAS as confidential ("City Information") and shall not disclose any such information to a third party without the prior written approval of the DALLAS, unless such disclosure is required by law, rule, regulation, court order, in which event USER shall notify DALLAS in writing of such requirement in sufficient time to allow DALLAS to seek injunctive or other relief to prevent such disclosure. USER shall store and maintain City Information in a secure manner and shall not allow unauthorized users to access, modify, delete or otherwise corrupt City

Information in any way. USER shall notify the DALLAS immediately if the security or integrity of any City Information has been compromised or is believed to have been compromised.

14. Force Majeure. The parties shall exercise their best efforts to meet their respective duties and obligations hereunder, but shall not be held liable for any delay in or omission of performance due to force majeure or other causes beyond their reasonable control, including, but not limited to, compliance with any state or federal law or regulation, acts of God, fires, strikes, lockouts, national disasters, wars, riots, material or labor restrictions, transportation problems, existing contractual obligations directly related to the subject matter of this Agreement, or declaration of a state of disaster or emergency by the federal, state, county, or City government in accordance with applicable law.

15. Notices. Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, (2) delivered electronic via email to CISFinanceTeam@dallascityhall.com or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

City of DALLAS
Information & Technology Services, Director
Attn: William Zielinski
1500 Marilla, Room 4DS
DALLAS TX 75201

CITY OF LANCASTER

Attn: City Manager
Address: P. O. Box 940
City, State, Zip: Lancaster, TX 75146

16. Governing Law / Venue. This Agreement shall be construed in accordance with the laws of the State of Texas. Venue for any action brought on the basis of this Agreement shall lie exclusively in state courts located in Dallas County, Texas or the United States District Court for the Northern District of Texas – DALLAS Division. In any such action, each party shall pay its own attorneys' fees, court costs and other expenses incurred as a result of the action.

17. Entirety of Agreement. This written instrument, including all Exhibits attached hereto, contains the entire understanding and agreement between DALLAS and USER as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with this Agreement. Any previously executed Communication System Agreement between the parties shall be terminated simultaneously with the final execution of this Agreement by both parties.

18. Counterparts. This Agreement may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute one and the same instrument.

DALLAS has executed this Agreement, signing by and through its City Manager, duly authorized pursuant to City Council Resolution No. _____, approved on the ____ day of _____ 20___. CITY OF LANCASTER has executed this Agreement, through its duly authorized officials pursuant to City Council Resolution No. _____, passed on the ____ day of _____ 20___.
Effective as of the ____ (day) of _____ (month), 20__ (the "Effective Date").

APPROVED AS TO FORM:
Christopher J. Caso
City Attorney

CITY OF DALLAS
T.C. BROADNAX
City Manager

BY _____
Assistant City Attorney

BY _____
Assistant City Manager

APPROVED AS TO FORM:

City Attorney

CITY OF CITY OF LANCASTER

City Manager

BY _____
Asst. City Attorney

BY _____
Emergency Management Chief

EXHIBIT A

CATEGORY 1, TERMS OF USE

The following definitions shall have the meanings set forth below and apply to this Agreement and the Terms of Use set forth herein:

DEFINITIONS

“Console System” shall mean all hardware and software associated with any dispatch console or set of consoles operated by the USER that are connected to the DALLAS Master Switch.

“Interoperable Communications Governance Committee” (“Governance Committee”) shall mean that group of individuals tasked with maintaining and administering the Interoperable Communications Plan. The Governance Committee shall consist of ten to fifteen individuals with DALLAS selecting at least one representative and each classification of users selecting at least one representative. The Governance Committee shall determine and may periodically adjust the number of members and the method for selecting members for each classification of users with a goal of ensuring that the Governance Committee reflects the full range of user types.

“Infrastructure Support Fee” shall mean the annual fee charged by DALLAS to offset costs incurred by the DALLAS in the operation and maintenance of the Radio System.

“Interoperable Communications Plan” (the “Plan”) means the plan developed and established to facilitate, enhance and simplify radio communications among all agencies utilizing the Radio System or connecting their Site Repeater Systems or Console Systems to the DALLAS Master Switch. The Plan is available upon request from DALLAS.

“Master Switch” shall mean the primary processing and network infrastructure to which all Console Systems and Site Repeater Systems must connect in order to operate on the Radio System. The Master Switch is currently located at the DALLAS Oak Lane facility.

“Over The Air Rekeying” (“OTAR”) shall mean the management and support of Subscriber Radio encryption keys via over-the-air, radio channel transmission.

“OTAR Administration Fee” shall mean the annual fee charged by DALLAS to offset costs incurred by the DALLAS in the management and support of Subscriber Radio encryption keys administered through the Radio System’s OTAR functions.

“Over the Air Programming” (“OTAP”) shall mean the method of implementing programming changes to Subscriber Radios using the over-the-air data capabilities of the Radio System.

“Private Call” shall mean a feature that reserves channel resources specifically for conversations between two Subscriber Radios.

“Site Repeater System” shall mean the base stations, shelter, tower and all site-specific hardware and software infrastructure associated with the provision of a radio site connected to the DALLAS Master Switch.

“System Upgrade Agreement Fee” shall mean the annual fee charged by DALLAS to offset cost charged to DALLAS by Motorola Solutions for the maintenance of the Software Upgrade Agreement applicable to the USER’s Console Systems and Site Repeater Systems.

“Subscriber Radio” shall mean a radio that has a unique identification number and is programmed to operate on the Radio System. The term shall include, but not be limited to, control stations (desk top radios), mobile radios, and portable radios.

“Talk Group” shall mean a specific group of Subscriber Radios allowed to communicate privately within that group over shared infrastructure resources.

TERMS OF USE

1. The installation and maintenance of the Radio System infrastructure equipment is the responsibility of DALLAS unless otherwise stated in this Agreement.

2. DALLAS will use licensed radio frequencies specifically licensed to the State of Texas, Department of Public Safety who shall be the holder of the FCC (Federal Communications Commission) license(s) that the Radio System uses for its operation. This Agreement shall not be construed or interpreted to grant, convey, or otherwise provide USER with any rights whatsoever to the State of Texas FCC license(s), the agreement between DALLAS and the State of Texas or to the Radio Frequency spectrum used by the Radio System.

3. The DALLAS makes no guarantee, either express or implied, as to radio signal strength or a specific level of radio coverage in a particular location. The USER is responsible for conducting appropriate and applicable in-building and geographical coverage testing to determine the expected radio coverage level for USER’s equipment.

4. USER will be responsible for the acquisition, programming, and maintenance of all equipment USER will be utilizing in connection with the Radio System infrastructure, including, but not limited to, Subscriber Radios, consoles, and special equipment.

5. In order to ensure hardware and software compatibility with the Radio System infrastructure, all Subscriber Radios and consoles intended for use by USER on the Radio System shall be compliant with Project 25 standards established by the Telecommunications Industry Association. The use of unauthorized radios on the Radio System may result in suspended operation of the radios and/or termination of the Agreement.

6. USER agrees to exclusively utilize antennas specifically approved by the radio manufacturer for use with the specific models of USER’s radios. The use of short, broad spectrum, or “stubby,” antennas is not recommended. USER shall be solely liable for coverage gaps in the event USER utilizes short broad spectrum or stubby antennas or other antennas not approved by

the manufacturer for use with the specific models of USER's radios unless specifically okayed in writing by the DALLAS.

7. No antenna gain greater than 3 DB will be allowed for mobiles and consolettes.

8. USER shall use due diligence in the maintenance and configuration of its Subscriber Radio equipment to ensure that no USER radio or console causes a degradation to the Radio System operation. The DALLAS shall have the right to remove from operation any field radio unit or equipment owned or leased by USER that is operating on, attached and/or interfaced to the DALLAS infrastructure, if DALLAS determines in its sole reasonable discretion that such equipment is causing interference or harm to the Radio System in any way. The DALLAS reserves the right to request that USER operated field radio units or equipment operating on, attached and/or interfaced to the infrastructure be tested for proper operation and/or repaired by an authorized radio repair facility approved by the DALLAS. The cost of such testing or repair will be the sole responsibility of USER. Furthermore, the DALLAS shall have the right to deactivate, without prior notification to or consent of USER, any field radio or other USER equipment suspected of causing interference, intentionally or unintentionally, to any other radios on the Radio System or to the Radio System's overall operation.

9. USER's radios may be used for voice radio communications over the Radio System infrastructure in accordance with the terms and conditions of this Agreement for as long as this Agreement remains in effect.

10. The DALLAS will be responsible for managing infrastructure loading and demand. DALLAS reserves the right, without notice to incumbent users, to enter into a similar agreement with other entities or to deny the addition of new Subscriber Radio equipment to any user of the Radio System. The DALLAS shall have sole discretion in determining whether to allow additional users or radios based on DALLAS's determination of whether such addition to the Radio System can be made without adversely impacting the Radio System.

11. USER is prohibited from utilizing telephone interconnect on the Radio System. This prohibition shall include, but is not limited to, connecting to either the PSTN (Public Switched Telephone Network) or USER's internal phone system(s) through a console patch into the Radio System or to any Subscriber Radio on the Radio System.

12. Due to the radio infrastructure resource allocations required by "Private Call," USER is not permitted to utilize "Private Call" on the Radio System.

13. USER's utilization of data communications on the Radio System will be limited to the Radio System's OTAP functions. Performance of data communications over the Radio System is not guaranteed. For programming changes involving more than ten Subscriber Radios, USER agrees to coordinate with DALLAS prior to executing changes to minimize impact on other users and on the Radio System.

14. The use of OTAR in association with Subscriber Radio encryption is prohibited without prior approval of DALLAS. Administration of encryption keys will be performed exclusively by DALLAS. USER may utilize and administer other encryption methods as required.

15. The DALLAS will provide USER with an Advanced System Key (ASK) for use with the USER's Subscriber Radios only. The ASK will expire annually, and USER shall be responsible for requesting a new ASK following expiration if one is required. USER will be responsible for safeguarding the security of the ASK to prevent theft and/or loss. USER agrees to notify DALLAS immediately upon the theft or loss of the ASK.

16. DALLAS will assign the USER Talk Group IDs unique to USER operation. All Talk Group names shall include a prefix unique to the USER's agency. No other agency will be authorized to use USER Talk Groups without the express written permission of USER, and a copy of such permission must be on file with the DALLAS before such use may occur. The DALLAS reserves the right to require certain Talk Group ID's to be programmed in USER radios. Additionally, the DALLAS shall have the right to limit the number of Talk Group ID's to be used by USER and to disable Talk Groups ID's as it deems appropriate.

17. The DALLAS has established a coordinated Interoperable Communications Plan to apply to DALLAS and the users of its Radio System. USER agrees to participate in the Plan and include the Plan's interoperable Talk Groups in the programming of its Subscriber Radios and Console Systems.

18. Roaming to other systems or the use of USER's Talk Groups on other trunked systems that are interconnected to the Radio System is prohibited without prior approval by DALLAS. Roaming to other trunked systems will be limited to the Radio System's interoperable Talk Groups, although this capability may be terminated by DALLAS if its use is determined to result in performance degradation to either the Radio System or the interconnected trunked system.

19. USER may utilize a Network Management Console (NMC) to manage its own environment. USER is responsible for acquiring and maintaining, at USER's sole cost, all components required to connect the NMC to the Radio System. The USER's NMC must be partitioned in manner to limit access to USER's own environment only and to prevent USER from viewing, accessing, or making any changes to equipment that is not owned or leased by USER. The USER must ensure the NMC is located in a secure area. USB ports on the NMC must be deactivated except during maintenance activity. All security patches related to operating systems and other associated software must be maintained at current manufacturer-tested levels. No other software applications may be utilized by the NMC.

20. DALLAS generally maintains aliases for units operating on the Radio System. If the USER has acquired the capability to modify its aliases, it may administer and maintain its own subscriber unit aliases. From that point, USER will be responsible for administering and maintaining its own subscriber unit aliases, and the DALLAS will no longer administer and maintain the USER's subscriber unit aliases.

21. USB ports on the USER's Console Systems must be deactivated except during maintenance activity. All security patches related to operating systems and other associated software must be maintained at current manufacturer-tested levels. If required, all connectivity between the Console Systems and the Radio System is the responsibility of the USER, including software, hardware and carrier services. Associated costs will be incurred by the USER. Unless otherwise approved

by DALLAS, connectivity will be achieved through local terrestrial circuit facilities. The use of other connectivity methods, including but not limited to microwave or fiber, must be approved by the DALLAS. USER may incur additional costs from DALLAS for other connectivity methods.

22. The DALLAS shall execute with Motorola Solutions a System Upgrade Agreement for the Console Systems and Site Repeater Systems that would be affected by the software upgrades, including those owned (or leased) and operated by the USER. Unless the USER is notified otherwise by DALLAS, the software for the Radio System, all Site Repeater Systems and all Console Systems will be upgraded to the current level every two years. The USER will provide all reasonable coordination necessary for the upgrade of its Console Systems. USER acknowledges that reductions in functionality may occur during the upgrade process.

APPLICABLE FEES; TERMINATION; REFUNDS

23. USER shall pay the DALLAS an annual Infrastructure Support Fee in the amount of **\$28.00** per month, per Subscriber Radio or console. This fee is payable in advance on an annual basis for all active radio IDs issued to USER at the time of the annual billing. Invoicing will occur on a pro-rata basis when new Radio IDs are issued, and thereafter, at the beginning of each DALLAS fiscal year. There will be no refunds or credits for radios removed from service during the fiscal year.

24. If the USER subscribes to OTAR services, the USER shall pay the DALLAS an annual OTAR Administration Fee in the amount of **\$1.00** per month, per Subscriber Radio. This fee is payable in advance on an annual basis for all active radio IDs issued to USER at the time of the annual billing. Invoicing will occur on a pro-rata basis when new Radio IDs are issued, and thereafter, at the beginning of each DALLAS fiscal year. There will be a maximum of six (6) rekeys per month before additional costs may be applicable.

25. USER shall maintain an annual System Upgrade Agreement (SUA) from Motorola Solutions, Inc., or its successors, for the upgrade of the USER's Console Systems and any other component subject to upgrade as a result of the upgrade of the Radio System.

26. DALLAS shall have the right to increase any applicable fees under this Agreement each fiscal year to offset any increased costs incurred by DALLAS in the operation or maintenance of the Radio System. Any increase in applicable fees will be effective at the beginning of the next DALLAS fiscal year. DALLAS shall provide USER with 60 days' written notice of any intended fee increase, provided, however, that this notice period may be less than 60 days if Motorola Solutions provides DALLAS with less than 60 days' notice of an increase in the System Upgrade Agreement Fee and such reduced notice period shall not impact USER's obligation to pay the increased fee.

27. USER may terminate this Agreement for any reason, with or without cause, upon ninety (90) days written notice to the other party. If USER terminates, there will be no refunds or credits for any fee.

28. DALLAS may terminate this agreement for any reason, with or without cause, upon 24 months written notice to the other party. DALLAS, in its sole discretion, shall have the right to

deny USER access to the radio infrastructure and/or the right to terminate the Agreement immediately if USER fails to make full payment of invoiced system fees within sixty (60) days of the date payment is due. The DALLAS further reserves the right to terminate this Agreement immediately, or deny access to the USER, upon notice of USER misuse of the Radio System. Notwithstanding the foregoing, the DALLAS, in its sole discretion, reserves the right to immediately deny access to the USER if such action is required to prevent the spread of a security breach or threatened security breach or due to an emergency, operational issue, or other critical incident between the Master Switch and the USER's environment. DALLAS will notify USER immediately if such a breach or emergency situation exists that threatens the system. DALLAS will use best efforts to restore access to the USER as soon as possible once the security breach, emergency, operational issue, or critical incident is resolved

COMPLIANCE WITH LAWS

29. The USER shall comply with all current and future Federal, State, and Local laws, Ordinances, and Mandates, including Federal Communications Commission rules and regulations regarding proper use of radio communications equipment. The USER will also comply with the guidelines, or procedures set out in this Agreement. Furthermore, the USER is responsible for enforcing such compliance by its employees, directors, officers, agents, authorized representatives, subcontractors, and consultants for USER Subscriber Radio equipment. Furthermore, the USER will be responsible for payment of any fines and penalties levied against the DALLAS (as the license holder) as a result of improper or unlawful use of Subscriber Radio equipment owned or leased by USER.

