

**AGENDA
BENBROOK CITY COUNCIL
THURSDAY, OCTOBER 4, 2018
911 WINSCOTT ROAD, BENBROOK, TEXAS
PRE-COUNCIL WORKSESSION 7:00 P.M.
CENTRAL CONFERENCE ROOM
1. Review and discuss agenda items for regular meeting
REGULAR MEETING 7:30 P.M.
COUNCIL CHAMBERS
ALL AGENDA ITEMS ARE SUBJECT TO FINAL ACTION**

I. CALL TO ORDER

II. INVOCATION/PLEDGE OF ALLEGIANCE

Invocation To Be Given By Pastor Steve Beaulieu Of Restoration Family Church

III. MINUTES

1. Approve Minutes Of The Regular Meeting Held September 20, 2018

Documents:

[CC MINUTES-09-20-18.PDF](#)

IV. PROCLAMATIONS/AWARDS/RECOGNITION

1. Receive 2018 Planning Excellence Certification From Texas Chapter Of The American Planning Association

V. REPORTS FROM CITY MANAGER

A. GENERAL

G-2375 Approve Investment Report For Quarter Ending June 30, 2018

Documents:

[G-2375 APPROVE INVESTMENT REPORT - JUNE 18.PDF](#)
[G-2375 INVESTMENT REPORT - JUNE 2018.PDF](#)

G-2376 Approve Administrative Regulation F-5 - Investment Policy

Documents:

[G-2376 APPROVE F-5 INVESTMENT POLICY.PDF](#)
[G-2376 INVESTMENT POLICY - OCT 2018.PDF](#)
[G-2376 RESOLUTION ACCEPTING INVESTMENT POLICY.PDF](#)

G-2377 Approve Update To Chapter 22, Section 6 And 7, Benbrook Personnel Policy Related To Tattoos, Body Art, Piercings, Jewelry And Body Modifications

Documents:

[G-2377 AMEND PERSONNEL POLICY.PDF](#)

[G-2377 TATTOO AND BODY ART POLICY.PDF](#)

B. CONTRACT

C-319 Award Contract For Employee Health Insurance

Documents:

[C-319 HEALTH INSURANCE.PDF](#)

C-320 Award Contract For Employee Dental Insurance

Documents:

[C-320 DENTAL INSURANCE.PDF](#)

VI. INFORMAL CITIZEN COMMENTS

VII. COUNCIL MEMBER AND STAFF COMMENTS

VIII. ADJOURNMENT

WORKSESSION

1. Update on commercial projects



**MINUTES
OF THE
MEETING OF THE
BENBROOK CITY COUNCIL
THURSDAY, SEPTEMBER 20, 2018**

The regular meeting of the Benbrook City Council was held on Thursday September 20, 2018 at 7:30 p. m. in the Council Chambers at 911 Winscott Road with the following Council members present:

Jerry Dittrich, Mayor
Renee Franklin
Larry Marshall
Rickie Allison
Jim Wilson
Mark Washburn
Ron Sauma

Also Present:

Andy Wayman, City Manager
Joanna King, City Secretary
Jim Hinderaker, Assistant City Manager
Sherri Newhouse, Finance Director
David Babcock, Police Commander
Rick Overgaard, Finance Director
Amanda Valdez, Management Analyst

Others Present:

Bill Smith
Laura Mackey
Dustin Phillips
Gabriel Rincon

I. CALL TO ORDER

Meeting called to order at 7:30 p. m. by Mayor Jerry Dittrich.

II. INVOCATION/PLEDGE OF ALLEGIANCE

Invocation given by Councilmember Dr. Larry Marshall.
The Pledge of Allegiance was recited.

III. MINUTES

1. Minutes of the regular meeting held September 6, 2018

Motion by Dr. Marshall, seconded by Mr. Allison to approve the minutes of the regular meeting held September 6, 2018.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

IV. PRESENTATION BY PLANNING AND ZONING COMMISSION

PZ-2018-07

Z-18-06

Adopt Ordinance rezoning a 0.526-acre lot, legally described as Lot 2, Block 6, Benbrook Estates Addition and addressed as 102 San Saba Avenue, from “B” One-Family District to “CR” Multiple-Family Restricted District (located northeast of the intersection of Benbrook Boulevard (US Highway 377) and Mercedes Street).

The applicant seeks to rezone 102 San Saba Avenue, legally described as Lot 2, Block 6, Benbrook Estates Addition, from “B” One-Family District to “CR” Multiple-Family Restricted District. If approved, the applicant plans to raze the existing single-family dwelling and construct a two-family dwelling unit structure. The new dwelling units will each have 3 bedrooms, 2 bathrooms, and an attached one-car garage.

Lot 2, Block 6 was platted as part of the Benbrook Estates Addition in 1946 and the existing single-family home was built in 1947. City Council has approved approximately 10 similar zone change requests in the surrounding area, since adoption of the Land Use Plan supporting higher density redevelopment of the area.

Two-Family dwellings require 2 parking spaces for each family dwelling unit. Required off-street parking spaces shall be a minimum of 9ft in width and 18ft in length and must be placed behind the required front yard setback lines.

This request is consistent with the city’s Comprehensive Plan: The Land Use Plan designates this area for Medium Density Residential, which provides for

developments with a net density between 6.25 and 12.5 dwelling units per acre. The "CR" District is consistent with Medium Density Residential development.

