

**NOTICE OF REGULAR  
ROSENBERG DEVELOPMENT CORPORATION MEETING**

**NOTICE IS HEREBY GIVEN THAT THE ROSENBERG DEVELOPMENT CORPORATION OF THE CITY OF ROSENBERG, FORT BEND COUNTY, TEXAS, WILL MEET IN REGULAR SESSION OPEN TO THE PUBLIC AS FOLLOWS:**

**DATE:** Thursday, September 10, 2015

**TIME:** 4:00 p.m.

**PLACE:** Rosenberg Civic Center  
3825 Highway 36 South  
Rosenberg, Texas 77471

**PURPOSE:** Regular Rosenberg Development Corporation Meeting

Call to order.

Statement of rules pertaining to audience comments.

Comments from the audience.

**CONSENT AGENDA**

- A. Consideration of and action on the Regular Rosenberg Development Corporation Meeting Minutes for August 13, 2015. (Jasmine Bowens, Senior Administrative Specialist)
- B. Consideration of and action on the monthly Rosenberg Development Corporation Financial Reports for the period ending August 31, 2015. (Joyce Vasut, Executive Director of Administrative Services)

**AGENDA**

- 1. Consideration of and action on decorum of RDC Board Members. (Jimmie Pena, Rosenberg Development Corporation Director)
- 2. Consideration of and action on RDC Investment Policy. (Joyce Vasut, Executive Director of Administrative Services)
- 3. Consideration of and action on Resolution No. RDC-98, a Resolution of the Board of Directors of the Rosenberg Development Corporation approving and authorizing execution of an Interlocal Agreement for participation in a public funds investment cooperative (the "Cooperative"), designating the Board of Directors of the Cooperative as an agency and instrumentality to supervise the Cooperative, approving investment policies of the Cooperative, appointing authorized representatives and designating investment officers. (Joyce Vasut, Executive Director of Administrative Services)
- 4. Review and discuss Design of Rosenberg Downtown Parking Project, and take action as necessary to direct staff. (Randall Malik, Rosenberg Development Corporation Executive Director)

5. Consideration of and action on a report from the Rosenberg Development Corporation Executive Director regarding the previous month's economic development activities and contacts, which includes updates on the following (Randall Malik, Rosenberg Development Corporation Executive Director):
  - a. Economic Indicators;
  - b. Business Retention Visits;
  - c. Livable Centers Study;
  - d. RDC Mowing Contracts;
  - e. New and Expanded Businesses; and,
  - f. Existing Businesses.
6. Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.
7. Adjourn Executive Session, reconvene Regular Session, and take action as necessary as a result of Executive Session.
8. Review and discuss requests for future agenda items, and take action as necessary.
9. Announcements.
10. Adjournment.

{EXECUTION PAGE TO FOLLOW}

DATED AND POSTED this the \_\_\_\_\_ day of \_\_\_\_\_ 2015, at \_\_\_\_\_ m.

by \_\_\_\_\_.

Attest:

\_\_\_\_\_  
Linda Cernosek, City Secretary

Approved for posting:

\_\_\_\_\_  
Randall Malik, Executive Director

**Reasonable accommodation for the disabled attending this meeting will be available; persons with disabilities in need of special assistance at the meeting should contact the City Secretary at (832) 595-3340.**

# **ITEM A**

# **Minutes:**

- 1. Regular Rosenberg Development Corporation Meeting  
Minutes – August 13, 2015**

**ROSENBERG DEVELOPMENT CORPORATION  
MEETING MINUTES**

On this the 13<sup>th</sup> day of August, 2015, the Rosenberg Development Corporation (RDC) of the City of Rosenberg, Fort Bend County, Texas, met in Regular Session at the Rosenberg Civic Center, 3825 SH 36S, Rosenberg, Texas.