30. In order to comply with Federal, State, and Local Laws and/ or Mandates, the DALLAS, as the license holder, may need to act on behalf of the USER regarding possible modifications, reconfiguration, or exchange of Subscriber Radio equipment in order to meet these obligations. For as long as this Agreement is in force, the USER will allow the DALLAS to facilitate such activities on USER's behalf as necessary.

31. In the instance where USER Subscriber Radio equipment is to be replaced in order to be in compliance with Federal, State, and Local Laws and/or Mandates, title and ownership of such replacement Subscriber Radio equipment shall, upon delivery of Subscriber Radio equipment to the USER's site, pass directly to the owner of the equipment that is being replaced. The USER shall provide the DALLAS, or its designee, with the Subscriber Radio equipment to be replaced, in good working order, as determined by the DALLAS or its designee. USER shall be liable for payment of any fees associated with radios deemed to be not in proper working order. USER shall be liable for payment of any fees associated with upgrades to Subscriber Radio equipment.

[End of Document]

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

8.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Beltline Ashmoore Public Improvement District.

Background:

Beltline Ashmoore is an established subdivision consisting of approximately 19.42 acres generally located on the north side of Beltline Road between Houston School Road and Blue Grove. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of all common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board or management company.

The PID board met on July 29, 2021, to discuss and consider the FY 2022 proposed budget and assessment plan. The Beltline Ashmoore PID is proposing to maintain its current annual assessment of \$0.1500 per \$100 assessed valuation.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that all common areas be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was mailed to each property owner of record and posted in the publication of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the five-year service plan prior to adoption. The notice was mailed to property owners of record on Wednesday, September 1, 2021, and the public hearing notification was posted in the local publication of record on Thursday, September 2, 2021, as required by Texas Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial substantiality for the neighborhood. They are considered to be a more equitable means of collecting fees to maintain the neighborhood's open spaces and common areas. The fiscal year 2021/2022 proposed service plan budget is \$82,737.86 and assessments are proposed at \$0.1500 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, the September 20, 2021, special meeting.

Recommendation:

Staff recommends conducting and closing the public hearing and placing the item on the Monday, September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE BELTLINE ASHMOORE PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2010-12-96 passed on December 13, 2010, after the conduct of a duly notified public hearing, the City Council established the Beltline Ashmoore Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there were ____ speakers, the City Council closed the public hearing; and on the 20th day of September, 2021 levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal

liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT

FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

(a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.1500 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and

(b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE: This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

15:49 09/06/21

City of Lancaster
5 Year Budget Worksheet - PID

Fund: 60 BELTLINE ASHMOORE - PID

Department: 4 OPERATIONS

Program:

Period Ending: 9/2021

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
60-0201-04-00	SUPPLIES	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
60-0207-04-00	SIGNS	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
60-0210-04-00	FOOD/BEVERAGES-MTGS/FUNCTIONS	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00
60-0211-04-00	MISCELLANEOUS	50.00	50.00	50.00	50.00	50.00
60-0214-04-00	POSTAGE	350.00	350.00	350.00	350.00	350.00
60-0225-04-00	LANDSCAPING	8,064.91	8,064.91	8,064.91	8,064.91	8,064.91
Subtotal:		14,564.91	14,564.91	14,564.91	14,564.91	14,564.91
60-0301-04-00	MAINT-BLDGS & STRUCTURES	9,500.00	9,500.00	9,500.00	9,500.00	9,500.00
60-0371-04-00	LANDSCAPING REPAIR & MAINT	10,163.01	10,163.01	10,163.01	10,163.01	10,163.01
60-0372-04-00	IRRIGATION SYS REPAIR & MAINT	9,913.29	9,913.29	9,913.29	9,913.29	9,913.29
Subtotal:		29,576.30	29,576.30	29,576.30	29,576.30	29,576.30
60-0403-04-00	INSURANCE	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00
60-0410-04-00	UTILITIES - ELECTRICITY	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
60-0411-04-00	WATER PURCHASE PID	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
60-0413-04-00	UTILITIES TRASH DISPOSAL	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
60-0416-04-00	OTHER PROFESSIONAL SERVICES	5,061.44	5,061.44	5,061.44	5,061.44	5,061.44
60-0421-04-00	PRINTING	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
60-0423-04-00	CONTRACT MOWING	5,137.00	5,137.00	5,137.00	5,137.00	5,137.00
60-0434-04-00	SPECIAL EVENTS	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00
60-0436-04-00	IMPROVEMENTS BY CONTRACTORS	6,000.89	6,000.89	6,000.89	6,000.89	6,000.89
60-0442-04-00	COMPUTER PROFESSIONAL SERVICES	2,663.57	2,663.57	2,663.57	2,663.57	2,663.57
60-0446-04-00	LEGAL SERVICES	550.00	550.00	550.00	550.00	550.00
60-0452-04-00	FILING FEES	50.00	50.00	50.00	50.00	50.00
60-0456-04-00	NEWSLETTER	500.00	500.00	500.00	500.00	500.00
Subtotal:		38,362.90	38,362.90	38,362.90	38,362.90	38,362.90
60-0537-04-00	DALLAS COUNTY TAX COLL SVCS	233.75	233.75	233.75	233.75	233.75
Subtotal:		233.75	233.75	233.75	233.75	233.75
Program number:		82,737.86	82,737.86	82,737.86	82,737.86	82,737.86
Department number: OPERATIONS		82,737.86	82,737.86	82,737.86	82,737.86	82,737.86
Fund number: 60 BELTLINE ASHMOORE - PID		82,737.86	82,737.86	82,737.86	82,737.86	82,737.86
***** End of Report *****						

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

9.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Boardwalk Public Improvement District.

Background:

Boardwalk is an established subdivision consisting of approximately 43.237 acres in Phase 1 and 42.486 acres in Phase 2 totaling 85.723 acres generally located on the south side of Cedardale Road and on the east side of Houston School Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of all common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

The PID board met on August 13, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The Boardwalk PID is proposing to maintain its current annual assessment of \$0.2000 per \$100 assessed valuation.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that all common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notices mailed to each owner of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, and as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan budget is 107,577.75 and assessments are proposed at \$0.2000 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the Monday, September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE LANCASTER BOARDWALK PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-68 passed on August 8, 2011, after the conduct of a duly notified public hearing, the City Council established the Lancaster Boardwalk Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there was ____ speaker, the City Council closed the public hearing; and on the 20th day of September 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the

apportionment of costs for various classes of property within the District as follows:

- (a) **All residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.2000 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “*Service and Assessment Plan*”, labeled herein as *Exhibit “A”* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE: This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas,
on the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
64-0201-04-00	SUPPLIES	200.00	200.00	200.00	200.00	200.00
64-0210-04-00	FOOD/BEVERAGE-MTGS/FUNCTIONS	200.00	200.00	200.00	200.00	200.00
64-0211-04-00	MISCELLANEOUS	1,000.00	500.00	500.00	500.00	500.00
64-0214-04-00	POSTAGE	1,000.00	1,100.00	1,200.00	1,300.00	1,400.00
Subtotal:		2,400.00	2,000.00	2,100.00	2,200.00	2,300.00
64-0301-04-00	MAINT-BLDGS & STRUCTURES		3,000.00	500.00	500.00	3,000.00
64-0303-04-00	MAINTENANCE-MISCELLANEOUS	1,000.00	1,000.00	1,500.00	1,500.00	1,500.00
64-0305-04-00	MAINT-CLEANOUT	500.00	500.00	500.00	500.00	500.00
64-0351-04-00	MISC. MAINTENANCE	500.00	500.00	500.00	500.00	500.00
64-0371-04-00	LANDSCAPING REPAIR & MAINT	2,000.00	3,000.00	2,000.00	4,000.00	1,000.00
64-0372-04-00	IRRIGATION SYS REPAIR & MAINT	2,000.00	2,500.00	3,000.00	2,000.00	2,500.00
Subtotal:		6,000.00	10,500.00	8,000.00	9,000.00	9,000.00
64-0403-04-00	INSURANCE	4,500.00	4,700.00	4,900.00	5,100.00	5,300.00
64-0410-04-00	UTILITIES - ELECTRICITY	1,200.00	1,300.00	1,400.00	1,500.00	1,600.00
64-0411-04-00	WATER PURCHASES PID	11,500.00	12,000.00	12,500.00	13,000.00	13,500.00
64-0416-04-00	OTHER PROFESSIONAL SERVICES	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
64-0421-04-00	PRINTING	1,000.00	1,000.00	1,200.00	1,200.00	1,300.00
64-0423-04-00	CONTRACT MOWING	17,000.00	18,000.00	19,000.00	20,000.00	20,000.00
64-0434-04-00	SPECIAL EVENTS	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
64-0436-04-00	IMPROVEMENTS BY CONTRACTORS	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
64-0437-04-00	AUDIT SERVICES	500.00	500.00	500.00	500.00	500.00
64-0442-04-00	COMPUTER PROFESSIONAL SERVICES	300.00	300.00	350.00	350.00	400.00
64-0446-04-00	LEGAL SERVICES	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
64-0450-04-00	ADMINISTRATIVE MANAGMENT FEE	7,740.00	7,933.50	8,131.84	8,335.14	8,543.52
64-0452-04-00	FILING FEES	500.00	500.00	500.00	500.00	500.00
64-0456-04-00	NEWLETTER	500.00	500.00	500.00	500.00	500.00
64-0469-04-00	STORAGE	480.00	480.00	480.00	480.00	480.00
Subtotal:		54,720.00	56,713.50	58,961.84	60,965.14	62,123.52
64-0537-04-00	DALLAS COUNTY TAX COLL SVCS	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Subtotal:		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
64-0602-04-00	CAPITAL-BLDG & STRUCTURE	43,457.75	37,364.25	37,515.91	34,412.61	33,154.23
Subtotal:		43,457.75	37,364.25	37,515.91	34,412.61	33,154.23
Program number:		107,577.75	107,577.75	107,577.75	107,577.75	107,577.75

Fund: 64 BOARDWALK PID

City of Lancaster
5 Year Budget Worksheet - PID

Department: 4 OPERATIONS

Program:

Period Ending: 9/2021

[illegible]

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

10.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Glendover Estates Public Improvement District.

Background:

Glendover Estates is an established subdivision of approximately 29.56 acres generally located south of Pleasant Run Road and west of Houston School Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of all common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to establish and present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

The PID board met on August 2, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The Glendover Estates PID is proposing to maintain its annual assessment of \$0.2400 per \$100 assessed valuation.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notices mailed to each property owner of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five (5) year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan budget is \$39,753.00 and assessments are proposed at \$0.2400 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the Monday, September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE GLENDOVER ESTATES PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2006-09-76 passed on September 25, 2006, after the conduct of a duly notified public hearing, the City Council established the Glendover Estates Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021, a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there was ____ speaker, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal

liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.2400 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE: This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 20th day of September 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
54-0201-04-00	OFFICE SUPPLIES	500.00	500.00	500.00	500.00	500.00
54-0210-04-00	FOOD/BEVERAGE-MTGS/FUNCTIONS		100.00	100.00	100.00	100.00
54-0211-04-00	MISCELLANEOUS	100.00	100.00	100.00	100.00	100.00
54-0214-04-00	POSTAGE	75.00	75.00	75.00	75.00	75.00
54-0225-04-00	LANDSCAPING		2,000.00	2,000.00	2,000.00	2,000.00
Subtotal:		675.00	2,775.00	2,775.00	2,775.00	2,775.00
54-0301-04-00	MAINT-BLDGS & STRUCTURES	500.00	500.00	500.00	500.00	500.00
54-0351-04-00	MISC. MAINTENANCE	9,038.00	1,500.00	1,500.00	1,500.00	1,500.00
54-0371-04-00	LANDSCAPING REPAIR & MAINT	3,500.00	1,500.00	1,500.00	1,500.00	1,500.00
54-0372-04-00	IRRIGATION SYS REPAIR & MAINT	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Subtotal:		15,038.00	5,500.00	5,500.00	5,500.00	5,500.00
54-0403-04-00	CASUALTY INSURANCE	1,550.00	1,550.00	1,550.00	1,550.00	1,550.00
54-0410-04-00	UTILITIES - ELECTRICITY	750.00	750.00	750.00	750.00	750.00
54-0411-04-00	WATER PURCHASE PID	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
54-0413-04-00	UTILITIES TRASH DISPOSAL		6,000.00	6,000.00	6,000.00	6,000.00
54-0421-04-00	PRINTING	100.00	100.00	100.00	100.00	100.00
54-0423-04-00	CONTRACT MOWING	9,310.00	9,310.00	9,310.00	9,310.00	9,310.00
54-0434-04-00	SPECIAL EVENTS	500.00	250.00	250.00	250.00	250.00
54-0442-04-00	COMPUTER PROFESSIONAL SERVICES	300.00	300.00	300.00	300.00	300.00
54-0450-04-00	ADMINISTRATIVE MANAGEMENT FEE	6,900.00	6,900.00	6,900.00	6,900.00	6,900.00
54-0456-04-00	NEWSLETTER		1,838.00	1,838.00	1,838.00	1,838.00
54-0469-04-00	STORAGE	180.00	180.00	180.00	180.00	180.00
Subtotal:		23,590.00	31,178.00	31,178.00	31,178.00	31,178.00
54-0537-04-00	DALLAS COUNTY TAX COLL SVCS	300.00	300.00	300.00	300.00	300.00
Subtotal:		300.00	300.00	300.00	300.00	300.00
54-0621-04-00	SIGNS	150.00				
Subtotal:		150.00				
Program number:		39,753.00	39,753.00	39,753.00	39,753.00	39,753.00
Department number: OPERATIONS		39,753.00	39,753.00	39,753.00	39,753.00	39,753.00
Fund number: 54 GLENDOVER ESTATES - PID		39,753.00	39,753.00	39,753.00	39,753.00	39,753.00

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

11.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Lancaster Mills Public Improvement District.

Background:

Lancaster Mills is a subdivision of approximately 60.59 acres located north of Beltline Road and east of the Homestead Addition, south of Redbud Drive and west of the Pecan Hollow Estates Addition. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

As this district is currently undeveloped, the proposed assessment rate of \$0.0000 per \$100 assessed valuation as there are no budgeted expenses for the 2021/2022 fiscal year.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notices mailed to the property owner of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting revenue for maintenance. The fiscal year 2021/2022 proposed service plan budget is \$0.0000 and assessments are proposed to be \$0.0000 per \$100 assessed valuation. There are currently no homes constructed at this time.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the Monday, September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE LANCASTER MILLS PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2007-02-17 passed on February 12, 2007, after the conduct of a duly notified public hearing, the City Council established the Lancaster Mills Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021, a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either in person or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there were ____ speakers, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.0000 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.0000 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE: This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas,
on the 20th day of September 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

12.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Meadowview Public Improvement District.