The Comprehensive Plan states that the density of new residential areas should be in the same range as the average density of adjacent existing development. While there are several single-family residences nearby, the Comprehensive Plan has also designated this area to be Medium Density Residential. Over time, this area will see less single-family homes and more Medium Density Residential development.

The "CR" District allows for the construction of two-family dwelling units and is intended to be a transition zone from single family districts to higher residential density districts and/or commercial zoning districts. "CR" District zoning designation is compatible with the surrounding development and zoning districts:

Mayor Dittrich opened the public hearing at 7:35 p.m.

Gabriel Rincon spoke in opposition to the rezoning, expressing concerns for the additional parking and construction of a multi-family residence next door to his property.

With no other speakers, Mayor Dittrich closed the public hearing at 7:36 p.m.

Motion by Mr. Allison, seconded by Mr. Sauma to adopt Ordinance No. 1430 rezoning Lot 2, Block 6, Benbrook Estates Addition from "B" One-Family District to "CR" Multiple Family Restricted District.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

Ordinance No. 1430 being **AN ORDINANCE AMENDING TITLE 17 - ZONING OF THE BENBROOK MUNICIPAL CODE (1985), AS AMENDED, BY CHANGING THE ZONING CLASSIFICATION OF 0.526 ACRES OF LAND, LEGALLY DESCRIBED AS LOT 2, BLOCK 6, BENBROOK ESTATES ADDITION, TARRANT COUNTY, BENBROOK, TEXAS, FROM "B" ONE-FAMILY DISTRICT TO "CR" MULTIPLE-FAMILY RESTRICTED DISTRICT, AND BY AMENDING THE OFFICIAL ZONING MAP TO REFLECT THE CHANGE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE;**

PROVIDING FOR PUBLICATION IN PAMPHLET FORM; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

**SECTION 6
PENALTY CLAUSE**

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for all violations involving zoning, fire safety or public health and sanitation, including dumping of refuse, and shall be fined not more than Five Hundred Dollars (\$500.00) for all other violations of this ordinance. Each day that a violation is permitted to exist shall constitute a separate offense.

**SECTION 11
EFFECTIVE DATE**

This ordinance shall be in full force and effect from and after its passage and it is so ordained

V. REPORTS FROM CITY MANAGER

A. GENERAL

G-2370 Accept Finance Report for period ending August 31, 2018

Rick Overgaard gave the following report: General Fund revenues for the month of August were \$650,357. Property tax collections were \$50,703. Sales tax collected and recognized as revenue in August 2018 was \$244,494. Sales tax in the fourth quarter continued an upward trend compared to last fiscal year but the significant increase in August is likely due to the timing of remittance from individual businesses to the State of Texas. Total Franchise Fees for August were \$69,387, and revenue from Charges for Services were \$69,495. Additional franchise fee payments are anticipated prior to the end of the fiscal year. General Fund revenues collected through the end of August were \$17,120,777 or 90 percent of the budget.

General Fund expenditures for the month of August were \$3,229,232, which is higher than last August because of the planned transfer from General Fund reserves to other funds of \$2,000,000. Last year, transfers of \$1,370,000 were made in February 2017. Expenditures through the end of August were \$17,684,325 or 86 percent of the adopted budget.

For the 2017-18 fiscal year-to-date, total General Fund expenditures of \$17,684,325 exceeded General Fund revenues of \$17,120,777 by \$563,548. The

FY 2017/2018 budget called for a planned draw down of general fund reserves, with expenditures (including transfers) to exceed revenues by \$1,564,917. The budgeted use of General Fund Reserves is for capital projects including the animal shelter (\$1,000,000), capital asset replacement fund to save for a new fire engine (\$500,000), and capital facilities fund to begin saving for facility upgrades to the police station and city hall (\$500,000).

Debt Service revenues for the month of August totaled \$1,072,743; all revenue was from the annual transfers from other funds. There were no expenditures for August. Total revenues for 2017-18 in the amount of \$1,578,446 exceeded total expenditures of \$1,519,299 by \$59,147.

EDC revenues as of August 31, 2018, were \$ 1,154,553. Revenue was from the EDC's portion of sales tax and interest on investments. EDC expenditures through the end August were \$2,540,213, with \$1,161,729 for land acquisition. Total expenditures exceeded total revenues by \$1,385,660.

Total revenues received through August 31, 2018 were \$3,829,581 from Stormwater Utility fees, TIF income, mineral lease revenue, interest earnings, and a transfer in of \$1,500,000 from other funds in August. Total expenditures for the Capital Projects Fund were \$5,701,329 through the end of August 2018. August expenditures, in the amount of \$1,446,822, were for the following projects: Plantation West Drainage, Animal Shelter, Clear Fork Emergency Access Bridge, and transfers out of \$1,070,467 to the Debt Service fund for debt service. Total expenditures exceeded total revenues by \$1,871,748. Sufficient funds are available in the current fund balances of the Capital Projects Fund. This fund operates on a project basis rather than a specific fiscal year.

On August 31, 2018, the City had \$19,855,487 invested at varying interest rates; the EDC had \$4,833,749 available.