**PRESENT**

|                 |   |
|-----------------|---|
| Teresa Bailey   | Secretary, Rosenberg Development Corporation      |
| Amanda J. Barta | Director, Rosenberg Development Corporation       |
| Bill Knesek     | President, Rosenberg Development Corporation      |
| Lynn Moses      | Director, Rosenberg Development Corporation       |
| Jimmie J. Peña  | Director, Rosenberg Development Corporation       |
| Allen Scopel    | Vice President, Rosenberg Development Corporation |

**ABSENT**

|            |  |
|------------|--|
| Ted Garcia | Treasurer, Rosenberg Development Corporation |
|------------|--|

**STAFF PRESENT**

|                |   |
|----------------|---|
| Jasmine Bowens | Senior Administrative Specialist                      |
| Jeremy Heath   | Assistant Economic Development Director               |
| Dan Kelleher   | Main Street Manager                                   |
| Randall Malik  | Executive Director, Rosenberg Development Corporation |
| Joyce Vasut    | Executive Director of Administrative Services         |

**GUESTS PRESENT**

|                |  |
|----------------|--|
| Mandi Bronsell | Executive Director, West Fort Bend Management District |
|----------------|--|

**CALL TO ORDER.**

President Knesek called the meeting to order at 4:05 p.m.

**STATEMENT OF RULES PERTAINING TO AUDIENCE COMMENTS.**

Jasmine Bowens, Senior Administrative Specialist, read the statement of rules pertaining to audience comments.

**COMMENTS FROM THE AUDIENCE.**

There were no comments from the audience.

**CONSENT AGENDA**

- A. **CONSIDERATION OF AND ACTION ON THE REGULAR ROSENBERG DEVELOPMENT CORPORATION MEETING MINUTES FOR JULY 09, 2015.**
- B. **CONSIDERATION OF AND ACTION ON THE MONTHLY ROSENBERG DEVELOPMENT CORPORATION FINANCIAL REPORTS FOR THE PERIOD ENDING JULY 31, 2015.**  
*Executive Summary:* The July 2015 RDC Financial Reports are attached for your review and consideration. Staff recommends approval.

**Action:** Director Scopel moved, seconded by Director Pena, to approve the Consent Agenda items A and B. The motion carried by a unanimous vote of those present.

**REGULAR AGENDA**

- 1. (This item was taken out of order after Item 4)  
**HOLD PUBLIC HEARING REGARDING THE DESIGNATION OF PROJECTS FOR THE ROSENBERG DEVELOPMENT CORPORATION.**
  - a. **AS A PROJECT OF THE CORPORATION, FOR THE OPERATION OF AN EXPANDED BUS**

ROUTE THROUGH RICHMOND AND ROSENBERG BY FORT BEND TRANSIT. THE ESTIMATED AMOUNT OF EXPENDITURES FOR SUCH TYPE OF GENERAL PROJECT IN FISCAL YEAR 2015-2016 IS \$75,000.