Background:

Meadowview is an established subdivision consisting of approximately, 810 Single Family Lots and 1 common area/detention pond, 215.262 total acreage including 50.614 acres in Phase 1, 36.907 acres in Phase 2, 36.493 in Phase 3, 2.869 acres in Phase 4 and 88.384 acres in Phase 5. This subdivision is generally located east of Ames Road, west of Dizzy Dean Drive and north of Wintergreen Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a maintenance budget. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance budget. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

The Meadowview PID board met on August 19, 2021 to discuss and consider the FY 2022 PID budget and assessment plan. The Meadowview PID is proposing to maintain its annual assessment of \$0.1000 per \$100 assessed value.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notice mailed to the property owners of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan budget is \$431,652.51 and assessments are proposed at \$0.1000 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE MEADOWVIEW PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-67 passed on August 8, 2011, after the conduct of a duly notified public hearing, the City Council established the Meadowview Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021, a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there were _____ speakers, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

- (a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.1000 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and
- (b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE: This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on the 20th day of September 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
62-0201-04-00	SUPPLIES	250.00	250.00	500.00	500.00	500.00
62-0210-04-00	FOOD/BEVERAGE-MTGS/FUNCTIONS	1,000.00	1,000.00	3,600.00	3,600.00	3,600.00
62-0211-04-00	MISCELLANEOUS	1,150.00	1,150.00	2,150.00	2,150.00	2,150.00
62-0214-04-00	POSTAGE	500.00	500.00	500.00	500.00	500.00
62-0225-04-00	LANDSCAPING	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Subtotal:		12,900.00	12,900.00	16,750.00	16,750.00	16,750.00
62-0301-04-00	MAINT-BLDGS & STRUCTURES	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
62-0305-04-00	MAINTENANCE - CLEANOUT	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
62-0351-04-00	MISC. MAINTENANCE	4,500.00	4,500.00	3,500.00	3,500.00	3,500.00
62-0371-04-00	LANDSCAPING REPAIR & MAINT	200.00	200.00	200.00	200.00	200.00
62-0372-04-00	IRRIGATIONS SYS REPAIR & MAINT	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00
Subtotal:		14,400.00	14,400.00	13,400.00	13,400.00	13,400.00
62-0403-04-00	INSURANCE	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
62-0410-04-00	UTILITIES - ELECTRICITY	5,850.00	5,850.00	2,000.00	2,000.00	2,000.00
62-0411-04-00	WATER PURCHASES PID	10,000.00	10,000.00	12,000.00	12,000.00	12,000.00
62-0413-04-00	UTILITIES TRASH DISPOSAL	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
62-0416-04-00	OTHER PROFESSIONAL SERVICES	1,600.00	1,600.00	1,200.00	1,200.00	1,200.00
62-0421-04-00	PRINTING	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
62-0422-04-00	COMPUTER PROFESSIONAL SERVICES			250.00	250.00	250.00
62-0423-04-00	CONTRACT MOWING	30,050.00	30,050.00	30,050.00	30,050.00	30,050.00
62-0434-04-00	SPECIAL EVENTS	4,740.00	4,740.00	2,500.00	2,500.00	2,500.00
62-0436-04-00	IMPROVEMENTS BY CONTRACTORS	335,352.51	335,352.51	34,898.45	34,898.45	34,898.45
62-0442-04-00	COMPUTER PROFESSIONAL SERVICES	360.00	360.00			
62-0446-04-00	LEGAL SERVICES	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
62-0450-04-00	ADMINISTRATIVE MANAGEMENT FEE			2,000.00	2,000.00	2,000.00
62-0456-04-00	NEWSLETTER	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Subtotal:		401,852.51	401,852.51	98,798.45	98,798.45	98,798.45
62-0511-04-00	PROPERTY TAXES PAID BY PID	100.00	100.00	100.00	100.00	100.00
62-0537-04-00	DALLAS COUNTY TAX COLL SVCS	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00
Subtotal:		2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Program number:		431,652.51	431,652.51	131,448.45	131,448.45	131,448.45
Department number: OPERATIONS		431,652.51	431,652.51	131,448.45	131,448.45	131,448.45
Fund number: 62 MEADOWVIEW - PID		431,652.51	431,652.51	131,448.45	131,448.45	131,448.45

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

13.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Millbrook East Public Improvement District.

Background:

Millbrook East is an established subdivision consisting of approximately 46.265 acres in Phase 1, 17.572 acres Phase 2A, 13.540 acres Phase 2B, 17.49 acres in Phase 3A, and 14.94 acres in Phase 3B. Millbrook East is generally located on the south side of Pleasant Run Road, east of Houston School Road and west of Bluegrove Road. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features. The PID was established August 8, 2011, and expanded on August 26, 2019.

Annually the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the maintenance plan. The County Tax Collector will collect the districts fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

The Millbrook East PID board met on August 5, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The Millbrook East PID is proposing to maintain its annual assessment to \$0.1100 per \$100 assessed value.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure the common area will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was mailed to each property owner of record and posted in the publication of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year services and assessment plan are in accordance with Chapter 372 of the Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan budget is \$129,832.00 and assessments are proposed at \$0.1100 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the Monday, September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, September 20, 2021, special meeting.

Recommendation:

Staff recommends conducting the public hearing and placing this item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE MILLBROOK EAST PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2011-08-69 passed on August 8, 2011, and expanded by Resolution No. 2019-08-48 on August 26, 2019, after the City Council conducted a duly notified public hearing, the City Council established the Millbrook East Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021 City Council conducted the public hearing and there were ____ speakers, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal

liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT

FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

(a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.1100 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and

(b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
63-0201-04-00	SUPPLIES	600.00	600.00	600.00	600.00	600.00
63-0210-04-00	FOOD/BEVERAGE-MTGS/FUNCTION	500.00	500.00	500.00	500.00	500.00
63-0211-04-00	MISCELLANEOUS	250.00	250.00	250.00	250.00	250.00
63-0214-04-00	POSTAGE	500.00	500.00	500.00	500.00	500.00
Subtotal:		1,850.00	1,850.00	1,850.00	1,850.00	1,850.00
63-0301-04-00	MAINT-BLDGS & STRUCTURES	40,000.00	40,000.00	20,000.00	20,000.00	20,000.00
63-0303-04-00	MAINTENANCE-MISCELLANEOUS	1,500.00	1,500.00	8,000.00	8,000.00	8,000.00
63-0351-04-00	MISC. MAINTENANCE	4,500.00	4,500.00	5,000.00	5,000.00	5,000.00
63-0371-04-00	LANDSCAPING REPAIR & MAINT	9,000.00	9,000.00	2,000.00	2,000.00	2,000.00
63-0372-04-00	IRRIGATIONS SYS REPAIR & MAINT	11,500.00	11,500.00	1,500.00	1,500.00	1,500.00
Subtotal:		66,500.00	66,500.00	36,500.00	36,500.00	36,500.00
63-0403-04-00	INSURANCE	6,700.00	6,700.00	6,700.00	6,700.00	6,700.00
63-0409-04-00	TRAVEL & EDUCATION	500.00	500.00	500.00	500.00	500.00
63-0410-04-00	UTILITIES - ELECTRICITY	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00
63-0411-04-00	WATER PURCHASES PID	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00
63-0413-04-00	UTILITIES TRASH DISPOSAL	4,000.00	4,000.00			
63-0416-04-00	OTHER PROFESSIONAL SERVICES	9,710.00	9,710.00	720.00	720.00	720.00
63-0421-04-00	PRINTING	500.00	500.00	500.00	500.00	500.00
63-0423-04-00	CONTRACT MOWING	10,000.00	10,000.00	16,032.00	16,032.00	16,032.00
63-0434-04-00	SPECIAL EVENTS	11,032.00	11,032.00	5,000.00	5,000.00	5,000.00
63-0437-04-00	AUDIT SERVICES	300.00	300.00	300.00	300.00	300.00
63-0446-04-00	LEGAL SERVICES	500.00	500.00	500.00	500.00	500.00
63-0450-04-00	ADMINISTRATIVE MANAGEMENT FEE	7,000.00	7,000.00	15,990.00	15,999.00	15,999.00
63-0456-04-00	NEWSLETTER	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
63-0469-04-00	STORAGE	3,240.00	3,240.00	240.00	240.00	240.00
Subtotal:		59,982.00	59,982.00	51,982.00	51,991.00	51,991.00
63-0537-04-00	DALLAS COUNTY TAX COLL SVCS	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Subtotal:		1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Program number:		129,832.00	129,832.00	91,832.00	91,841.00	91,841.00
Department number: OPERATIONS		129,832.00	129,832.00	91,832.00	91,841.00	91,841.00
Fund number: 63 MILLBROOK EAST PID		129,832.00	129,832.00	91,832.00	91,841.00	91,841.00
*****	End of Report *****					

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

14.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Pleasant Run Estates Phase 1-A Public Improvement District.

Background:

Pleasant Run Estates, Phase 1-A is an established subdivision consisting of approximately 30.44 acres generally located on the north side of Pleasant Run Road between Houston School Road and Blue Grove. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a five (5) year service plan. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the service plan. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board, or management company.

The Pleasant Run Estates PID board met on August 12, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The Pleasant Run Estates, Phase 1-A PID is proposing to maintain its annual assessment of \$0.1800 per \$100 assessed value.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees to maintain the open space and common areas. The 2021/2022 proposed service plan is \$49,577.11 and assessments are proposed at \$0.1800 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the Monday, September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the Monday, September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the Monday, September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE PLEASANT RUN ESTATES PHASE 1-A PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2016-08-63 passed on August 8, 2016, after the conduct of a duly notified public hearing, the City Council established the Pleasant Run Estates Phase 1-A Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021, a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there was _____ speaker, the City Council closed the public hearing; and on September 20th, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "Service and Assessment Plan", labeled herein as Exhibit "A" and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

(a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.1800 per \$100 of valuation through the assessment established for 2021/2022; and

(b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the “Service and Assessment Plan”, labeled herein as Exhibit “A” and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the Service and Assessment Plan may be adjusted for years subsequent following an annual review of the budget for the District and the Service and Assessment Plan.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney’s fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the State, County, School District or City ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Fund: 61 PLEASANT RUN ESTATES - PID

Department: 4 OPERATIONS

Program:

Period Ending: 9/2021

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
61-0201-04-00	SUPPLIES	400.00	400.00	400.00	400.00	400.00
61-0214-04-00	POSTAGE	400.00	400.00	400.00	400.00	400.00
61-0225-04-00	LANDSCAPING	600.00	600.00	600.00	600.00	600.00
Subtotal:		1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
61-0303-04-00	MAINTENANCE-MISCELLANEOUS	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
61-0351-04-00	MISCELLANEOUS	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
61-0371-04-00	LANDSCAPING REPAIR & MAINT	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
61-0372-04-00	IRRIGATION SYS REPAIR & MAINT	400.00	400.00	400.00	400.00	400.00
Subtotal:		9,900.00	9,900.00	9,900.00	9,900.00	9,900.00
61-0403-04-00	INSURANCE	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00
61-0410-04-00	UTILITIES - ELECTRICITY	750.00	750.00	750.00	750.00	750.00
61-0411-04-00	WATER PURCHASES PID	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
61-0416-04-00	OTHER PROFESSIONAL SERVICES	2,700.00	2,700.00	2,700.00	2,700.00	2,700.00
61-0423-04-00	CONTRACT MOWING	12,000.00	12,000.00	12,000.00	12,000.00	12,000.00
61-0434-04-00	SPECIAL EVENTS	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
61-0437-04-00	AUDIT SERVICES	300.00	300.00	300.00	300.00	300.00
61-0442-04-00	COMPUTER PROFESSIONAL SERVICES	720.00	720.00	720.00	720.00	720.00
61-0446-04-00	LEGAL SERVICES	500.00	500.00	500.00	500.00	500.00
61-0450-04-00	Administrative Management Fee	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00
61-0452-04-00	FILING FEES	250.00	250.00	250.00	250.00	250.00
Subtotal:		34,170.00	34,170.00	34,170.00	34,170.00	34,170.00
61-0537-04-00	DALLAS COUNTY TAX COLL SVCS	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Subtotal:		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
61-0602-04-00	CAPITAL-BLDG & STRUCTURE	3,107.11	3,107.11	3,107.11	3,107.11	3,107.11
Subtotal:		3,107.11	3,107.11	3,107.11	3,107.11	3,107.11
Program number:		49,577.11	49,577.11	49,577.11	49,577.11	49,577.11
Department number: OPERATIONS		49,577.11	49,577.11	49,577.11	49,577.11	49,577.11
Fund number: 61 PLEASANT RUN ESTATES - PID		49,577.11	49,577.11	49,577.11	49,577.11	49,577.11
***** End of Report *****						

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

15.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Rolling Meadows Public Improvement District.

Background:

Rolling Meadows is an established subdivision consisting of approximately 38.8 acres generally located on the east and west side of Rolling Hills Place and on the North side of Beltline. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a five (5) year service plan. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the service plan. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City directly pays all invoices received by the PID board or management company.

The Rolling Meadows PID board met on August 6, 2021, to discuss and consider the FY 2022 PID budget. The Rolling Meadows PID is proposing to maintain its annual assessment of \$0.30 per \$100 assessed value.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notice mailed to the property owners of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code and have been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the five-year and service plan prior to adoption. The public hearing was posted in the local publication of record on September 2, 2021, and notices were mailed to the property owners of record on September 1, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan is \$127,468.64 and assessments are proposed at \$0.30 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE ROLLING MEADOWS PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2008-08-77 passed on August 25, 2008, after the conduct of a duly notified public hearing, the City Council established the Rolling Meadows Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021 a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there were ____ speakers, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District; and

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

(a) **Residential lots on which construction of a home has been completed**, for these lots the assessment of \$0.3000 per \$100 of valuation through the assessment established for fiscal year 2021/2022; and

(b) **Tax exempt property and municipal property**, for these classifications the assessment of \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "*Service and Assessment Plan*", labeled herein as *Exhibit "A"* and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the *Service and Assessment Plan* may be adjusted for years subsequent following an annual review of the budget for the District and the *Service and Assessment Plan*.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the state, county, school district or city ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas,
on the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Fund: 57 ROLLING MEADOWS - PID

Department: 4 OPERATIONS

Program:

Period Ending: 9/2021

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
57-0201-04-00	OFFICE SUPPLIES	1,558.00	1,558.00	1,558.00	1,558.00	1,558.00
57-0210-04-00	FOOD/BEV-MEETINGS/FUNCTIONS	150.00	150.00	150.00	150.00	150.00
57-0211-04-00	MISCELLANOUS	500.00	500.00			
57-0214-04-00	POSTAGE	500.00	500.00			
Subtotal:		2,708.00	2,708.00	1,708.00	1,708.00	1,708.00
57-0301-04-00	MAINT-BLDGS & STRUCTURES	10,000.00	10,000.00			
57-0303-04-00	MAINT-LIGHTING/MISC	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00
57-0351-04-00	MISC. MAINTENANCE	18,600.00	18,600.00	4,241.77	4,241.77	4,241.77
57-0371-04-00	LANDSCAPING REPAIR & MAINT	7,200.00	7,200.00	5,000.00	5,000.00	5,000.00
57-0372-04-00	IRRIGATION MAINT & REPAIRS	4,000.00	4,000.00	2,000.00	2,000.00	2,000.00
Subtotal:		46,300.00	46,300.00	17,741.77	17,741.77	17,741.77
57-0403-04-00	CASUALTY INSURANCE	4,000.00	4,000.00	2,500.00	2,500.00	2,500.00
57-0409-04-00	TRAVEL & EDUCATION	1,500.00	1,500.00			
57-0410-04-00	UTILITIES - ELECTRICITY	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00
57-0411-04-00	WATER PURCHASE PID	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
57-0413-04-00	UTILITIES TRASH DISPOSAL	8,000.00	8,000.00	7,030.80	7,030.80	7,030.80
57-0416-04-00	OTHER/PROFESSIONAL SERVICES	24,000.00	24,000.00	5,000.00	5,000.00	5,000.00
57-0423-04-00	CONTRACT MOWING	12,000.00	12,000.00	9,000.00	9,000.00	9,000.00
57-0434-04-00	SPECIAL EVENTS	4,500.00	4,500.00	5,500.00	5,500.00	5,500.00
57-0442-04-00	COMPUTER PROFESSIONAL SERVICE	720.00	720.00	720.00	720.00	720.00
57-0450-04-00	ADMINISTRATIVE MGMT FEE	12,000.00	12,000.00	7,800.00	7,800.00	7,800.00
57-0456-04-00	NEWSLETTER	2,840.64	2,840.64	2,840.64	2,840.64	2,840.64
57-0469-04-00	STORAGE FEES	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00
Subtotal:		77,960.64	77,960.64	47,791.44	47,791.44	47,791.44
57-0537-04-00	DALLAS COUNTY TAX COLL SVCS	500.00	500.00	500.00	500.00	500.00
Subtotal:		500.00	500.00	500.00	500.00	500.00
Program number:		127,468.64	127,468.64	67,741.21	67,741.21	67,741.21
Department number:	OPERATIONS	127,468.64	127,468.64	67,741.21	67,741.21	67,741.21
Fund number:	57 ROLLING MEADOWS - PID	127,468.64	127,468.64	67,741.21	67,741.21	67,741.21
***** End of Report *****						

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

16.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance making certain findings in connection with the proposed supplemental services ordered in connection with the Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District.