Motion by Mr. Washburn, seconded by Mr. Wilson to accept the finance report for the period ending August 31, 2018.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2371 Adopt Ordinance approving budget figures for Fiscal Year 2018-2019

Motion by Dr. Marshall, seconded by Ms. Franklin to adopt Ordinance No. 1431 approving budget figures for Fiscal Year 2018-2019.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

Ordinance No. 1431 being **“AN ORDINANCE OF THE CITY OF BENBROOK, TEXAS, APPROVING BUDGET FIGURES FOR THE FISCAL YEAR 2018 THROUGH 2019; APPROVING AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019, AND MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT AND ACCOUNT; ACCEPTING AND APPROVING THE EMPLOYEE CIVIL SERVICE CLASSIFICATIONS; REPEALING CONFLICTING ORDINANCES; PROVIDING A SAVINGS CLAUSE AND SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE.”**

G-2373 Adopt Ordinance fixing and levying Ad Valorem Tax for 2018

Motion by Ms. Franklin, seconded by Mr. Allison to adopt Ordinance No. 1432 fixing and levying Ad Valorem Tax for 2018.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BENBROOK, TEXAS, FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019, AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED, AT THE RATE OF \$0.6400 PER ONE HUNDRED DOLLARS (\$100.00) ASSESSED VALUE ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF BENBROOK,

TEXAS, AS OF JANUARY 1, 2018, TO PROVIDE REVENUES FOR THE PAYMENT OF CURRENT EXPENSES AND TO PROVIDE AN INTEREST IN DEBT SERVICE FUNDS ON ALL OUTSTANDING DEBTS OF THE CITY; DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE CITY COUNCIL; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE AND DECLARING AN EFFECTIVE DATE.”

G-2373 Ratify property tax revenue reflected in the 2018-2019 budget

Motion by Mr. Wilson, seconded by Mr. Sauma to ratify the property tax revenue reflected in the 2018-2019 budget.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

G-2374 Adopt Resolution approving a negotiated settlement between Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the 2018 Rate Review Mechanism Filings

Sherri Newhouse gave the following report: The City of Benbrook, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division (“Atmos Mid-Tex” or “Company”), is a member of the Atmos Cities Steering Committee (“ACSC”). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism (“RRM”), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members earlier this year. On or about April 1, 2018, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of \$42.0 million. Application of the standards set forth in ACSC’s RRM Tariff required Atmos to reduce its request to \$27.4 million. After review of the consultants’ report, the Company offered to settle

for a system-wide increase of \$25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of \$24.9 million. That increase when allocated to ACSC members results in an increase of \$17.8 million. The Effective Date for new rates is October 1, 2018. ACSC members should take action approving the Resolution before the end of September.

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

Motion by Dr. Marshall, seconded by Mr. Wilson to adopt Resolution 2018-07 approving negotiated settlement between Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex regarding 2018 Rate Review Mechanism.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

Resolution 2018-07 being "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENBROOK, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE

RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

B. CONTRACT

C-318 Approve contract with All City Management Services for Crossing Guard Services

David Babcock gave the following report: Historically, the police department has administered eight (8) school crossing guard positions. Over the last several years, it has become increasingly difficult to fill these positions despite constant recruiting efforts. As a result, sworn and non-sworn department personnel must cover the unfilled positions, losing hours of productivity each day.

The elevated risk associated with crossing guard duties cause Workers Compensation Insurance costs for these positions to be among the highest in the City. Outsourcing the crossing guard program improves the efficiency of the department and reduces Workers Compensation obligations.

The 2018/2019 budget allocates funding to contract with All City Management Services Inc. to provide crossing guard services at eight (8) locations for the 2018/2019 Fort Worth ISD school year. With a projected start date of October 22, 2018, the cost is approximately \$54,583.

Motion by Mr. Wilson, seconded by Mr. Allison to approve a contract with All City Management Services for crossing guard services.

Vote on the Motion:

Ayes: Ms. Franklin, Dr. Marshall, Mr. Allison, Mayor Dittrich, Mr. Wilson, Mr. Washburn, Mr. Sauma

Noes: None

Motion carries unanimously.

VI. INFORMAL CITIZEN COMMENTS

VII. COUNCIL MEMBER AND STAFF COMMENTS

VIII. ADJOURNMENT

Meeting adjourned at 8:00 p.m.

APPROVED:

Jerry B. Dittrich, Mayor

ATTEST:

Joanna King, City Secretary



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 10/04/18	REFERENCE NUMBER: G-2375	SUBJECT: Approve Investment Report for the quarter ending June 30, 2018.	PAGE: 1 of 1
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The Public Funds Investment Act (PFIA), Texas Government Code and the City's Investment Policy require that an Investment Report be presented to City Council.

The Investment Committee met on September 13, 2018, to review the report and ensure compliance with the City's investment policy. A copy of the Investment Report is attached and highlights are presented below.

- The total portfolio for the City and EDC at June 30, 2018 is \$27,756,699, with 80% or \$22,269,923 belonging to the City, and 20% or \$5,486,776 to the EDC.
- 56% of the combined portfolio is in bank accounts, with 33% in local government investment pools, and the remaining 11% in certificates of deposit.
- The weighted average maturity on the combined portfolio is 41 days with a 0.69% average yield to maturity.