- b. AS A PROJECT OF THE CORPORATION, IMPROVEMENTS TO ENHANCE THE CITY OF ROSENBERG'S "GATEWAYS" BY LANDSCAPING AND RELATED MAINTENANCE OF ENTRANCES AND COMMERCIAL ROADWAYS WITHIN THE CITY (OPEN SPACE IMPROVEMENTS), FOUND BY THE BOARD OF DIRECTORS TO BE REQUIRED OR SUITABLE FOR OPEN SPACE IMPROVEMENTS. THE ESTIMATED AMOUNT OF EXPENDITURES FOR SUCH TYPE OF GENERAL PROJECT IN FISCAL YEAR 2015-2016 IS \$75,000.
- c. AS A PROJECT OF THE CORPORATION, LAND, BUILDINGS, EQUIPMENT, FACILITIES, AND IMPROVEMENTS TO ENHANCE THE CITY OF ROSENBERG'S PUBLIC PARK FACILITIES, FOUND BY THE CORPORATION TO BE REQUIRED OR SUITABLE FOR AMATEUR SPORTS, ATHLETIC, ENTERTAINMENT, TOURIST, CONVENTION, AND PUBLIC PARK PURPOSES AND EVENTS, INCLUDING BALL PARKS, PARKS AND PARK FACILITIES, OPEN SPACE IMPROVEMENTS, AND RELATED PARKING FACILITIES, ROADS, WATER AND SEWER FACILITIES, AND OTHER RELATED IMPROVEMENTS THAT ENHANCE ANY OF THOSE ITEMS. THE ESTIMATED AMOUNT OF EXPENDITURES FOR SUCH TYPE OF GENERAL PROJECT IN FISCAL YEAR 2015-2016 IS \$125,000.
- d. AS A PROJECT OF THE CORPORATION, DIRECT INCENTIVES TO PARAGON OUTLETS ROSENBERG LIMITED PARTNERSHIP FOR INFRASTRUCTURE RELATED TO THE DEVELOPMENT OF THE PARAGON OUTLET MALL, FOUND BY THE BOARD OF DIRECTORS TO BE REQUIRED OR SUITABLE AND NECESSARY TO PROMOTE OR DEVELOP SUCH NEW OR EXPANDED BUSINESS ENTERPRISES. THE ESTIMATED AMOUNT OF EXPENDITURES FOR SUCH TYPE OF GENERAL PROJECT IN FISCAL YEAR 2015-2016 IS \$3,000,000.
- e. AS A PROJECT OF THE CORPORATION, DIRECT INCENTIVES TO MARQUEZ ENTERPRISES, LLC RELATED TO THE EXPANSION OF SUPERIOR TANK COMPANY, FOUND BY THE BOARD OF DIRECTORS TO BE REQUIRED OR SUITABLE AND NECESSARY TO PROMOTE OR DEVELOP SUCH NEW OR EXPANDED BUSINESS ENTERPRISES. THE ESTIMATED AMOUNT OF EXPENDITURES FOR SUCH TYPE OF GENERAL PROJECT IN FISCAL YEAR 2015-2016 IS \$25,000.
- f. AS A PROJECT OF THE CORPORATION, DIRECT INCENTIVES TO TEXAS STATE TECHNICAL COLLEGE FOUNDATION RELATED TO THE DEVELOPMENT OF A TEXAS STATE TECHNICAL COLLEGE IN ROSENBERG, FOUND BY THE BOARD OF DIRECTORS TO BE SUITABLE FOR THE DEVELOPMENT OF PRIMARY JOB TRAINING FACILITIES FOR USE BY INSTITUTIONS OF HIGHER EDUCATION. THE ESTIMATED AMOUNT OF EXPENDITURES FOR THE TEXAS STATE TECHNICAL COLLEGE FOUNDATION IN FISCAL YEAR 2015-2016 IS \$200,000.
- g. AS A PROJECT OF THE CORPORATION, TO DESIGN AND CONSTRUCT NEW SIDEWALKS ON 8<sup>TH</sup> STREET CONNECTING AVENUES M AND N, ON DAMON STREET CONNECTING AVENUES K AND N, AND ON AVENUE N CONNECTING DAMON STREET AND RADIO LANE. THE ESTIMATED AMOUNT OF EXPENDITURES IN FISCAL YEAR 2015-2016 IS \$200,000.

**Executive Summary:** State law requires that Type B economic development corporations must formally designate their projects by published notice and then must wait sixty (60) days after the published notice to expend funds on the designated projects. A public hearing regarding the projects must also be held during the 60-day waiting period.

Pursuant to said requirements, the requisite public notice was published in Fort Bend Herald on Sunday, August 9, 2015, this beginning the 60-day waiting period as required by state law.

This item has been included on the Agenda to accommodate the required public hearing as advertised in the published notice.

*The public hearing was opened by President Kneseck at 4:18 p.m. As there were no speakers, the public hearing was closed by President Kneseck at 4:22 p.m.*

**2. CONSIDERATION OF AND ACTION ON RESOLUTION NO. RDC-97, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION AMENDING THE FISCAL YEAR 2014-15 ANNUAL BUDGET IN THE AMOUNT OF \$120,000 FOR OTHER PROFESSIONAL SERVICES.**

**Executive Summary:** The amended budget for Other Professional Services in FY2014-2015 is \$80,000. Invoices received through July 31, 2015, total \$151,605.80. Payments were made to the following:

|  |              |
|--|--------------|
| • Denton Navarro Rocha Bernal Hyde & Zech, P.C.: | \$ 76,282.62 |
| • Jeanne M. McDonald, Attorney:                  | \$ 32,822.68 |
| • Jones & Carter, Inc.:                          | \$ 37,500.50 |
| • Texas Municipal League:                        | \$ 5,000.00  |
| Total  | \$151,605.80 |

Denton Navarro Rocha Bernal Hyde and Zech, P.C., provides services for general legal matters and litigation services regarding Imperial Arts. Jeanne McDonald provides legal services for development and performance agreements. Jones & Carter, Inc., provides infrastructure reviews, most recently for the Paragon Outlet Mall. The Texas Municipal League expenditure provided for the insurance deductible for Imperial Arts litigation.