Background:

Tribute at Mills Branch and Tribute East at Mills Branch is a subdivision of approximately 42.7 acres located south of Beltline Road and east of Southwood Drive and platted as the Tribute at Mills Branch, Phases 1A and 1B, 190 single family lots and 9 common areas, recorded in Volume 2005097, Page 37 and Volume 2005163, Page 183, Deed Records of Dallas County, Texas; and Tribute East at Mills Branch (291 North Blue Grove Road); of approximately 4.64 acres from John M. Rawlins Abstract 1209, pg 245, Tract 8, located south of Beltline Road on the west side of North Bluegrove Road, conveyed to Wilbow Homestead Development Corporation, Volume 2005097, Page 3594 Deed Records of Dallas County, Texas. The subdivision has an approved Public Improvement District (PID) to provide for the maintenance of its common areas and entry features.

Annually, the PID board in accordance with the provisions of Chapter 372 of the Texas Local Government Code (the "Act") is required to present an updated five (5) year service and assessment plan. Under the Act, the City is required to hold a public hearing on the proposed assessment and service plan details related to the district and the levy of the assessment.

The PID board is required to establish a service plan. The taxable assessed value within the district is used to determine the rate per \$100 of assessed value necessary to meet the service plan. The County Tax Collector will then collect the district's fees and remit them to the City with our property taxes. The City processes all invoices received by the PID board or management company.

The Tribute at Mills Branch and Tribute East at Mills Branch PID board met on August 3, 2021, to discuss and consider the FY 2022 PID budget and assessment plan. The PID board is proposing to maintain its annual assessment rate of \$0.3600 per \$100 assessed valuation.

Operational Considerations:

All PID's require the Finance Department to maintain a separate account that will be passed on to the district. The PID's should also help ensure that common areas will be maintained without assistance or code enforcement action.

Legal Considerations:

The notice of public hearing was posted in the publication of record and notice mailed to the property owners of record in accordance with the provisions of Chapter 372 in the Texas Local Government Code. The proposed five-year service and assessment plan are in accordance with Chapter 372 of Texas Local Government Code. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

City Council is required to hold a public hearing to receive comments regarding the annual maintenance and service plan prior to adoption. The notice was mailed to the property owners of record on Wednesday, September 1, 2021, the public hearing notice was posted in the local publication of record on Thursday, September 2, 2021, as required by Local Government Code Chapter 372.

Fiscal Impact:

The PID is not expected to have any direct financial impact on the City. PID's are a mechanism to assure financial sustainability for the neighborhood. They are considered to be a more equitable means of collecting fees. The fiscal year 2021/2022 proposed service plan is \$115,487.00 and assessments are proposed at \$0.3600 per one hundred dollars assessed valuation.

Options/Alternatives:

1. City Council may conduct and close the public hearing and place the item on the September 20, 2021, special meeting for consideration.
2. City Council may conduct and continue the public hearing to the September 20, 2021, special meeting.

Recommendation:

Staff recommends closing the public hearing and placing the item on the September, 20, 2021, special meeting for consideration.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, MAKING CERTAIN FINDINGS IN CONNECTION WITH THE PROPOSED SUPPLEMENTAL SERVICES ORDERED IN CONNECTION WITH THE TRIBUTE AT MILLS BRANCH AND TRIBUTE EAST AT MILLS BRANCH PUBLIC IMPROVEMENT DISTRICT, PROVIDING FOR: FINDINGS OF BENEFITS ACCRUED, ACCEPTING FIVE YEAR SERVICE PLAN, RECORDING FINAL ASSESSMENT ONTO TAX ROLL, SETTING THE ASSESSMENT LEVY FOR USE AND SUPPORT OF THE PUBLIC IMPROVEMENT DISTRICT, ESTABLISHING A METHOD OF PAYMENT, ASSESSMENT DUE, AND PROVIDING CLAUSES FOR CONFLICT, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, by Resolution No. 2006-03-28 passed on March 27, 2006, after the conduct of a duly notified public hearing, the City Council established the Tribute at Mills Branch and Tribute East at Mills Branch Public Improvement District (the "District"); and

WHEREAS, on September 13, 2021, a public hearing was held and all persons owning or claiming any property proposed to be assessed or any interest therein were given an opportunity to be heard, either virtually or through an agent or attorney, and all were given an opportunity to testify before the City Council and to contest the assessments proposed to be made on account of the amount thereof or because of any inaccuracy, irregularity, invalidity or insufficiency of the proceedings or contract with reference thereto, or to such improvements or on account of any matter or thing in the discretion of this governing body and on the 13th day of September, 2021, City Council conducted the public hearing and there were no speaker, the City Council closed the public hearing; and on the 20th day of September, 2021, levied assessments against property and the owners thereof in the District.

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

SECTION 1. BENEFITS ACCRUED: That the benefits to accrue to the property assessed and to the owners of such property, from the landscape maintenance and other services identified within the Five Year Service Plan, hereby adopted by the City Council, and herewith to be funded from the assessments, exceed the amount which has been assessed.

SECTION 2. ADOPTING SERVICE PLAN: That the "Service and Assessment Plan", labeled herein as Exhibit "A" and attached hereto and made a part hereof is hereby adopted.

SECTION 3. RECORD FINAL ASSESSMENT ONTO TAX ROLL: That the City Manager and her designated representatives are hereby authorized and directed to carry out the terms and provisions of this ordinance by causing the costs outlined in the final assessment roll to be recorded in the Tax Roll, the names of the property owners and in the amounts shown on said final assessment roll; and that all prerequisites to the fixing of the assessments therein against the property described and the fixing of the personal liability of the owner or owners thereof have been performed in due time, form and manner as required by law, and no additional proof shall be required in any court.

SECTION 4. PROPERTY CLASSIFICATION AND APPORTIONMENT FORMULAS: The City Council hereby establishes classifications and formulas for the apportionment of costs for various classes of property within the District as follows:

(a) **Residential lots on which construction of a home has been completed**, for these lots the assessment shall not exceed \$0.3600 (lots with homes) per \$100 of assessed valuation through the assessment established for fiscal year 2021/2022; and

(b) **Tax exempt property and municipal property**, for these classifications the assessment shall not exceed \$0.00 per \$100 of valuation.

SECTION 5. ASSESSMENT LEVY: That for fiscal year 2021/2022 there shall be and is hereby levied and assessed against parcels of property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sum of money set forth for in the "Service and Assessment Plan", labeled herein as Exhibit "A" and attached hereto and made a part hereof, shown opposite the description of the respective classification of the parcels of property, and the several amounts assessed against the same, and the owners thereof, with the provision that the amount assessed against each property and respective class of properties as shown in the Service and Assessment Plan may be adjusted for years subsequent following an annual review of the budget for the District and the Service and Assessment Plan.

SECTION 6. METHOD OF PAYMENT: That the method of payment of the assessment shall be in an annual single lump sum payment which shall be immediately due upon receipt of the assessment notice and shall become delinquent on February 1 of the year after receipt of notice. Delinquent assessments are subject to interest, penalties, attorney's fees and other charges, at the same rate as for the City of Lancaster delinquent ad valorem property taxes.

SECTION 7. ASSESSMENT DUE: That a lien shall be established against each affected property within the district on the date the assessment is due, and shall not be released until the assessment is paid in full. This lien is superior to all other liens and claims except liens or claims for the State, County, School District or City ad valorem taxes.

SECTION 8. CONFLICT: That this ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Lancaster, Texas, and this ordinance shall not operate to repeal or affect any other ordinance except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 9. SEVERABILITY: That if any section, subsection, sentence, clause or phrase of this ordinance is for any reason held unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and the publication of the caption as the law and charter in such cases provide.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

Fund: 55 TRIBUTE MILLS - PID

Department: 4 OPERATIONS

Program:

Period Ending: 9/2021

Account	Description	2022 FY Budget	2023 FY Budget	2024 FY Budget	2025 FY Budget	2026 FY Budget
55-0201-04-00	SUPPLIES	600.00	600.00	600.00	600.00	600.00
55-0211-04-00	MISCELLANEOUS EXPENSE	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
55-0214-04-00	POSTAGE	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Subtotal:		3,100.00	3,100.00	3,100.00	3,100.00	3,100.00
55-0301-04-00	GENERAL MAINTENANCE	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
55-0303-04-00	MAINTENANCE - MISCELLANEOUS					10,000.00
55-0351-04-00	MISC. MAINTENANCE	20,000.00	20,000.00	20,000.00	20,000.00	10,000.00
55-0371-04-00	LANDSCAPING	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
55-0372-04-00	IRRIGATION SYS MAINT & REPAIR	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Subtotal:		60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
55-0403-04-00	INSURANCE	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
55-0410-04-00	UTILITIES - ELECTRICITY	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
55-0411-04-00	UTILITIES - WATER/SEWER	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
55-0413-04-00	UTILITIES - TRASH DISPOSAL	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
55-0416-04-00	OTHER PROFESSIONAL SERVICE	3,500.00	3,500.00			
55-0421-04-00	PRINTING	75.00	75.00	75.00	75.00	75.00
55-0423-04-00	CONTRACT MOWING	17,652.00	17,652.00	17,652.00	17,652.00	17,652.00
55-0437-04-00	AUDIT SERVICES	300.00	300.00	300.00	300.00	300.00
55-0442-04-00	COMPUTER PROFESSIONAL SERVICES	720.00	720.00	720.00	720.00	720.00
55-0450-04-00	ADMINISTRATIVE MANAGEMENT FEE	9,600.00	9,600.00	9,600.00	9,600.00	9,600.00
55-0469-04-00	STORAGE	240.00	240.00	240.00	240.00	240.00
Subtotal:		51,887.00	51,887.00	48,387.00	48,387.00	48,387.00
55-0537-04-00	DALLAS COUNTY TAX COLL SVCS	500.00	500.00	500.00	500.00	500.00
Subtotal:		500.00	500.00	500.00	500.00	500.00
Program number:		115,487.00	115,487.00	111,987.00	111,987.00	111,987.00
Department number: OPERATIONS		115,487.00	115,487.00	111,987.00	111,987.00	111,987.00
Fund number: 55 TRIBUTE MILLS - PID		115,487.00	115,487.00	111,987.00	111,987.00	111,987.00
*****	End of Report *****					

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

17.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Opal Mauldin-Jones, City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance regarding the proposed fiscal year 2021/2022 budget for the fiscal year beginning October 1, 2021, and ending September 30, 2022; providing that expenditures for said fiscal year shall be in accordance with said budget.

Background:

State Truth-in-Taxation and the City Charter require the City of Lancaster to conduct a public hearing on the proposed annual budget. The proposed total tax rate required to provide revenue for maintenance and operations and interest and sinking fund requirements is \$0.769287 cents per \$100 assessed valuation. The approval of the proposed ordinance will adopt the FY 2021/2022 budget and appropriate necessary funds for the City's operation, maintenance and debt service requirements.

The proposed budget was presented to the Lancaster City Council at a work session held on Monday, August 9, 2021.

This is the first of two public hearings on the proposed budget. The second and final public hearing and consideration for adoption is scheduled for Monday, September 20, 2021. A copy of the proposed budget is available for public review in the City Secretary's office.

Operational Considerations:

The proposed tax rate is \$0.769287 per \$100 assessed valuation to be assessed on taxable property to generate revenues for the maintenance, operations, interest and sinking, and street maintenance fund requirements. The proposed maintenance and operations fund requirements will decrease from \$0.605167 to \$0.589061. The proposed interest and sinking fund requirements will decrease from \$0.214569 to \$0.180226. This is a decrease from our current year tax rate of \$0.819736, \$0.605167 for the maintenance and operations in general fund, and \$0.214569 for the interest and sinking fund. The street maintenance fund requirements will remain at \$0.025.

The budget total for all funds are \$68,744,054.

General Fund	\$34,884,985
G.O. Debt Service	\$5,517,423
Street Maintenance	\$893,084
Water/Wastewater	\$16,552,639
Airport	\$578,505
Hotel/Motel	\$44,163
LEDC/4A	\$1,171,868
LRDC/4B	\$3,596,472

Golf Course	\$1,060,991
Sanitation	\$2,097,629
E911	\$221,618
Stormwater	\$2,124,676

Legal Considerations:

The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

Notice regarding the public hearings was posted in accordance with state law in the City's newspaper of record, Focus Daily News on Friday, September 03, 2021, and on the City of Lancaster website.

Fiscal Impact:

The proposed budget is a plan for revenues and expenditures related to the operations of the City.

Options/Alternatives:

City Council may conduct and close the public hearing and announce the date, time, and location of the second public hearing and consideration scheduled for Monday, September 20, 2021, at 7:00 p.m. at Lancaster Municipal Center, Council Chambers 211 North Henry Street, Lancaster, Texas.

Recommendation:

Staff recommends conducting and closing the public hearing and announce the date, time, and location of the final public hearing to be held on Monday, September 20, 2021 at 7:00 p.m. at Lancaster Municipal Center Council Chambers located at 211 North Henry Street, Lancaster, Texas.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE IN ACCORDANCE WITH SAID BUDGET; PROVIDING FOR THE REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Manager of the City of Lancaster has submitted to the City Council a proposed budget of the revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for fiscal year 2021-2022; and

WHEREAS, the City Council has received the City Manager's proposed budget, a copy of which proposed budget has been filed with the City Secretary of the City of Lancaster;

WHEREAS, THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$452,517 OR 1.64%, AND OF THAT AMOUNT \$295,863, IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

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

SECTION 1. That the Budget of the revenues and expenditures necessary for conducting the affairs of the City of Lancaster and providing a financial plan for the ensuing fiscal year beginning October 1, 2021 and ending September 30, 2022, as submitted by the City Manager, after the required public hearing, be and the same is hereby adopted as the Budget of the City of Lancaster for the fiscal year beginning October 1, 2021 and ending September 30, 2022 a copy of which is maintained in the office of the City Secretary, and; said budget contains all of the proposed projects and expenditures in accordance with law. (Exhibit A)

SECTION 2. That the appropriation for the fiscal year including the budgets of the Lancaster Economic Development Corporation (Type A) and Lancaster Recreational Development Corporation (Type B), which are hereby approved beginning October 1, 2021, and ending September 30, 2022, for the various funds and purposes of the City of Lancaster, which is attached hereto and incorporated herein as Exhibit A.

SECTION 3. Those expenditures during the fiscal year shall be made in accordance with the budget approved by this ordinance and made part hereof for all purposes unless otherwise authorized by a duly enacted ordinance of the City; and, said budget may be amended from time to time as authorized by ordinance of the City Council.

SECTION 4. That all notices and public hearings required by law have been duly completed.

SECTION 5. That all provisions of the ordinances of the City of Lancaster in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City of Lancaster not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. That should any sentence, paragraph, subdivision, clause, phase or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional.

DULY PASSED by the City Council of the City of Lancaster, Texas on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

CITY-WIDE OPERATING FUND TOTALS

Fund Summary as of: 8/8/2021

TOTAL REVENUES		2019	2020	2021		2022
Fund Number	Fund	Actual	Actual	Year to Date	Budget	Proposed
	1 General Fund	31,753,265	34,512,336	33,375,243	30,844,725	34,559,160
	2 G.O. Debt Service	7,181,903	7,818,936	7,283,470	7,001,061	6,535,395
	4 Street Maintenance	200,000	752,732	822,428	808,835	893,084
	5 WaterWastewater	18,584,218	18,901,026	15,836,015	17,886,297	18,793,019
	9 Airport	436,754	438,438	303,749	507,000	444,500
	14 HotelMotel	211,829	255,706	191,114	144,661	154,658
	16 LEDC/4A	1,515,093	1,394,120	949,771	1,139,078	1,322,363
	17 LRDC/4B	3,447,063	2,875,093	2,077,423	2,839,583	3,160,075
	18 Golf Course	528,776	534,092	685,243	629,741	896,972
	19 Sanitation	2,728,817	2,749,060	2,249,174	2,589,310	2,666,105
	21 E911	298,120	281,505	230,140	257,400	260,596
	53 Stormwater	1,858,415	1,956,570	1,584,407	1,595,682	1,640,237
Total		\$ 68,744,252	\$ 72,469,614	\$ 65,588,177	\$ 66,243,373	\$ 71,326,164
TOTAL EXPENDITURES		2019	2020	2021		2022
Fund Number	Fund	Actual	Actual	Year to Date	Budget	Proposed
	1 General Fund	27,929,785	29,493,667	24,842,486	30,968,382	34,884,985
	2 G.O. Debt Service	5,885,786	5,460,742	5,387,029	5,045,505	5,517,423
	4 Street Maintenance	-	293,326	1,738,764	808,835	893,084
	5 WaterWastewater	15,676,078	16,036,020	15,167,524	17,260,379	16,552,639
	9 Airport	445,249	549,257	418,562	484,516	578,505
	14 HotelMotel	56,720	20,423	44,176	41,584	44,163
	16 LEDC/4A	1,236,801	698,409	828,662	1,452,212	1,171,868
	17 LRDC/4B	3,481,574	3,654,874	2,639,671	3,443,848	3,596,472
	18 Golf Course	1,100,143	959,582	751,705	967,337	1,060,991
	19 Sanitation	1,720,872	2,046,282	1,405,363	2,043,734	2,097,629
	21 E911	221,917	201,343	263,591	295,290	221,618
	53 Stormwater	1,284,386	1,300,280	1,368,839	1,646,706	2,124,676
Total		\$ 59,039,312	\$ 60,714,207	\$ 54,856,372	\$ 64,458,328	\$ 68,744,054
BALANCES		2019	2020	2021		2022
		Actual	Actual	Year to Date	Budget	Proposed
	Net Gain (Loss)	9,704,940	11,755,408	10,731,805	1,785,045	2,582,110
	Beginning Balance	9,167,699	18,872,639	30,628,047	30,628,047	38,490,033
	Ending Balance	18,872,639	30,628,047	38,490,033	32,413,092	41,072,142
	Fund Balance (audited)	27,844,362	23,006,965			
Ending Balance as % of Expenditures		31.97%	50.45%	70.17%	50.29%	59.75%

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

18.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Opal Mauldin-Jones, City Manager

Agenda Caption:

Conduct a public hearing and discuss an ordinance regarding the proposed revenue increase from levying ad valorem taxes for fiscal year 2021/2022 at \$0.769287 per one hundred dollars assessed valuation of all taxable property within the corporate limits to provide revenues for current maintenance and operational expenses and interest and sinking fund requirements; providing due and delinquent dates; penalties and interest; providing a homestead exemption and disability exemption.