RECOMMENDATION

Staff recommends that the City Council accept the Investment Report for the quarter ending June 30, 2018.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE:

City of Benbrook
Quarterly Investment Report
Fiscal Year 2018
for Period Ending June 30, 2018

Type	Fund Description	Current Market Value as of 3/31/2018	Net Buys(Sells)	Interest Earned	Current Market Value as of 6/30/2018	Annual Yield at 6/30/18	WAM* (Days)
Checking Accounts							
		\$ 19,585,122.89	\$ (4,096,713.55)	\$ 12,050.89	\$ 15,500,460.23	0.01%	1
Certificate of Deposits							
		\$ 3,134,566.28	\$ -	\$ 6,167.23	\$ 3,140,733.51	0.79%	358
Government Pools							
		\$ 9,076,276.62	\$ -	\$ 39,229.24	\$ 9,115,505.86	1.82%	1
	Total Portfolio	\$ 31,795,965.79	\$ (4,096,713.55)	\$ 57,447.36	\$ 27,756,699.60	0.69%	41
City of Benbrook							
		\$ 25,393,376.25	\$ (3,162,700.14)	\$ 39,247.10	\$ 22,269,923.21	0.74%	1
EDC							
		\$ 6,402,589.54	\$ (934,013.41)	\$ 18,200.26	\$ 5,486,776.39	0.47%	205
	Total Portfolio	\$ 31,795,965.79	\$ (4,096,713.55)	\$ 57,447.36	\$ 27,756,699.60	0.69%	41

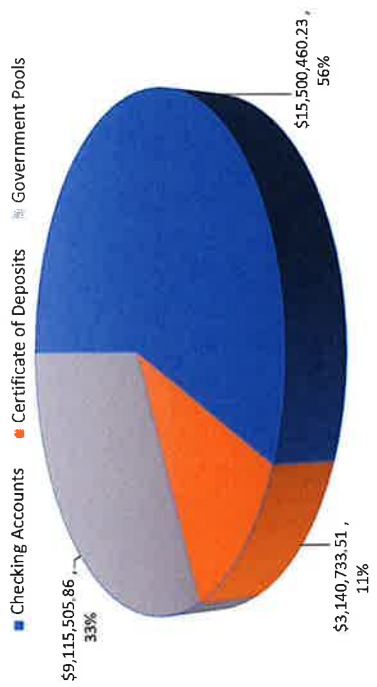
*WAM - Weighted Average Maturity

This quarterly report is in compliance with the investment policy and strategy as established by the City and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

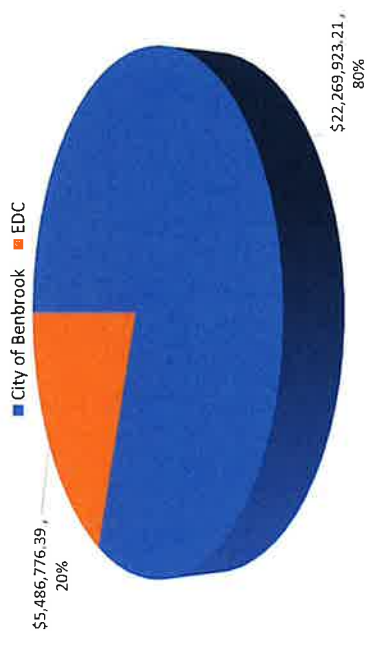
Prepared by: *Rick Overgaard*
 Rick Overgaard
 Finance Director

Lesley Marshall
 Lesley Marshall
 Accounting Supervisor

Total Cash and Investment by Type



Total Cash and Investments by Entity





City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 09/20/18	REFERENCE NUMBER: G-2376	SUBJECT: Approve Administrative Regulation F-5 – Investment Policy	PAGE: 1 of 1
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Section 2256.005 (e) of the Public Funds Investment Act requires the governing body of an investing entity to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy, investment strategies and broker/dealers; and record any changes. The City of Benbrook’s Investment Policy was first adopted by the Benbrook City Council in 1988. The Investment Policy is included in the Finance Section of the City’s Administrative Regulations, F-5. The Investment Policy was last reviewed by City Council in October 2017, as per State Law.

The Finance Department has reviewed the Investment Policy to ensure compliance with State Law and with the Public Funds Investment Act.

Pursuant to this review, the Finance Department has made the following minor changes:

- Additional language on diversification.
- Additional language regarding certificates of deposit purchased through a broker/dealer.
- Eliminating the requirement for Investment Committee minutes as they are not required by State Law and serve no useful purpose for this internal, Staff committee.
- Adding a Certification of Business Organization form as Attachment “A”.
- Adding a list of authorized broker/dealers. Staff has previously worked with these broker dealers in other municipalities.

A copy of the Investment Policy is provided.

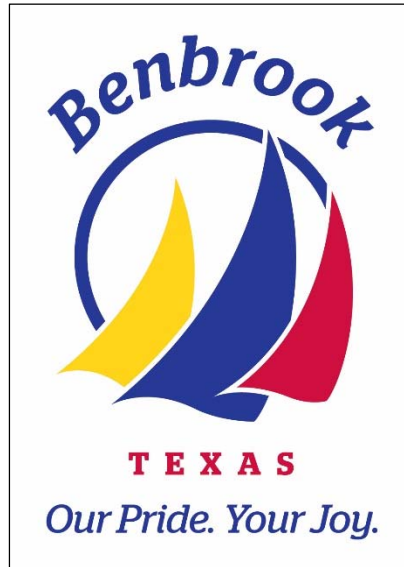
Staff has prepared a Resolution stating that the Benbrook City Council has reviewed the City’s Investment Policy.