Background:

State Truth-in-Taxation law, Local Government Code and the City Charter require that an ordinance levying the ad valorem taxes be read and a public hearing held at a regular or special meeting of the Lancaster City Council.

The tax rate proposed for fiscal year 2021/2022 is \$0.769287 per one hundred dollars assessed valuation on taxable property within the corporate limits. These tax dollars provide revenue for current operations and maintenance expenses and interest and sinking fund requirements. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 4.38% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$-16.11.

This is the first of two public hearings regarding the proposed tax rate. The second public hearing and consideration of the tax rate is scheduled for Monday, September 20, 2021, Special Council Meeting at Lancaster Municipal Center, City Council Chambers located at 211 North Henry Street, Lancaster, Texas.

The governing body must announce the date, time, and location of the meeting at which it will officially vote on the tax rate. The vote on the tax rate is scheduled for Monday, September 20, 2021, at 7:00 p.m. at Lancaster Municipal Center, City Council Chambers located at 211 North Henry Street, Lancaster, Texas.

Operational Considerations:

The proposed tax rate of \$0.769287 on each one hundred dollars (\$100.00) assessed value of taxable property is to be apportioned and distributed as follows: \$0.589061 for the purpose of maintenance and operations (including \$0.025 dedicated to the Street Maintenance Fund), and \$0.180226 for interest and sinking fund requirements.

Legal Considerations:

The required notice and vote are being held in accordance with state law and the City Charter. The ordinance has been reviewed and approved as to form by the City Attorney.

Public Information Considerations:

Public notices were published on Thursday, September 02, 2021, in the official City publication of record, Focus Daily News and on the City of Lancaster website. Information regarding the proposed tax rate is being made available in accordance with state law and the City Charter.

Fiscal Impact:

The proposed tax rate is to cover the cost of the maintenance and operations and interest and sinking fund requirements. The total proposed tax rate is \$0.769287, which is to be apportioned and distributed as follows: \$0.589061 for the maintenance and operations (including \$0.025 dedicated to the Street Maintenance Fund), and \$0.180226 for the interest and sinking fund requirements.

Options/Alternatives:

City Council may conduct the public hearing, close the public hearing, and announce date, time, and location of second public hearing and final vote.

Recommendation:

Staff recommends City Council conduct and close the public hearing, and announce the date, time and location of the second public hearing and final vote.

The second public hearing and final vote are scheduled for Monday, September 20, 2021, at 7:00 p.m. at the Lancaster Municipal Center, Council Chambers, 211 North Henry Street, Lancaster, Texas.

Attachments

Ordinance

Exhibit A

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS LEVYING AD VALOREM TAXES FOR FISCAL YEAR 2020/2021 AT \$0.769287 PER ONE HUNDRED DOLLARS ASSESSED VALUATION OF ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS TO PROVIDE REVENUES FOR CURRENT MAINTENANCE AND OPERATIONAL EXPENSES AND INTEREST AND SINKING FUND REQUIREMENTS; PROVIDING DUE AND DELINQUENT DATES, PENALTIES AND INTEREST; PROVIDING FOR A HOMESTEAD EXEMPTION AND DISABILITY EXEMPTION; AND PROVIDING AN EFFECTIVE DATE.

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

SECTION 1. There be and is hereby levied for the fiscal year 2021/2022 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Lancaster, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.769287 on each \$100.00 assessed value of taxable property, and said tax shall be apportioned and distributed as follows: \$0.589061 for the purpose of paying maintenance and operation, and defraying the expenses of current operations, and \$0.180226 for interest and sinking fund requirements of the municipal government of the City.

SECTION 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 4.38% AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-16.11.

SECTION 3. All 2021/2022 ad valorem taxes shall become due and payable on October 1, 2021, and shall become delinquent after January 31, 2022. If any person fails to pay the ad valorem taxes on or before the 31st day of January 2022, the penalties and interest as set forth under Section 33.01 of the Texas State Property Tax Code shall apply.

SECTION 4. Taxes are payable to the Dallas County Tax Assessor-Collector, Records Building, Dallas, Texas, by contract dated November 12, 2001 and amended April 2014. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax rolls as presented to the City Council, together with any supplement thereto, be and the same are hereby approved.

SECTION 6. All delinquent taxes shall accrue interest at the rate of one percent (1%) per month, in addition to the penalties provided for herein. All taxes that remain delinquent on July 1st of the year in which they become delinquent shall incur an additional penalty to defray costs of collection, of an amount not to exceed 20% of the amount of taxes, penalty and interest due.

SECTION 7. In accordance with the Texas State Property Tax Code, and effective with the passage of the ordinance, there is hereby provided an exemption of \$30,000 on homestead property for those head-of-household persons who have attained the age of 65 years prior to January 1, 2022 and an exemption of \$30,000 on disability designations.

SECTION 8. This Ordinance shall become effective upon its adoption as the law in such cases provides.

SECTION 9. All recitals are incorporated herein by reference as if fully written.

DULY PASSED by the City Council of the City of Lancaster, Texas on this the 20th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

2021 Tax Rate Calculation Worksheet

Date: 07/30/2021 02:56 PM

Taxing Units Other Than School Districts or Water Districts

City of Lancaster

972.218.1300

Taxing Unit Name

Phone (area code and number)

211 N. Henry St., Lancaster, TX 75146

www.lancaster-tx.com

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the No-New-Revenue (NNR) tax rate and Voter-Approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School Districts without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

No-New-Revenue Tax Rate Worksheet

Amount/Rate

1. 2020 total taxable value. Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).¹

\$3,188,790,732

2. 2020 tax ceilings. Counties, cities and junior college districts. Enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step.²

\$0

3. Preliminary 2020 adjusted taxable value. Subtract Line 2 from Line 1.

\$3,188,790,732

4. 2020 total adopted tax rate.

\$0.819736/\$100

5. 2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value.

A. Original 2020 ARB values:

\$72,741,370

OMG 8/4/2021

B. 2020 values resulting from final court decisions:	\$70,205,020
C. 2020 value loss. Subtract B from A. ³	\$2,536,350
6. 2020 taxable value subject to an appeal under Chapter 42, as of July 25.	
A. 2020 ARB certified value:	\$223,460,240
B. 2020 disputed value:	\$101,384,339
C. 2020 undisputed value. Subtract B from A. ⁴	\$122,075,901
7. 2020 Chapter 42 related adjusted values Add Line 5C and Line 6C.	\$124,612,251
8. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$3,313,402,983
9. 2020 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2020. Enter the 2020 value of property in deannexed territory. ⁵	\$0
10. 2020 taxable value lost because property first qualified for an exemption in 2021. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2021 does not create a new exemption or reduce taxable value.	
A. Absolute exemptions. Use 2020 market value:	\$190,793
B. Partial exemptions. 2021 exemption amount or 2021 percentage exemption times 2020 value:	\$2,452,000
C. Value loss. Add A and B. ⁵	\$2,642,793
11. 2020 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2021. Use only properties that qualified in 2021 for the first time; do not use properties that qualified in 2020.	
A. 2020 market value:	\$100,000
B. 2021 productivity or special appraised value:	\$800
C. Value loss. Subtract B from A. ⁷	\$99,200
12. Total adjustments for lost value. Add lines 9, 10C and 11C.	\$2,741,993
13. 2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$0
14. 2020 total value. Subtract Line 12 and Line 13 from Line 8.	\$3,310,660,990
15. Adjusted 2020 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$27,138,679
16. Taxes refunded for years preceding tax year 2020. Enter the amount of taxes refunded	\$378,388

by the taxing unit for tax years preceding tax year 2020. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020. ⁸	
17. Adjusted 2020 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$27,517,067
18. Total 2021 taxable value on the 2021 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: B. Counties: Include railroad rolling stock values certified by the Comptroller's office: C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: D. Tax increment financing: Deduct the 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2021 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² E. Total 2021 value. Add A and B, then subtract C and D.	 \$3,572,339,009 \$0 \$0 \$7,323,588 \$3,565,015,421
19. Total value of properties under protest or not included on certified appraisal roll. ¹³ A. 2021 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴ B. 2021 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵ C. Total value under protest or not certified: Add A and B.	 \$73,686,688 \$0 \$73,686,688
20. 2021 tax ceilings. Counties, cities and junior colleges enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$0
21. 2021 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$3,638,702,109

22. Total 2021 taxable value of properties in territory annexed after Jan. 1, 2020. Include both real and personal property. Enter the 2021 value of property in territory annexed. ¹⁸	\$0
23. Total 2021 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2020. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2020, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2021. ¹⁹	\$38,459,378
24. Total adjustments to the 2021 taxable value. Add Lines 22 and 23.	\$38,459,378
25. Adjusted 2021 taxable value. Subtract Line 24 from Line 21.	\$3,600,242,731
26. 2021 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$0.764311/\$100
27. COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2021 county NNR tax rate. ²¹	

¹Tex. Tax Code Section 26.012(14)

²Tex. Tax Code Section 26.012(14)

³Tex. Tax Code Section 26.012(13)

⁴Tex. Tax Code Section 26.012(13)

⁵Tex. Tax Code Section 26.012(15)

⁶Tex. Tax Code Section 26.012(15)

⁷Tex. Tax Code Section 26.012(13)

⁸Tex. Tax Code Section 26.012(13)

⁹Tex. Tax Code Section 26.03(c)

¹⁰Tex. Tax Code Section 26.012(13)

¹¹Tex. Tax Code Section 26.012,26.04(c-2)

¹²Tex. Tax Code Section 26.03(c)

¹³Tex. Tax Code Section 26.01(c) and (d)

¹⁴Tex. Tax Code Section 26.01(c)

¹⁵Tex. Tax Code Section 26.01(d)

¹⁶Tex. Tax Code Section 26.012(6)(b)

¹⁷Tex. Tax Code Section 26.012(6)

¹⁸Tex. Tax Code Section 26.012(17)

¹⁹Tex. Tax Code Section 26.012(17)

²⁰Tex. Tax Code Section 26.04(c)

²¹Tex. Tax Code Section 26.04(d)

²²Reserved for expansion

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The Voter-Approval tax rate for a county is the sum of the Voter-Approval tax rates calculated for each type of tax the county levies. In most cases the Voter-Approval tax rate exceeds the No-New-Revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Voter-Approval Tax Rate Worksheet	Amount/Rate
28. 2020 M&O tax rate. Enter the 2020 M&O tax rate.	\$0.605167/\$100
29. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$3,313,402,983
30. Total 2020 M&O levy. Multiply Line 28 by Line 29 and divide by \$100.	\$20,051,621
31. Adjusted 2020 levy for calculating NNR M&O rate. A. M&O taxes refunded for years preceding tax year 2020 Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020.	\$265,129
B. 2020 taxes in TIF Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2021 captured appraised value in Line 18D, enter 0.	\$0
C. 2020 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.	\$0
D. 2020 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.	\$265,129
E. Add Line 30 to 31D.	\$20,316,750
32. Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$3,600,242,731
33. 2021 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$0.564316/\$100
34. Rate adjustment for state criminal justice mandate.²³ A. 2021 state criminal justice mandate: Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	\$0

<p>B. 2020 state criminal justice mandate: Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.</p>	\$0
<p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p>	\$0.000000/\$100
<p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$0.000000/\$100
<p>35. Rate adjustment for indigent health care expenditures.²⁴</p> <p>A. 2021 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose.</p>	\$0
<p>B. 2020 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose.</p>	\$0
<p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p>	\$0.000000/\$100
<p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$0.000000/\$100
<p>36. Rate adjustment for county indigent defense compensation.²⁵</p> <p>A. 2021 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose.</p>	\$0
<p>B. 2020 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose.</p>	\$0
<p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p>	\$0.000000/\$100
<p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.</p>	\$0.000000/\$100
<p>E. Enter the lessor of C and D. If not applicable, enter 0.</p>	\$0.000000/\$100
<p>37. Rate adjustment for county hospital expenditures.²⁶</p> <p>A. 2021 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021.</p>	\$0
<p>B. 2020 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020.</p>	\$0

C. Subtract B from A and divide by Line 32 and multiply by \$100.	\$0.000000/\$100
D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100.	\$0.000000/\$100
E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.	\$0.000000/\$100
<p>38. Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in 2020. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year</p> <p>B. Expenditures for public safety in 2020. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year.</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100.</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	<p>\$0</p> <p>\$0</p> <p>\$0.000000/\$100</p> <p>\$0.000000/\$100</p>
39. Adjusted 2021 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$0.564316/\$100
<p>40. Adjustment for 2020 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100.</p> <p>C. Add Line 40B to Line 39.</p>	<p>\$1,394,735</p> <p>\$0.038740</p> <p>\$0.603056</p>
<p>41. 2021 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$0.624162/\$100
D41. Disaster Line 41 (D41): 2021 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located	\$0.000000/\$100

<p>in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <ol style="list-style-type: none"> 1. the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2. the third tax year after the tax year in which the disaster occurred. <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	
<p>42. Total 2021 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <ol style="list-style-type: none"> (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸ Enter debt amount.</p> <p>B. Subtract unencumbered fund amount used to reduce total debt.</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none)</p> <p>D. Subtract amount paid from other resources.</p> <p>E. Adjusted debt. Subtract B, C, and D from A.</p>	<p>\$7,409,479</p> <p>\$0</p> <p>\$0</p> <p>\$0</p> <p>\$7,409,479</p>
<p>43. Certified 2020 excess debt collections. Enter the amount certified by the collector.²⁸</p>	<p>\$851,591</p>
<p>44. Adjusted 2021 debt. Subtract Line 43 from Line 42E.</p>	<p>\$6,557,888</p>
<p>45. 2021 anticipated collection rate.</p> <p>A. Enter the 2021 anticipated collection rate certified by the collector:²⁹</p> <p>B. Enter the 2020 actual collection rate</p> <p>C. Enter the 2019 actual collection rate</p> <p>D. Enter the 2018 actual collection rate</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹</p>	<p>100.00%</p> <p>112.98%</p> <p>99.88%</p> <p>101.18%</p> <p>100.00%</p>
<p>46. 2021 debt adjusted for collections. Divide Line 44 by Line 45E</p>	<p>\$6,557,888</p>
<p>47. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p>	<p>\$3,638,702,109</p>

48. 2021 debt tax rate. Divide Line 46 by Line 47 and multiply by \$100.	\$0.180226/\$100
49. 2021 voter-approval tax rate. Add Lines 41 and 48.	\$0.804388/\$100
D49. Disaster Line 49 (D49): 2021 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	\$0.000000/\$100
50. COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2021 county voter-approval tax rate.	