RECOMMENDATION

Staff recommends that the City Council adopt the Resolution stating that the City Council has reviewed and accepts Administrative Regulation F-5, the City of Benbrook’s Investment Policy.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY: CITY SECRETARY
CITY MANAGER		DATE:

City of Benbrook, Texas



Investment Policy and Strategy Statement

**Adopted August 2014
Revised October 2018**

City of Benbrook Investment Policy

ARTICLE I PURPOSE AND NEED FOR POLICY

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

ARTICLE II SCOPE

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

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

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

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

- C. Review and Amendment

The City Council is required by state statute and by this investment policy to review this

investment policy and investment strategies not less than annually and to adopt a resolution or an ordinance stating the review has been completed and recording any changes made to either the policy or strategy statements.

ARTICLE III PRUDENCE

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

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

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

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

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

**ARTICLE IV
OBJECTIVES**

A. Preservation and Safety of Principal

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

B. Liquidity

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

C. Diversification

The City shall diversify its portfolio to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments. Investment shall always be selected that provide for stability of income and reasonable liquidity.

D. Yield

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

**ARTICLE V
RESPONSIBILITY AND CONTROL**

A. Delegation

Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the

Finance Director by the City Manager. The Finance Director may delegate this responsibility to the Accountant in the Finance Department. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management, and investment reporting. The Finance Director may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Finance Director and/or his representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates

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

C. Internal Controls

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

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

D. Ethics and Conflicts of Interest

An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. An investment officer who is

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

- 1) the investment officer owns ten (10) percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- 2) funds received by the investment officer from the business organization exceed ten (10) percent of the investment officer's gross income for the previous year; or,
- 3) the investment officer has acquired from the business organization, during the previous year, investments with a book value of \$2,500 or more for the personal account of the investment officer.

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

E. Investment Training Requirements

The Finance Director, the Accountant in the Finance Department and the Investment officials shall attend at least one ten-hour training session relating to their investment responsibilities within twelve (12) months after assuming their duties. In addition to this ten-hour requirement, each investment officer shall receive not less than eight hours of instruction pertaining to their investment responsibilities at least once during each two-year period. The investment training session shall be provided by an independent source approved by the investment committee. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning, or any other sponsor other than a Business Organization with whom the City of Benbrook may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act. A list will be maintained of the number of hours and

conferences attended for each investment official and a report of such information will be provided to the Investment Committee.

ARTICLE VI
AUTHORIZED INVESTMENTS

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized investment rating firm not less than "A" or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas:
 - 1) and such Certificates of Deposit are:
 - a) Guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) or their successors; or,
 - b) Secured by obligations described in Article VI, sections A through D above.
 - 2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.
- G. Certificates of Deposit purchased through an approved broker/dealer:
 - 1. From a bank branch within the United States; and
 - 2. amounts purchased must be under the FDIC limit of \$250,000; and
 - 3. require 3 competitive bids.

- H. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 102 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

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

- I. No-load money market mutual funds if the mutual fund:
- 1) is registered with and regulated by the Securities and Exchange Commission;
 - 2) has a dollar-weighted average stated maturity of 90 days or fewer; and,
 - 3) includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.
- J. Investment instruments not authorized for purchase by the City of Benbrook include the following:
- 1) Banker's Acceptances;
 - 2) "Bond" Mutual Funds;
 - 3) Collateralized Mortgage Obligations of any type; and,
 - 4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.
- K. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the

investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take.

ARTICLE VII PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. Bidding Process for Investments

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

- 1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and,
- 2) treasury and agency securities purchased at issue through an approved broker/dealer. At least three bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed as long as maturity extensions, credit quality changes, and profits or losses taken are within the other guidelines set forth in this policy.

B. Maximum Maturities

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

C. Maximum Dollar-Weighted Average Maturity

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

D. Diversification

The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification

strategies, the following general policies and constraints shall apply.

- 1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- 2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- 3) The following maximum limits, by instrument, are established for the City’s total portfolio:
 - U.S Treasury Notes/Bills 100%
 - U.S. Government Agencies and Instrumentalities 100%
 - U.S. Treasury and U.S. Agency Callables 25%
 - Certificates of Deposit 50%
 - Repurchase Agreements (See D. (4) below) 25%
 - Money Market Mutual Funds (See D.(5) below) 100%
 - Local Government Investment Pools (See D.(5) below) 100%
 - State of Texas Obligations and Agencies 25%
 - Obligations of states, agencies, cities, and other political subdivisions of any state 25%
- 4) The City shall not invest more than 25% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- 5) The City shall not invest more than 20% of the investment portfolio in any individual money market mutual fund or government investment pool.
- 6) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

ARTICLE VIII

AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

- A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the

City. These firms may include:

- 1) all primary government securities dealers; and,
- 2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-I (uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:
- 1) Audited financial statements;
 - 2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;
 - 3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and,
 - 4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

ARTICLE IX

SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery versus payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching

up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

ARTICLE X COLLATERAL

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

A. Market Value

The Market Value of pledged Collateral must be equal to or greater than 103% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked-to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

B. Collateral Substitution

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

C. Collateral Reduction

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

D. Letters of Credit

Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral

for City funds held by the City's bank depository.

ARTICLE XI INVESTMENT REPORTS

A. Reporting Requirements

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

B. Investment Records

An investment official designated by the Finance Director shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by the City's Accountant.

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

C. Auditor Review

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

ARTICLE XII INVESTMENT COMMITTEE

A. Members

An Investment Committee, consisting of the City Manager or his designee, the Finance Director, the Deputy City Manager, and an appointed investment official, shall review the City's investment strategies and monitor the results of the investment program at least one time each quarter. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be

authorized to invite other advisors to attend meetings as needed.

B. Scope

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

C. Procedures

The committee should meet at least annually to discuss the investment program and policies.

ARTICLE XIII INVESTMENT STRATEGY STATEMENTS

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

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

A. Operating Funds

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

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

Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 Net Asset Value (NAV) investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds

shall not exceed an 18-month period from date of purchase.

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

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

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

B. Reserve and Deposit Funds

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

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

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

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

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

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

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

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

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

Liquidity - Investment strategies for bond and certificate capital project funds, special projects, and special purpose funds portfolios will have as their primary objective to

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

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

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

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

D. Debt Service Funds

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

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

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

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

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

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

ATTACHMENT A
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of City of Benbrook (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 the Business Organization.

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

1. The undersigned is a Qualified Representative of the Business Organization offering to enter into an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment transactions conducted between the Business Organization and the Investor that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or required an interpretation of subjective investment standards.
4. The Business Organization will rely upon instructions from only the persons authorized on behalf of the City of Benbrook as stated in the Investment Policy and City's resolution designating investment officers.

Qualified Representative of the Business Organization

Signature: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT B
APPROVED/AUTHORIZED LIST OF BROKER/DEALERS

- **Cantor Fitzgerald**
- **National Alliance Securities**
- **Multi-Bank Securities, Inc.**
- **Time Value Investments**

Certificates of deposit may be purchased from Texas depository institutions, which are not on the approved broker/list, as they are considered depository in nature. Certificates of deposit purchased from brokerage firms, however, must be on the approved broker/dealer list as they fall under the Public Funds Investment Act. All deposits over the FDIC limit must be collateralized.

RESOLUTION NO. 2018-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BENBROOK, TEXAS STATING THAT THE CITY COUNCIL HAS REVIEWED THE CITY'S WRITTEN INVESTMENT POLICY.

WHEREAS, Section 2256.005 (e) of the Public Funds Investment Act (the "Act") directs the governing body of an investing entity to adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and record any changes; and

WHEREAS, the adoption of Resolution No. 2018-08 will satisfy this requirement.

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

SECTION 1.

The City Council of Benbrook has reviewed Administrative Regulation F-5, which summarizes procedures relative to investing the financial assets of all City of Benbrook funds.

SECTION 2.

This resolution shall be effective immediately upon adoption.

Approved this 4th day of October 2018.

Jerry B. Dittrich, Mayor

ATTEST:

Joanna King, City Secretary



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 10/04/18	REFERENCE NUMBER: G-2377	SUBJECT: Approve update to Chapter 22, Section 6 and 7, Benbrook Personnel Policy related to tattoos, body art, piercings, jewelry and body modifications	PAGE: 1 of 1
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BACKGROUND

The City of Benbrook Personnel Policy establishes conditions of employment including employee appearance. The Personnel Policy currently prohibits visible tattoos, body art, piercings and body mutilations/modifications while on duty. The tattoos, body art, piercings and body mutilations/modifications may be covered with clothing or a bandage.

Over the past decade, societal views regarding tattoos and body art have changed dramatically. Many employees and perspective employees have at least one tattoo.

For the Police and Fire Departments, Benbrook's current tattoo and body art policy has become a hindrance to employee recruitment. Prospective employees find the policy outdated, heavy-handed and inconvenient. As a result, they often pursue employment with another agency that permit the display of inoffensive tattoos and body art.

UPDATE TO PERSONNEL POLICY

Updates to Section 7 of the Benbrook Personnel Policy include:

- Allows the display of inoffensive tattoos and body art and regulates the location on the body.
- Tattoos and body art that elicit a negative reaction, are inconsistent with organizational values or are overly political must be covered while on duty or in uniform.
- Tattoos and body art that are extremist, racist, sexist or sexually explicit are not allowed, regardless if they can be covered.
- Body piercings are limited to earrings for female employees.
- Other piercings and body mutilations/modifications must be covered while on duty or in uniform.
- Section 7 is renamed "Tattoos, Body Art, Piercings, Jewelry and Body Mutilation/Modification".
- Section 6 b.5 is deleted regarding tattoos and body piercings and replaced with Section 7.
- The City Manager or designee will enforce the policy.

Staff invested significant time drafting this policy and all department heads played a role in its formulation.

RECOMMENDATION

Staff recommends that City Council approve Section 7 of the Benbrook Personnel Policy.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE:

Section 7. Tattoos, Body Art, Piercings, Jewelry and Body Mutilation/Modification

It is the policy of the City of Benbrook that body art including tattoos or brands that are prejudicial to good order are prohibited. Additionally, while on or off-duty in uniform or on duty in civilian attire, employees are prohibited from exhibiting tattoos, body art or brands that are offensive or demeaning to persons of ordinary sensibilities.