²³Tex. Tax Code Section 26.044

²⁴Tex. Tax Code Section 26.0442

²⁵Tex. Tax Code Section 26.0442

²⁶Tex. Tax Code Section 26.0443

²⁷Tex. Tax Code Section 26.04(c-1)

²⁸Tex. Tax Code Section 26.012(10) and 26.04(b)

²⁹Tex. Tax Code Section 26.04(b)

³⁰Tex. Tax Code Section 26.04(b)

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Additional Sales and Use Tax Worksheet	Amount/Rate
51. Taxable Sales. For taxing units that adopted the sales tax in November 2020 or May 2021, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2020, enter 0.	\$0
52. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November 2020 or in May 2021. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November 2020. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$1,394,735
53. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$3,638,702,109
54. Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$0.038331/\$100
55. 2021 NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$0.764311/\$100
56. 2021 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2020 or in May 2021. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2020.	\$0.764311/\$100
57. 2021 voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster), or Line 50 (counties), as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$0.804388/\$100
58. 2021 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$0.766057/\$100

³¹Reserved for expansion

³⁴Tex. Tax Code Section 26.041(d)

³²Tex. Tax Code Section 26.041(d)

³⁵Tex. Tax Code Section 26.04(c)

³³Tex. Tax Code Section 26.041(i)

³⁶Tex. Tax Code Section 26.04(c)

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Voter-Approval Protection for Pollution Control Worksheet	Amount/Rate
59. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$0
60. 2021 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$3,638,702,109
61. Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$0.000000/\$100
62. 2021 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$0.766057/\$100

³⁷Tex. Tax Code Section 26.045(d)

³⁸Tex. Tax Code Section 26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020; and⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

Unused Increment Rate Worksheet	Amount/Rate
63. 2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0.003230
64. 2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero	\$0
65. 2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$0.000000
66. 2021 unused increment rate. Add Lines 63, 64 and 65.	\$0.003230/\$100
67. 2021 voter-approval tax rate, adjusted for unused increment rate. ²³ Add Line 66 to one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$0.769287/\$100

³⁹Tex. Tax Code Section 26.013(a)

⁴⁰Tex. Tax Code Section 26.013(c)

⁴¹Tex. Tax Code Section 26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴²

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴³

De Minimis Rate Worksheet	Amount/Rate
68. Adjusted 2021 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$0.564316/\$100
69. 2021 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$3,638,702,109
70. Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$0.013741
71. 2021 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$0.180226/\$100
72. De minimis rate. ²³ Add Lines 68, 70 and 71.	\$0.000000/\$100

⁴²Tex. Tax Code Section 26.012(8-a)

⁴³Tex. Tax Code Section 26.063(a)(1)

⁴⁴Tex. Tax Code Section 26.04(c)

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.

NOTE: This section will not apply to any taxing units in 2021. It is added to implement Senate Bill 1438 (87th Regular Session) and does not apply to a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a declared disaster in 2020, as provided for in the recently repealed Tax Code Sections 26.04(c-1) and 26.041(c-1).

In future tax years, this section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

In future tax years, this section will also apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Emergency Revenue Rate Worksheet	Amount/Rate
73. 2020 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
74. Adjusted 2020 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2020 and the taxing unit calculated its 2020 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2020 worksheet due to a disaster, enter the 2020 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2020 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2020, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2020 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁸ Enter the final adjusted 2020 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2020 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	N/A
75. Increase in 2020 tax rate due to disaster. Subtract Line 74 from Line 73.	N/A
76. Adjusted 2020 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
77. Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	N/A

78. Adjusted 2021 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	N/A
79. Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹	N/A
80. 2021 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	N/A

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue tax rate

As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). \$0.764311/\$100

Indicate the line number used: 26

Voter-Approval tax rate

As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). \$0.769287/\$100

Indicate the line number used: 67

De minimis rate

If applicable, enter the de minimis rate from Line 72. \$0.000000/\$100

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.⁵⁰

print here John R. Ames, PCC, CTA

Printed Name of Taxing Unit Representative

sign here _____

Taxing Unit Representative

_____ Date

*Opdy Maudlin-Gomes, City Manager
Lancaster, Texas*

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

19.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Healthy, Safe & Engaged Community
Professional and Committed City Workforce

Submitted by: Michelle Evans, Assistant Director of Human Resources

Agenda Caption:

Discuss and consider an ordinance, establishing the Lancaster Paid Quarantine Leave Program for Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers.

Background:

In June 2021 Chapter 180 of the Texas Local Government Code was amended when H.B. 2073 was passed by the House and Senate. The amendment to Section 180.008 became effective on June 15, 2021, which states that the city shall provide paid quarantine leave for all Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers defined by law. Quarantine leave shall be used to quarantine or isolate Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers due to a possible or known exposure to a communicable disease while on duty.

The Paid Quarantine Leave Program shall be provided after a Firefighter, Emergency Medical Technician/Paramedic or Peace Officer has had a possible or known exposure to a communicable disease while on duty. The Chief of Police or Fire Chief shall allow for the use of paid quarantine for the duration of quarantine, all as determined by the City's health authority.

Any employee on the Paid Quarantine Leave Program shall receive all employment benefits, including pension and health plan benefits, and there shall be no reduction in the employee's sick leave balance, vacation leave balance, holiday leave balance or other paid leave balance in connection with the utilization of this program.

When applicable, employees who must quarantine may be eligible for reimbursement for reasonable costs related to the quarantine, including lodging, medical expenses, and transportation.

Legal Considerations:

Pursuant to Section 180.008 of the Texas Local Government Code, the City Council shall establish this program in each of these classifications by ordinance. The City Attorney has reviewed and approved the ordinance as to form.

Public Information Considerations:

This item is being considered at a regular meeting of the City Council noticed in accordance with the Texas Open Meetings Act.

Fiscal Impact:

Additional paid time off provided under the Paid Quarantine Leave Program was not included in the Fiscal Year 2021/2022 Operating Budget. All cost associated with the COVID-19 Pandemic are being recorded and may require an end of year budget adjustment.

Options/Alternatives:

1. City Council may approve the ordinance, as presented.
2. City Council may deny the ordinance.

Recommendation:

Staff recommends approval of the ordinance, as presented.

Attachments

Ordinance

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LANCASTER, TEXAS, ESTABLISHING THE CITY OF LANCASTER PAID QUARANTINE LEAVE PROGRAM FOR FIREFIGHTERS, EMERGENCY MEDICAL TECHNICIANS/PARAMEDICS AND PEACE OFFICERS. AUTHORIZING FUNDING FOR SAME; PROVIDING FOR SEVERABILITY; PROVIDING A REPEALER; AND PROVIDING FOR EFFECTIVE DATES.

WHEREAS, in June 2021, Chapter 180 of the Texas Local Government Code was amended when H.B. 2073 was passed by the House and Senate; and

WHEREAS, pursuant to Section 180.008 of the Texas Local Government Code as amended. Texas political subdivisions including the City shall provide the Paid Quarantine Leave Program for Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers due to a possible or known exposure to a communicable disease while on duty; and

WHEREAS, the amendment to Section 180.008 became effective on June 15, 2021 which states that the city shall provide paid quarantine leave for all Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers defined by law; and

WHEREAS, quarantine leave shall be used to quarantine or isolate Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers due to a possible or known exposure to a communicable disease while on duty; and

WHEREAS, the Paid Quarantine Leave Program shall be provided after a Firefighter, Emergency Medical Technician/Paramedic and Peace Officer has had a possible or known exposure to a communicable disease while on duty; and

WHEREAS, the Chief of Police or Fire Chief shall allow for the use of paid quarantine for the duration of quarantine, all as determined by the City's health authority; and

WHEREAS, any employee on the Paid Quarantine Leave Program shall receive all employment benefits, including pension and health plan benefits, and there shall be no reduction in the employee's sick leave balance, vacation leave balance, holiday leave balance or other paid leave balance in connection with the utilization of this program; and

WHEREAS, when applicable, employees who must quarantine may be eligible for reimbursement for reasonable costs related to the quarantine, including lodging, medical expenses, and transportation; and

WHEREAS, the City of Lancaster recognizes that employee health and safety is important. The City supports establishing a workplace that is healthy, safe, and supportive.

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

SECTION 1. The City Council authorizes the establishment of a Paid Quarantine Leave Program for all Firefighters, Emergency Medical Technicians/Paramedics and Peace Officers and authorizes the City Manager to execute any necessary contracts and documents in conformance with this resolution, after approval as to form by the City Attorney.

SECTION 2. The City Council of the City of Lancaster, Texas hereby authorizes, approves and enacts all budget expenditures necessary to fund said Paid Quarantine Leave Program and authorizes the City Manager or her designees to take all such steps necessary to implement and administer said Program.

SECTION 3. If any provision, section, clause, sentence, or phrase of this ordinance is for any reason held to be unconstitutional, void, invalid, or unenforced, the validity of the remainder of this ordinance or its application shall not be affected. It being the intent of the City Council in adopting and of the Mayor in approving this ordinance that no portion, provision or regulation contained herein shall become inoperative or fall by way of reasons of any unconstitutionality or invalidity of any other portion, provision, or regulation.

SECTION 4. That all other ordinances, sections, or parts of ordinances heretofore adopted by the City of Lancaster in conflict with the provisions set out above in this ordinance are hereby repealed or amended as indicated.

SECTION 5. This ordinance shall take affect on September 1, 2021.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th Day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

20.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Quality Development

Submitted by: Shane Shepard, Director of Economic Development

Agenda Caption:

Discuss and consider a resolution approving a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas and Project Rex (Thred Up, Inc.).

Background:

Project Rex is a company that sells products online and plans to fulfill these orders at the Lancaster location.

The company contracted to lease a six hundred thousand (600,000) square foot building located at the southeast corner of I-35E and I-20. The building is currently under construction. Construction of the building is expected to be completed by the third quarter of 2022. There are no financial incentives for the real property (building) owner.

The company plans to invest fifty million dollars (\$50,000,000) in Business and Personal Property in the building. The Project Rex facility will allow the addition of a minimum of one thousand five hundred (1,500) new jobs within three (3) years after completion. Wages will be based on market demand however, an LEDC Performance Agreement will provide the company with financial incentives for jobs going to local residents that pay over fifty thousand dollars (\$50,000) annually.

This item is for consideration of a Chapter 380 incentive:

- **Business Personal Property (BPP) Tax Rebate** - A ten (10) year, sixty-five percent (65%) rebate of BPP taxes paid by the company. The company must obtain a Certificate of Occupancy for the building by January 1, 2023; invest a minimum of fifty million dollars (\$50,000,000) in BPP at the facility; and meet all other contractual obligations including reporting.
- **Sales Tax on Equipment and Construction Material** - The City will rebate fifty percent (50%) of the City's 1% sales tax collection on materials handling and operations equipment and construction materials for the Facility that are sourced to the City of Lancaster. All such expenditures must occur prior to January 1, 2023. The intent of this action is to increase the amount of taxable construction expenditures sourced to the City of Lancaster. This incentive is contingent on the company obtaining a Certificate of Occupancy for the building by January 1, 2023, and submission of all reports by May 1, 2023.
- **Sales Tax Rebate on Consumer Goods Sold** - The City will rebate fifty percent (50%) of the City's 1% sales tax collection on consumer goods sold from the Facility that are sourced to the City of Lancaster for a period of ten-years. The intent of this action is to increase local sales tax collections by providing incentives for the company to source sales to the City of Lancaster.

Operational Considerations:

The company will annually submit receipts for business personal property tax payments in order to exercise the grant. Within sixty (60) days of verification of payment, the City will remit sixty-five percent (65%) of the Business & Personal Property Tax payment to the company for a period of ten (10) years, provided that all contractual contingencies are satisfied.

The company will submit evidence of sales tax payments sourced to the City of Lancaster for equipment and construction materials covered by this agreement for verification by City staff.

The company will submit evidence of sales tax payments sourced to the City of Lancaster for consumer goods covered by this agreement for verification by City staff.

Legal Considerations:

The City Attorney has reviewed and approved the resolution and agreement as to form.

Public Information Considerations:

This item is being considered at a Regular Meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

Fiscal Impact:

Based on the estimated value added capital investment submitted by the company, new property tax collections for the Facility (BPP and Real property) for the next ten years will be approximately six million two hundred thousand dollars (\$6,200,000), of which incentive rebates are estimated to be approximately two million five hundred thousand (\$2,500,000).

Assuming that sixty percent (60%) of BPP expenditures are sourced to the City of Lancaster that were likely to be sourced elsewhere without this agreement, estimated new sales tax revenues are estimated to be six hundred seventy-five thousand dollars (\$675,000), of which incentive rebates are estimated to be one hundred fifty thousand dollars (\$150,000).

There is an ongoing discussion at the state level related to how sales tax collections are sourced. It is difficult to calculate the impact of the sales tax rebate for consumer goods sales sourced to Lancaster.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

Staff recommends approval of the resolution as presented.

Attachments

Resolution
Exhibit A

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS AND PROJECT REX (THREDUP, INC.) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Project Rex (ThredUp, Inc.) seeks to lease a six hundred thousand (600,000) square foot distribution/warehouse facility where a minimum of one thousand, five hundred (1,500) people will be employed within three years of completion; and

WHEREAS, the City of Lancaster ("City") recognizes the importance of business and community development to the vitality and growth of Lancaster; and

WHEREAS, the City desires to grant certain economic development incentives to Project Rex (ThredUp, Inc.) for the purpose of constructing the distribution facility within the City of Lancaster; and

WHEREAS, the City has adopted programs for promoting economic development, and an Economic Development Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

WHEREAS, the City is authorized by Chapter 380 of the Texas Local Government Code to issue grants in order to promote local economic development by stimulating the local economy; and

WHEREAS, the Agreement containing the terms of the grant of incentives from the City is appropriate.

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

SECTION 1. The City Council of the City of Lancaster, Texas approves a Chapter 380 Economic Development Incentive Agreement by and between the City of Lancaster and Project Rex (ThredUp, Inc.), attached as Exhibit "A" and incorporated herein.

SECTION 2. The City Council authorizes the City Manager to execute the Chapter 380 Economic Development Program and Agreement between the City of Lancaster and Project Rex (ThredUp, Inc.).

SECTION 3. This Resolution shall take effect immediately from and after the date of passage and is provided by law.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

EXHIBIT A

**CITY OF LANCASTER, TEXAS
AND
THREDUP, INC.**

**CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AND AGREEMENT**

This **CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT** (hereinafter referred to as the “Agreement”) is made and entered into by and between the **CITY OF LANCASTER, TEXAS**, a Texas home-rule municipality (hereinafter referred to as the “City”), and **THREDUP, INC.**, a Delaware Corporation (hereinafter referred to as the “Developer”), for the purposes and considerations stated below:

WHEREAS, the Developer desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City desires to provide, pursuant to Chapter 380 of the Texas Local Government Code an incentive to Developer to develop the Property as defined below; and

WHEREAS, the City possesses the legal and statutory authority under Chapter 380 of the Texas Local Government Code to expend public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of Lancaster, Texas; and

WHEREAS, the City has determined that a grant of funds to the Developer will serve the public purpose of promoting local economic development, with the development and diversification of the economy of the State and City, will eliminate unemployment and underemployment in the State and City, and will enhance business and commercial activity within the City of Lancaster, Texas; and

WHEREAS, the City has concluded and hereby finds that this Agreement clearly promotes economic development in the City of Lancaster, Texas, and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code, and further, is in the best interests of the City and the Developer; and

WHEREAS, the City has concluded and hereby finds that this Agreement clearly promotes economic development in the City of Lancaster, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution by assisting in the development and diversification of the economy of the State, by eliminating unemployment or underemployment in the State, and by the development or expansion of commerce within the State.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date of this Agreement, as defined herein, and shall continue thereafter until December 31, 2034, unless otherwise terminated pursuant to the terms of this Agreement.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Agreement.** The word “Agreement” means this Chapter 380 Economic Development Program and Agreement, authorized by Chapter 380 of the Texas Local Government Code, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- (b) **Certificate of Occupancy.** The words “Certificate of Occupancy” mean a certificate of occupancy (or its local equivalent) for the Facility.
- (c) **City.** The word “City” means the City of Lancaster, Texas, a Texas home-rule municipality. For the purposes of this Agreement, City’s address is P.O. Box 940, Lancaster, Texas 75146.
- (d) **Developer.** The word “Developer” means Thredup, Inc. whose address for the purposes of this Agreement is 969 Broadway, Suite 200, Oakland, CA 94607.
- (e) **Effective Date.** The words “Effective Date” mean the date that the City Council approves this agreement.
- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth in the section entitled “Events of Default” in this Agreement.
- (g) **Facility.** The word “Facility” means Developer’s leased facilities constructed on the Property. In order to qualify as the “Facility” under this Agreement, the facility must meet all of the following criteria: (1) be located within the City; and (2) obtain a Certificate of Occupancy by January 1, 2023 and maintain it throughout the Term of this Agreement.
- (h) **Program Payment.** The words “Program Payment” mean the economic development funds provided by the City to Developer in accordance with this Agreement. Program Payments will be made in the form of tax rebates as described in more detail in Section

5(a) of this Agreement.