a. Definitions

1. 'tattoo' and 'body art' are interchangeable and means a picture, design, or marking made on the skin or other areas of the body by staining it with an indelible dye, or by any other method including pictures, designs, or markings only visible under certain conditions (as in an ultraviolet light or invisible ink tattoo). The term includes tattoos, piercings, brands, and body markings.
2. 'body markings' are pictures, designs, or other markings created as a result of using means other than burning to permanently scar the skin.
3. 'brand' means a picture, design, or other marking that is burned into the skin or other areas of the body.
4. 'concealment' means covering in such a manner and to the extent as to render the object in question invisible and such concealment does not draw attention or cause distraction. Objects in violation of this Section that cannot be so concealed are prohibited.
5. 'extremist' means those affiliated with, depicting, or symbolizing extremist philosophies, organizations, or activities. Those which advocate hatred or intolerance based on race, ethnicity, national origin, gender, sexual orientation, gender identity, religion, economic status, age, or disability; or those that advocate violence, or other unlawful means of depriving individual rights under the U. S. Constitution, Federal or State Law.
6. 'indecent' means depicting nudity or other image offensive to modesty, decency, propriety, or professionalism.
7. 'political' means relating to symbols, causes, ideals, or strategies of a particular party or group in politics, including special interest groups.
8. 'racist' means advocating a philosophy that degrades or demeans a person or group of people based on race, ethnicity, or national origin.
9. 'sexist' means advocating a philosophy degrading or demeaning a person or group of people based on sex or gender.
10. "sexually explicit" means displaying direct physical stimulation of unclothed genitals, masturbation, sodomy (i.e. bestiality or oral or anal intercourse), flagellation or torture in the context of a sexual relationship, or emphasizing the depiction of human genitals.

b. The following tattoos and body art are prejudicial to good order and are prohibited for all employees, regardless of visibility:

- extremist
- racist
- sexist
- sexually explicit

c. Any tattoo and body art that implies a negative bias toward any group will cause the employee to be subject to disciplinary action, up to and including termination.

d. Employees are prohibited from having a tattoo and body art on any part of the hands, neck, face, head, eyelids, mouth, and ears with the following exceptions:

- tattoo of one wedding band on a ring finger;
- one small hand tattoo that must be covered by a bandage no more than 2 inches by 1 inch in size;

- traditional elective medical procedures (e.g., cosmetic plastic surgery, permanent facial makeup on the eyebrows, eyeliner, and lips, etc.), provided these are conservative.
- e. The City Manager or designee may require employees to conceal their tattoo and body art if deemed necessary to comport with evolving community standards, attitudes, or beliefs. This Section and its exceptions do not grant permanent approval to display any tattoo and body art subsequently deemed unacceptable for display and employees may be required to conceal them at any time.
- f. The following tattoos and body art must be concealed by all employees while on duty and in uniform, regardless of whether the employee is on-duty or off-duty:
- Symbols or markings likely to elicit a strong negative reaction in the workplace or public and that are inconsistent with the organizations values or community relations objectives;
 - Illustrations, references, symbols, acronyms, or similar depictions that degenerate the United States, any state, any level of government or the City of Benbrook;
 - Symbols or markings that represent political beliefs, political parties, political slogans, or portray any political group negatively; or
 - Illustrations, references, symbols, acronyms, or similar depictions that are indecent.
- g. Piercings and Jewelry
- Jewelry will be kept to a minimum. The jewelry may not have sharp edges nor be gaudy looking, nor display any inappropriate words, pictures, shapes, gestures or otherwise be offensive or demeaning to persons of ordinary sensibilities.
 - Females may wear no more than two earrings per ear, whether in the earlobe, cartilage or tragus.
 - Employees are prohibited from wearing facial jewelry while on duty or in uniform. Employees shall not obtain or expose piercings, other than those for earrings as contained in this Section, through the ear, nose, tongue, chin, eyebrow, or any other body part that cannot be concealed while on duty or when in uniform. This prohibition is specifically intended to limit the less than professional appearance associated with vacant holes in the face and other exposed areas of the body.
- h. Body mutilation or modification
- Other forms of intentional body mutilation or modification (e.g. scarring, excessive ear piercing/stretching, tongue splitting, beneath the skin decorative implants, decorative tooth plating/engraving, abnormal filing or filling, etc.) are prohibited when it cannot be concealed while on duty or in uniform.
- i. Process for seeking authorization to display tattoo and body art:
- Employees will submit a written memorandum containing a graphic depiction of the tattoo and body art, the size, and the location on the body when it is visible, to their immediate supervisor.
 - The written memorandum will be forwarded, through the chain of command, to the City Manager or designee.
 - The determination made by the City Manager or designee is final.



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 10/04/18	REFERENCE NUMBER: C-319	SUBJECT: Award Contract for Employee Health Insurance	PAGE: 1 of 2
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Current Plan

United Health Care (UHC) provides group health insurance coverage for full-time City employees and their eligible dependents through an Exclusive Provider Organization (EPO) plan. The City pays the employee premium for full-time employees. Optional coverage is available for eligible dependents. Employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium.

The City's group plan is available to City retirees (at their cost), Benbrook Library District (BLD) employees, and eligible dependents for these groups.

The current monthly rates are: \$670.86 for an employee, an additional \$805.04 for a spouse, an additional \$570.23 for children, and an additional \$1,475.91 for family coverage.

Dependent Care Subsidy

The City has subsidized dependent coverage for over twenty-nine years. The current monthly dependent subsidy amounts are: \$516.97 for spouse-only coverage, \$361.10 for children-only coverage, and \$997.74 for family coverage.

City Reimbursement Program

The current reimbursement rate for out-patient procedures and surgery is a maximum of \$1,000 per occurrence. The reimbursement rate for hospitalization is a maximum of \$2,000 per admission. Employees and covered dependents are eligible for the reimbursements.

The City contributes up to \$300 to the Section 125 plan account for full-time employees who do not have dependent health insurance coverage through the City of Benbrook.

2018-19 Budget Allocation

The 2018-19 Proposed Budget allocation for group insurance in the amount of \$1,925,282 reflects a 7.50 percent increase over the amount estimated in 2017-18. This total also includes health insurance premium, subsidy, and reimbursement costs for the three new employees in the Fire Department.

Proposed Renewal

In August 2018, UHC proposed a renewal rate of 17.00 percent. The City's Agent of Record negotiated a rate increase of 8.00 percent with no changes in services, benefits, co-payments, and deductibles. UHC agreed to reduce the rate increase to 5.30 percent if the City approves two changes in co-payments:

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY:
		CITY SECRETARY
CITY MANAGER		DATE:

DATE:	REFERENCE NUMBER:	SUBJECT:	PAGE: 2 of 2
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(1) increase emergency room co-payment from \$300 to \$500 and (2) increase tier two and tier three prescription co-payments by \$5.

Proposed Rates

The revised rates are: \$706.27 for an employee. The additional monthly premium costs for dependents are: \$847.53 for spouse-only coverage, \$600.33 for coverage for children, and \$1,553.81 for family coverage.

Changes in Reimbursement Program

Staff recommends expanding the reimbursement program to partially offset the increase in co-payment for the emergency room. Currently these co-payments are not eligible for reimbursement. Under the proposed renewal, the co-payment for emergency room treatment increases from \$300 to \$500. Staff recommends reimbursing employees for \$200 of these costs for the first emergency room visit and only if treatment may be verified as an emergency. This adjustment is estimated to cost approximately \$3,000 based on fifteen employees qualifying.

Staff recommends increasing the contribution, to the Section 125 plan account for full-time employees who do not have dependent health insurance coverage through the City of Benbrook, from \$300 to \$500 to cover prescription co-payment increases. These employees do not benefit from the dependent subsidy program. This adjustment is estimated to cost approximately \$10,000 based upon current employee participation.

Estimated Cost of Renewal

Renewal, with the two tweaks in co-payments, is estimated to cost \$1,067,880 for premiums for the one-hundred-twenty-six employees included in the City's 2018-19 Budget based on the monthly employee rate of \$706.27.

Continuation of the reimbursement programs is projected to cost \$30,000. Adjustments to the reimbursement program are estimated cost \$13,000. Continuation of the dependent subsidy, including an adjustment to cover the cost of the dependent premium increase, is estimated at \$652,691. The total City cost is estimated at \$1,763,571; this amount is below the 2018-19 Budget allocation by \$161,711.

RECOMMENDATION

Staff recommends that the City Council

1. Approve a one-year contract, effective November 1, 2018, with United Health Care for provision of the City of Benbrook's group health insurance.
2. Increase the subsidy for employees with dependent coverage to offset the increase in premiums.
3. Continue the reimbursement programs with the two co-payment adjustments.



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 10/04/18	REFERENCE NUMBER: C-320	SUBJECT: Award contract for Employee Dental Insurance	PAGE: 1 of 2
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CURRENT POLICY

United Health Care (UHC) provides group dental insurance coverage for full-time City employees and their eligible dependents through an indemnity. The City pays the employee premium for full-time employees. Optional coverage is available for eligible dependents. Employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium.

The City's group plan is available to City retirees (at their cost), Benbrook Library District (BLD) employees, and eligible dependents for these groups.

The current rates are \$27.48 per month per employee. Dependent premiums are available on a three-tier system and currently cost an additional \$62.54 for family coverage, \$31.46 for spouse coverage, and \$32.72 for children coverage; the dependent rates do not include the employee premium.

DEPENDENT SUBSIDY

Currently, sixty-eight employees have dependent coverage. The City pays a portion of the dependent premium. The current total cost of the dependent subsidy is approximately \$14,096 per year.

METLIFE RENEWAL RATES

In August 2018, UHC notified the City that monthly dental insurance premiums would remain at the current rates until October 31, 2019. These rates reflect no change in benefits from the current plan.

STAFF ANALYSIS

Staff recommends renewing with United Health Care at an estimated annual cost of \$41,550 for premiums for the 126 employees included in the 2018-19 Budget. These costs are based on an employee premium of \$27.48 per month. Staff recommends continuing the dependent subsidy. Based on sixty-eight employees with dependent coverage, this annual cost is approximately \$14,096. The City's total costs for group dental insurance for 2018-19 are approximately \$55,646.

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		CITY SECRETARY
CITY MANAGER		DATE:

DATE: 10/04/18	REFERENCE NUMBER: C-320	SUBJECT: Award contract for Employee Dental Insurance	PAGE: 2 of 2
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FUNDING

The 2018-19 Budget includes \$59,253 for dental insurance premiums for 126 employees and for the subsidy of dependent premiums.

Based upon United Health Care’s proposed renewal, the City’s total annual cost for dental insurance for 2018-19 is estimated to be \$55,646. The City’s projected costs are approximately \$3,607 below the 2018-19 Budget allocation for group dental insurance.

RECOMMENDATION

Staff recommends that the City Council approve a one-year contract with United Health Care for provision of dental insurance to be effective November 1, 2018.