- (i) **Property.** The word “Property” means the tract of land located in the City of Lancaster, Dallas County, Texas, commonly known as 3800 North I-35E, and more particularly described and or depicted in *Exhibit A* of this Agreement, which is attached hereto and incorporated herein for all purposes. For purposes of this Agreement, the tract does not need to be owned by Developer, but may instead be leased.
- (j) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE OBLIGATIONS OF DEVELOPER.

The Developer covenants and agrees with City that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Occupation of Facility.** Developer covenants and agrees to continue occupying the Facility during the term of this Agreement.
- (b) **Certificate of Occupancy.** Developer covenants and agrees to obtain or maintain a City Certificate of Occupancy for the Facility located on the Property on or before January 1, 2023, and to maintain the Certificate of Occupancy throughout the Term of this Agreement.
- (c) **Operation of Facility.** Developer covenants and agrees to maintain and actively operate the Facility located on the Property during the Term of this Agreement.
- (d) **Performance.** Developer covenants and agrees to perform and comply with all terms, conditions and provisions set forth in this Agreement, and any other agreements by and between the City and Developer.
- (e) **Provision of Records.** Developer covenants and agrees to provide to City all receipts, purchase orders, funds transfers, checks, charges, and all other supporting documentation that City may request to demonstrate the costs incurred and paid by Developer related to the investment in equipment, machinery and other Business Personal Property, verification of employment and salary, payment of taxes and valuation information related to this Agreement. Developer shall supply to City all information related to employment requirements upon initial hiring and annually thereafter. Developer will provide all receipts and supporting documentation to City within ninety (30) days of payment of taxes, and within thirty (30) days of a written request by the City for information regarding valuation.
- (f) **Investment Threshold.** Developer covenants and agrees to show evidence of expenditure of a minimum of fifty million dollars (\$50,000,000) for equipment, machinery and other Business Personal Property located at the Facility.

- (g) **Place of Business for Tax Purposes.** Developer covenants and agrees that its Facility will be designated as a “place of business” so that sales tax on goods and/or services will be sourced to the City of Lancaster, Texas for the purposes of Texas sales tax law. If a legislative change to Texas law occurs after the commencement of the Term of this Agreement that renders this affirmative obligation impossible for Developer to meet, the Parties agree that Developer is not required to comply with this subsection for the duration of the legislatively-created conditions, but the Program Payment set forth in Section 5(a)(3) will not be available to Developer.
- (h) **Job Creation Requirement.** Developer is required to create, within the first three years following the Effective Date, and thereafter maintain a workforce of a minimum of one thousand five hundred (1,500) employees on site.
- (i) **Community Investment.** Developer covenants and agrees to invest an amount equivalent to one half of one percent of total gross annual City property taxes paid (calculated prior to any rebate or reduction available under this or any other economic development incentive Agreement) to sponsor community events and activities during the term of this Agreement. The amount shall be calculated and spent annually, and records and receipts provided to the City. The selection of a specific event or events is at the sole discretion of the Developer but requires a determination of eligibility by the Economic Development Director.
- (j) **Future Store Location.** Developer covenants and agrees to make best efforts to locate any future retail/outlet store within one of the City’s targeted redevelopment areas: West Pleasant Run Road corridor; I-35E corridor; Town Square area; or Campus District.
- (k) **Site Visit.** Developer covenants and agrees to grant a tour of the facility once every four years of the term of the Agreement to a delegation from the City.

SECTION 5. AFFIRMATIVE OBLIGATIONS OF THE CITY.

City covenants and agrees with Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Program Payments.**
 - (1) **Business Personal Property Tax.** Provided that: (1) the Developer has obtained a Certificate of Occupancy for the Facility by January 1, 2023; (2) the investment threshold set forth herein are met; and (3) all other Affirmative Obligations set out in Section 4 have been satisfied, the City shall make Program Payments to Developer for a portion (as set forth below) of ad valorem taxes paid by the Developer to the City for Business Personal Property Taxes for a period of ten (10) years. Developer shall provide the City records of ad valorem taxes paid in a format approved by the City as soon as possible after the payment, and City shall

provide the Program Payment within thirty (30) business days after receipt of the tax records.

The first year of eligibility for the Program Payment shall be the tax year starting the earlier of: (1) the tax year when the Investment Threshold is met; or (2) January 1, 2024.

These Program Payments shall be based upon the following percentages and terms:

Tax Years 1-10	Percentage of City Business Personal Property Taxes Reimbursed
1st through 10th tax year	65%

- (2) **Sales Tax on Equipment and Construction Material.** Provided that: (1) the Developer has obtained a Certificate of Occupancy for the Facility by January 1, 2023; (2) the valuation thresholds set forth herein are met; and (3) all other Affirmative Obligations set out in Section 4 have been satisfied, the City shall reimburse fifty percent (50%) of the City's 1% sales tax collected on: (1) materials handling and operations equipment; and (2) construction materials for the Facility for purchases that are sourced to the City of Lancaster. All such expenditures must be made by January 1, 2023 and all receipts and accounting reports must be received by the City no later than May 1, 2023.

- (3) **Sales Tax on Consumer Goods Sold.** Provided that: (1) the Developer has obtained a Certificate of Occupancy for the Facility by January 1, 2023; (2) the valuation thresholds set forth herein are met; and (3) all other Affirmative Obligations set out in Section 4 have been satisfied, the City shall reimburse fifty percent (50%) of the City's 1% sales tax collected on consumer goods sold from the Facility for a period of ten (10) years, starting with the tax year starting on January 1, 2022 (billed October 1, 2022). All receipts and accounting reports must be received by the City no later than May 1 of the year following the tax year.

- (c) **Valuation of Real Property and Business Personal Property.** The Real Property valuations in this Section 5 are Dallas Central Appraisal District ("DCAD") taxable values, including the values assigned by constituent taxing authorities. For purposes of these Program Payments, payment to the City's authorized tax collection agent (currently the Dallas County Tax Assessor/Collector (the "Dallas County Tax Office")) shall be considered ad valorem taxes "paid to the City."

SECTION 6. CESSATION OF ADVANCES.

If City has made any commitment to provide any Program Payment to Developer, whether under this Agreement or under any other agreement, the City shall have no obligation to advance or disburse future Program Payment after: (a) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (b) an Event of Default occurs and is not cured within the time period provided in Section 8.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or City to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or City to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and City is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to the City by or on behalf of Developer under this Agreement that is false or misleading in any material respect, as of the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from City and/or Dallas County Central Appraisal District is an Event of Default.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure a monetary default and ninety (90) days to cure a non-monetary default. Should said default remain uncured as of the last day of the applicable cure period, the non-defaulting party shall have the right to terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event the Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the Program Payments provided by the City to Developer pursuant to Section 5(a) of this Agreement, shall become immediately due and payable by the Developer to the City.

SECTION 9. INDEMNITY.

TO THE EXTENT ALLOWED BY TEXAS LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT. NOTHING HEREIN SHALL BE INTERPRETED AS A WAIVER OF CITY'S GOVERNMENTAL IMMUNITY FROM SUIT OR DAMAGES.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Dallas County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party, which shall not be unreasonably withheld, conditioned or delayed. Any restrictions herein on the transfer or assignment of Developer's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a subsidiary or affiliate of Developer, an acquirer of substantially all of Developer's assets, or any corporation or other entity with which Developer may merge or consolidate or that may succeed to a controlling interest in the business of Developer or in which Developer owns more than a twenty percent (20%) equity interest.
- (d) **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in

connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.

- (e) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. Developer warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (f) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (g) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (h) **Entire Agreement.** This written agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.
- (i) **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, pandemic or wide-spread disease, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.
- (j) **No Interpretation Against Drafter.** Developer and City have participated in negotiating and drafting this Agreement, and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.
- (k) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered by nationally recognized next business day delivery service or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested. The parties agree to keep the other party or parties informed of their address at all times during the Term of this Agreement. The Notices shall be addressed as follows:

If to the City: City of Lancaster, Texas
Attn: Opal Mauldin-Jones, City Manager
P.O. Box 940
Lancaster, Texas 75146
Telephone: (972) 218-1300

If to the Developer: Thredup, Inc.
969 Broadway, Suite 200
Oakland, California 94607

With a copy
by the same means to: Thredup, Inc.
969 Broadway, Suite 200
Oakland, CA 94607
Attn: Legal Department
Telephone: _____

- (l) **Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.
- (m) **Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- (n) **Survival.** All warranties, representations, and covenants made by Developer in this Agreement or in any certificate or other instrument delivered by Developer to City under this Agreement shall be considered to have been relied upon by the City and will survive the payment of any Program Payments under this Agreement regardless of any investigation made by the City or on City's behalf.
- (o) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (p) **Undocumented Workers.** The Developer certifies that Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of any public subsidy provided under this Agreement to Developer plus six percent (6.0%), not later than the 120th day after the date the City notifies Developer of the violation.

- (q) In accordance with Section 2270.002 of the Texas Government Code (as added by Tex. H.B. 89, 85th Leg., R.S. (2017)), the Developer verifies that it does not boycott Israel and will not boycott Israel during the Term of this Agreement.
- (r) In accordance with Section 2252.152 of the Texas Government Code (as added by Tex. S. B. 252, 85th Leg., R.S. (2017)), the Parties covenant and agree that Developer is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.
- (s) **Estoppel Certificate.** Upon written request by Developer to City, City will provide Developer with a certificate stating, as of the date of the certificate, (i) whether this Agreement is in full force and effect and, if Developer is in breach of this Agreement, the nature of the breach, and (ii) a statement as to whether this Agreement has been amended and, if so, the identity and substance of each amendment.

[The Remainder of this Page Intentionally Left Blank]

THE INCENTIVES IN THIS AGREEMENT SHALL BE NULL AND VOID IF NOT SIGNED BY DEVELOPER AND RETURNED TO THE CITY BY DECEMBER 31, 2021.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed.

CITY:

CITY OF LANCASTER, TEXAS,
a Texas home-rule municipality

By: _____
Opal Mauldin-Jones, City Manager

Date: _____

ATTEST:

Sorangel O. Arenas, City Secretary

APPROVED AS TO FORM:

David T. Ritter, City Attorney

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 2021 by Opal Mauldin-Jones, City Manager of the City of Lancaster, Texas, a Texas home-rule municipality, on behalf of said municipality.

Notary Public, State of Texas

DEVELOPER:

THREDUP, INC.
a Delaware Corporation

Name: _____

Title: _____

Date Signed: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on the ____ day of _____, 2021 by _____ of Thredup, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, County of _____, Texas

Exhibit A

Legal Description and/or Depiction
of the Property

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

21.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Quality Development

Submitted by: Shane Shepard, Economic Development Director

Agenda Caption:

Discuss and consider a resolution ratifying a grant agreement, in an amount not to exceed one hundred seventy thousand dollars (\$170,000), with Project Rex (ThredUp, Inc.) from funds collected from the one-fourth (1/4) of one (1) percent additional sales and use tax for the promotion and development of new and expanded business enterprises, as authorized by state law.

Background:

Project Rex is a company that sells products online and plans to fulfill these orders at the Lancaster location.

The company is contracted to lease a 600,000 square foot building located at the southeast corner of I-35E and I-20. The building is currently under construction. Construction of the building is expected to be completed by the third quarter of 2022. There will be no financial incentives for the real property (building) owner.

The company plans to invest fifty million dollars (\$50,000,000) in Business and Personal Property in the building. The Project Rex (ThredUp, Inc.) facility will allow the addition of a minimum of one thousand five hundred (1,500) new jobs within three (3) years after completion. Wages will be based on market demand however, this agreement will provide the company with financial incentives for jobs going to local residents that pay over fifty thousand dollars (\$50,000) annually.

The maximum grant amount for the project is one hundred seventy thousand dollars (\$170,000) as described below:

Lancaster Employment Incentive. For each resident of Lancaster, Texas that is employed in a Full-Time Equivalent Employment Position at the Facility, ("resident of Lancaster, Texas" being defined as a person who has resided in the City for at least two years prior to the date claimed as a qualifying employee by Developer), the Lancaster Economic Development Corporation (LEDC) grant will pay to ThredUp \$1,000, up to a total of one hundred fifty (150) qualifying employees totalling one hundred fifty thousand dollars (\$150,000). Supporting documentation must accompany each claim, and all submissions for the payments must be submitted to the City no later than January 1, 2026; and

Inland Port Transportation Management Association Grant. LEDC covenants and agrees to provide an Inland Port Transportation Management Association (IPTMA) Grant of funds of up to twenty thousand dollars (\$20,000). The total grant amount will reimburse the company for expenses related to being a member of the Inland Port Transportation Management Association for two years. Documentation must be supplied showing evidence of expenditure and membership in the Inland Port Transportation Management Association. LEDC will provide the reimbursement to Developer within thirty (30) days of

receipt of records demonstrating: (1) the amount of Developer's membership dues for the IPTMA, and (2) Developer's membership for not less than a period of two (2) years in IPTMA.

Operational Considerations:

The administrative elements of monitoring the incentive agreement are well within the scope of staff activities.

Legal Considerations:

The City Attorney has reviewed and approved the resolution and agreement as to form.

Public Information Considerations:

This item is being considered at a meeting of the City Council, noticed and held in accordance with the Texas Open Meetings Act. The item was approved at the special meeting of the Lancaster Economic Development Corporation held on September 9th, 2021.

Fiscal Impact:

The total incentive cost will not exceed one hundred seventy thousand dollars (\$170,000) over the term of the agreement. Adequate funds are available in the Lancaster Economic Development Corporation account balance, however, were not budgeted.

Options/Alternatives:

1. City Council may approve the resolution, as presented.
2. City Council may deny the resolution.

Recommendation:

1. The Lancaster Economic Development Corporation recommended approval of the item at their September 9, 2021 meeting.
2. Staff concurs with the Lancaster Economic Development Corporation and recommends approval.

Attachments

Resolution

Exhibit A - Performance Agreement

Draft Minutes 09.09.2021

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, RATIFYING THE TERMS AND CONDITIONS OF AN ECONOMIC DEVELOPMENT GRANT AGREEMENT BY AND BETWEEN THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER TEXAS, (LEDC) AND PROJECT REX (THRED UP) AND AUTHORIZING THE LEDC TO ENTER INTO A FORMAL AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Project Rex (Thred Up) seeks to lease and initiate operations in a building that is currently under construction, located at 3800 N I-35E (southeast corner of I-35E and I-20), a location within the City of Lancaster, Texas; and

WHEREAS, pursuant to Lancaster Economic Development Corporation (hereinafter "LEDC") Resolution 2021-01-04, which was passed and approved on the 9th of September, 2021 by the Board of Directors of the LEDC, providing an incentive grant to Project Rex (Thred Up); and

WHEREAS, the City of Lancaster and LEDC recognize the importance of their continued role in economic development in the community of Lancaster; and

WHEREAS, the City of Lancaster and LEDC are authorized by state law to issue grants in order to promote local economic development by stimulating the local economy; and

WHEREAS, an Economic Development Grant Agreement containing the terms of the grant of incentives from the LEDC is appropriate.

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

SECTION 1. SECTION 1. The City Council of the City of Lancaster, Texas ratifies the September 9, 2021 actions of the Board of Directors of the LEDC approving a Grant Agreement by and between Project Rex (Thred Up) and the Lancaster Economic Development Corporation, as set forth in and incorporated by reference as Exhibit A.

SECTION 2. SECTION 2. The City Council authorizes the LEDC to enter into the Grant Agreement with Project Rex (Thred Up).

SECTION 3. SECTION 3. That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 13th day of September, 2021.

ATTEST:

APPROVED:

Sorangel O. Arenas, City Secretary

Clyde C. Hairston, Mayor

APPROVED AS TO FORM:

David T. Ritter, City Attorney

EXHIBIT A

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **THREDUP, INC.** a Delaware corporation (hereinafter referred to as “Developer”), and the **LANCASTER ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “LEDC”), is made and executed on the following recitals, terms and conditions.

WHEREAS, LEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are: (1) for the creation or retention of primary jobs; and (2) found by the board of directors to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities; (B) research and development facilities; (C) military facilities, including closed or realigned military bases; . . . (F) recycling facilities; . . . (I) distribution centers; (J) small warehouse facilities capable of serving as decentralized storage and distribution centers; (K) primary job training facilities for use by institutions of higher education; or (L) regional or national corporate headquarters facilities”; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless LEDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by LEDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by LEDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, Developer has applied to LEDC for financial assistance for facility to be located within the city limits of the City of Lancaster, Texas; (“the Facility”) on real property owned or leased by the Developer (“the Property”) and

WHEREAS, the LEDC’s Board of Directors have determined the financial assistance provided to Developer for Facility operations located on the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.101 and 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section

501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas Local Government Code requires the City Council of the City of Lancaster, Texas, to approve all programs and expenditures of LEDC, and accordingly this Agreement is not effective until City Council has approved this Agreement at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LEDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, as defined herein, and shall continue thereafter until **January 1, 2028**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **Certificate of Occupancy.** The words “Certificate of Occupancy” mean a certificate of occupancy (or its local equivalent) for the shell improvements at the Facility.
- (d) **City.** The word “City” means the City of Lancaster, Texas, a Texas home-rule municipality, whose address for the purposes of this Agreement is 211 N. Henry Street, Lancaster, Texas 75146.
- (e) **Developer.** The word “Developer” means **Thredup, Inc.** a Delaware Corporation, its successors and assigns, whose address for the purposes of this Agreement is 969 Broadway, Suite 200, Oakland, CA 94607.

- (f) **Effective Date.** The words “Effective Date” mean the date that the City Council authorizes this Agreement.
- (g) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (h) **Facility.** The word Facility means Developer’s leased operations facility located on the Property and as described and/or depicted in ***Exhibit B*** of this Agreement, which is attached hereto and incorporated herein for all purposes. In order to qualify as the “Facility” under this Agreement, the facility must meet all of the following criteria: (1) be located within the City; and (2) maintain a Certificate of Occupancy during the duration of this Agreement; and (3) remain in operation in the City of Lancaster for at least three (3) years following the disbursement of funds under this Agreement.
- (i) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position(s)” mean a job requiring a minimum of One Thousand Nine Hundred Twenty (1,920) hours of work averaged over a twelve-month period with such hours also to include any vacation and sick leave, and with annual wages not less than fifty-thousand and no/100 dollars (\$50,000).
- (j) **LEDC.** The word “LEDC” means the Lancaster Economic Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is P.O. Box 940, Lancaster, Texas 75146.
- (k) **Property.** The word “Property” means the approximately 34.3-acre tract or tracts of land located at 3800 North I-35E, as generally described and/or depicted in ***Exhibit A*** of this Agreement, which is attached hereto and incorporated herein for all purposes, together with any other adjacent land owned, leased or hereafter acquired by Developer
- (l) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with LEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Occupation of Facility.** Developer covenants and agrees to maintain and actively operate the Facility located on the Property by **January 1, 2023** and for a period of no less than three (3) years following the disbursement of funds under this Agreement.

- (b) **Certificate of Occupancy.** Developer covenants and agrees to obtain or cause to be obtained a Certificate of Occupancy from the City for the Facility located on the Property by **January 1, 2023**.
- (c) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between Developer and LEDC and between Developer and City.
- (d) **Payment of City Fees.** Developer covenants and agrees to pay to the City all City-related development fees for the development of the Property, construction of the Facility and for Facility Operations. Those fees include (but may not be limited to) the following: special use permit fees, building permit fees, sign permit fees, plan review fees, plumbing, heating and electrical permit fees, grading permit fees, architectural review fees, variance application fees, and zoning change fees.
- (e) **Provision of Records.** Developer covenants and agrees to provide to City all receipts, purchase orders, funds transfers, checks, charges, and all other supporting documentation that City may request to demonstrate the costs incurred and paid by Developer related to the investment in equipment, machinery and other Business Personal Property, verification of employment and salary, payment of taxes and valuation information related to this Agreement. Developer shall supply to City all information related to employment requirements upon initial hiring and annually thereafter. Developer will provide all receipts and supporting documentation to City within ninety (30) days of payment of taxes, and within thirty (30) days of a written request by the City for information regarding valuation.
- (f) **Investment Threshold.** Developer covenants and agrees to show evidence of expenditure of a minimum of fifty million dollars (\$50,000,000) for equipment, machinery and other Business Personal Property located at and used for the Facility.
- (g) **Place of Business for Tax Purposes.** Developer covenants and agrees that its Facility will be designated as a “place of business” so that sales tax on goods and/or services will be sourced to the City of Lancaster, Texas for the purposes of Texas sales tax law. If a legislative change to Texas law occurs after the commencement of the Term of this Agreement that renders this affirmative obligation impossible for Developer to meet, the Parties agree that Developer is not required to comply with this subsection for the duration of the legislatively-created conditions, but the Program Payment set forth in Section 5(a)(3) will not be available to Developer.
- (h) **Employment Positions and Full-Time Equivalent Employment Positions.** Developer covenants and agrees to: (1) establish not fewer than one thousand five hundred (1,500)

new Full Time employment positions at the Facility by January 1, 2026 such positions to be maintained throughout the remaining Term of this Agreement.

- (i) **Community Investment.** Developer covenants and agrees to invest an amount equivalent to one half of one percent (1/2 of 1%) of total annual City property taxes paid to sponsor community events and activities as evidenced by receipts of expenditure during the term of this Agreement. The amount calculated will be calculated using the gross tax amount paid prior to any rebates or refunds of tax under this or any other economic development agreement. The selection of a specific event or events is at the sole discretion of the Developer but requires a determination of eligibility by the Economic Development Director.
- (j) **Future Store Location.** If Developer chooses to establish a future retail or outlet store in the Dallas-Fort-Worth area, Developer covenants and agrees to make best efforts to locate the store within one of the City's targeted redevelopment areas: West Pleasant Run Road corridor; I-35E corridor; Town Square area; or Campus District.
- (k) **Site Visit.** Developer covenants and agrees to grant a tour of the Facility at least once every four years of the term of the Agreement to a delegation from the City.

SECTION 5. AFFIRMATIVE COVENANTS OF LEDC.

LEDC covenants and agrees with the Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Lancaster Employment Incentive.** For each resident of Lancaster, Texas that is employed in a Full-Time Equivalent Employment Position at the Facility, ("resident of Lancaster, Texas" being defined as a person who has resided in the City for at least two years prior to the date claimed as a qualifying employee by Developer), LEDC will pay to Developer \$1,000, up to a total of 150 qualifying employees (\$150,000.00). Supporting documentation must accompany each claim, and all submissions for the payments must be submitted to the City no later than January 1, 2026.
- (b) **Inland Port Transportation Management Association Grant.** LEDC covenants and agrees to provide an Inland Port Transportation Management Association Grant of funds of up to **twenty thousand and no/100 Dollars (\$20,000.00)**. The total grant amount will reimburse the company for expenses related to being a member of the Inland Port Transportation Management Association for two years. Documentation must be supplied showing evidence of expenditure and membership in the Inland Port Transportation Management Association. LEDC will provide the reimbursement to Developer within thirty (30) days of receipt of records demonstrating: (1) the amount of Developer's

membership dues for the IPTMA, and (2) Developer's membership for not less than a period of two (2) years in IPTMA.

- (c) **Maximum LEDC Payment under this Agreement.** The Parties agree that, notwithstanding anything to the contrary in this Agreement or any other agreement between Developer and LEDC or City involving the Facility and/or Property, LEDC's maximum payment to Developer under the terms provided for hereunder (provided all conditions precedent to payment set forth herein are met) shall be **one hundred seventy thousand and no/100 Dollars (\$170,000.00)**.

SECTION 6. CESSATION OF ADVANCES.

If LEDC has made any commitment to make any advance of financial assistance to Developer, whether under this Agreement or under any other agreement, LEDC shall have no obligation to advance or disburse any financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs and is not cured within the time period provided in Section 8.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **Insufficient Capital Expenditures or Jobs.** Failure of Developer to comply with or to perform those acts or requirements set forth in Section 4 is an Event of Default.
- (b) **Failure to Make Payments.** Failure of the LEDC to comply with or to perform those acts or requirements set forth in Section 5 is an Event of Default.
- (c) **General Event of Default.** Failure of Developer or LEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or LEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and LEDC, or between Developer and City is an Event of Default.
- (d) **False Statements.** Any warranty, representation, or statement made or furnished to the LEDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, as of the time made or furnished is an Event of Default.
- (e) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or

insolvency laws by or against Developer is an Event of Default.

- (f) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure within thirty (30) days after written notice thereof from LEDC and/or Dallas County Central Appraisal District is an Event of Default.
- (g) **Operations.** Developer will maintain its Facility within the City of Lancaster in full operations for not less than three (3) years after the disbursement of funds under this Agreement. Failure to do so will cause a non-remediable Event of Default and all funds disbursed under this Agreement will be returned to LEDC within thirty (30) days.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure a monetary default and ninety (90) days to cure a non-monetary default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by LEDC to Developer pursuant to Section 5 of this Agreement shall become immediately due and payable by Developer to the LEDC.

SECTION 9. INDEMNIFICATION.

TO THE EXTENT ALLOWED BY LAW, THE PARTIES AGREE TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND THEIR RESPECTIVE OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT. NOTHING HEREIN SHALL BE INTERPRETED AS A WAIVER OF CITY'S GOVERNMENTAL IMMUNITY FROM SUIT OR

DAMAGES.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Dallas County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts or federal courts for Dallas County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party (which consent shall not be unreasonably withheld, conditioned, or delayed). Any restrictions herein on the transfer or assignment of Developer's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a subsidiary or affiliate of Developer, an acquirer of substantially all of Developer's assets, or any corporation or other entity with which Developer may merge or consolidate or that may succeed to a controlling interest in the business of Developer or in which Developer owns more than a twenty percent (20%) equity interest..
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. LEDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement

that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, pandemic or wide-spread disease, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.

- (h) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the “Notice”) is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested. The parties agree to keep the other party or parties informed of their address at all times during the Term of this Agreement. The Notices shall be addressed as follows:

if to Developer:	Thredup, Inc. 969 Broadway, Suite 200 Oakland, CA 94607 Attn: _____ Telephone: _____
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With a copy by the same means to:	Thredup, Inc. 969 Broadway, Suite 200 Oakland, CA 94607 Attn: <u>Legal Department</u> Telephone: _____
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if to LEDC:	Lancaster Economic Development Corporation P.O. Box 940 Lancaster, Texas 75146 Attn: Economic Development Director Telephone: 972/218-1314
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- (i) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

- (j) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (k) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of six percent (6%), not later than the 120th day after the date LEDC notifies Developer of the violation.
- (l) In accordance with Section 2270.002 of the Texas Government Code (as added by Tex. H.B. 89, 85th Leg., R.S. (2017)), the Developer verifies that it does not boycott Israel and will not boycott Israel during the Term of this Agreement.
- (m) In accordance with Section 2252.152 of the Texas Government Code (as added by Tex. S.B. 252, 85th Leg., R.S. (2017)), the Parties covenant and agree that Developer is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to Section 806.051, 807.051, or 2252.153 of the Texas Government Code.
- (n) **Estoppel Certificate.** Upon written request by Developer to LEDC, LEDC will provide Developer with a certificate stating, as of the date of the certificate, (i) whether this Agreement is in full force and effect and, if Developer is in breach of this Agreement, the nature of the breach, and (ii) a statement as to whether this Agreement has been amended and, if so, the identity and substance of each amendment.

[The Remainder of this Page Intentionally Left Blank]

DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

DEVELOPER:

***THREDUP, INC.,
a Delaware corporation***

By: _____

Name:

[Position]:

Date Signed: _____

STATE OF TEXAS

§

§

COUNTY OF _____

§

This instrument was acknowledged before me on the _____ day of _____, 2021 by _____, _____ of Thredup, Inc. a Delaware corporation, on behalf of said Delaware corporation.

Notary Public, State of Texas

LEDC:

***LANCASTER ECONOMIC
DEVELOPMENT CORPORATION,***
a Texas non-profit corporation

By: _____

Name: Ted Burk

President

Date Signed: _____

ATTEST:

Shane Shepard, Assistant Secretary

STATE OF TEXAS

§

§

COUNTY OF DALLAS

§

This instrument was acknowledged before me on the _____ day of _____ 2021, by _____, President of the Lancaster Economic Development Corporation, a Texas non-profit corporation, on behalf of said Texas corporation.

Notary Public, State of Texas

Exhibit A

[Legal Description and/or Depiction of Property]

Exhibit B

[Facility – Site Plan]

MINUTES

LANCASTER ECONOMIC DEVELOPMENT CORPORATION SPECIAL WORK SESSION AND SPECIAL BOARD MEETING OF SEPTEMBER 9, 2021

The Lancaster Economic Development Board of the City of Lancaster, Texas, met in a called Special Work Session and Special Board Meeting in the Council Chambers of City Hall on September 9, 2021 at 5:30 p.m. with a quorum present to-wit:

Board Members Present (Zoom):

Ted Burk, President
Ellen Clark, Vice President
Sandi Collier, Board member

Board Members Absent:

Adrienne Davis, Board member
Octavia Giadolor, Board member

City Staff Present:

Shane Shepard, Director of Economic Development/Assistant Board Secretary
Carey D. Neal, Jr., Assistant City Manager
Mike Delmore, Director of Finance
Karl Stundins, Research and Business Development Manager

Call to Order:

President Burk called the meeting to order at 5:33 p.m. on September 9, 2021.

Special Work Session

1. **Discuss a repayment to the Texas Comptroller in the amount of twenty-three thousand, three hundred eighty-eight dollars (\$23,388) for a taxpayer claim of over accrual of use taxes.**

Economic Development Director Shepard briefed the board on this item.

Public Testimony:

At this time, citizens who have pre-registered before the call to order will be allowed to speak on consent or action items on the agenda, with the exception of public hearings, for a length of time not to exceed three minutes. Anyone desiring to speak on an item scheduled for a public hearing is requested to hold their comments until the public hearing on that item.

There were no speakers.

Consent Agenda:

1. **Consider approval of minutes from the Lancaster Economic Development Corporation (LEDC) Special Meeting held on March 3, 2021 and the Special Meeting held on April 29, 2021.**

MOTION: Board Member Collier made a motion to approve this item, seconded by Vice President Clark. The vote was cast 3 for, 0 against.

Action:

- 2. Discuss and consider a resolution for a Performance Agreement by and between the Lancaster Economic Development Corporation and Project Rex (ThredUp, Inc.).**

Economic Development Director Shepard read the item and provided the staff report. The Board discussed this item.

MOTION: Board Member Collier made a motion to approve this item, seconded by Vice President Clark. The vote was cast 3 for, 0 against.

Vice President Clark made a motion to adjourn, seconded by Board Member Collier. The vote was cast 3 for, 0 against. The meeting was adjourned at 5:41 p.m.

ATTEST:

APPROVED:

Shane Shepard, Assistant Board Secretary

Ted Burk, President

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

22.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Opal Mauldin-Jones, City Manager
David Ritter, City Attorney

Agenda Caption:

City Council shall convene into closed executive session to consult with the City's Attorney regarding pending or contemplated litigation pursuant to Texas Government Code Section 552.971(1)(a): litigation regarding taxation under 34 TAC 3.334.

CITY OF LANCASTER CITY COUNCIL

City Council Regular Meeting

23.

Meeting Date: 09/13/2021

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Opal Mauldin-Jones, City Manager
David Ritter, City Attorney

Agenda Caption:

Reconvene into open session and take any action necessary.