Although we anticipate that some of the attorneys' fees for litigation may be reimbursed, the reimbursement would most likely not take place during FY2015. Therefore, this budget adjustment increases the budget without considering any reimbursement during the fiscal year.

This budget amendment would provide the additional funds for the Other Professional Services line item. Staff recommends approval of Resolution No. RDC-97.

**Key discussion points:**

- Joyce Vasut discussed the amendment for the Fiscal Year 2014-15 annual budget for Other Professional Services, explaining that the request to make a budget adjustment in the amount of \$120,000 is necessary due to receiving invoices totaling \$150,000 through July 31, 2015.

**Action:** Director Scopel moved, seconded by Director Pena to approve Resolution No. RDC-97, a Resolution of the Board of Directors of the Rosenberg Development Corporation amending the Fiscal Year 2014-15 Annual Budget in the amount of \$120,000 for other professional services. The motion carried by a unanimous vote of those present.

**3. (This item was taken out of order after Item B)  
REVIEW AND DISCUSS ROSENBERG GATEWAY MAINTENANCE, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

**Executive Summary:** At the July RDC Board Meeting, the Board requested to discuss Gateway Maintenance at the Hwy 36 and US90-A intersection at a future meeting. Z-Best Lawns (Z-Best) currently has the contract for mowing the entryway where SH36 and US90-A converge. Starting in June because of the heavy rains, Z-Best has increased mowing of that segment from monthly to twice a month. Currently, the triangular esplanade that divides FM 529 from the SH36/US90-A convergence is not part of the mowing services provided by Z-Best Lawns. This esplanade needs edging, and debris and dirt needs to be cleared from the paver stones.

For your information and review, a chart of all current mowing and maintenance contracts funded by the RDC is included below.

| Description  | Duration  | Cost     | Contractor   |
|--|-----------|----------|--------------|
| Finish-cut mowing along FM 2218 from I-69 north to City Limits, including the grassy center median as well as the grassy strips between the road and the inner edge of the sidewalk. | Bi-Weekly | \$450.00 | Z-Best Lawns |

|   |           |            |                             |
|---|-----------|------------|-----------------------------|
| Finish-cut mowing for gateways at Hwy 36 and I-69, and FM 2218 and I-69.  | Bi-Weekly | \$1,000.00 | Z-Best Lawns                |
| Finish-cut mowing for Gateway at Hwy 36 and Hwy 90.   | Bi-Weekly | \$250.00   | Z-Best Lawns                |
| Mulch change-out for all landscaping beds FM 2218 and I-69, and Hwy 36 and I-69. Oleander and rose- bush trimming at all landscaping beds at FM 2218 and I-69, and Hwy 36 and I-69. | Annually  | \$506.25   | Z-Best Lawns                |
| Rough cut mowing of the 147 acre unpaved area along the right-of-way at I-69 from Hwy 36 to Spur 10.  | As Needed | \$3,012.00 | Reliant Sand & Construction |
| Rough Cut mowing of the 34.3 acre area along I-69 from FM 762 to Reading Road.  | As Needed | \$891.45   | Reliant Sand & Construction |
| Rough cut mowing of the 17.8 acre area along I-69 from Reading Road to FM 2218.   | As Needed | \$462.62   | Reliant Sand & Construction |
| Rough cut mowing of the 21.8 acre area along I-69 from FM 2218 to Hwy 36.   | As Needed | \$566.68   | Reliant Sand & Construction |
| Landscape maintenance of planters along Avenue H (90A) and 3 <sup>rd</sup> Street.  | Monthly   | \$115.00   | Shawn Wleczyk               |

**Key discussion points:**

- Jeremy Heath inquired about negotiating a contract with Z-Best Lawns, to maintain the additional triangular esplanade which divides FM 529 from the SH36/US90-A convergence.
- President Knesek stated he would like to see improved performance by Z-Best Lawns.

**Action:** Director Barta moved, seconded by Director Moses, to authorize to negotiate an addition to the RDC Contract with Z-Best Lawns to maintain the triangular esplanade, which divides FM 529 from the SH36/US90-A convergence, at a price not to accede \$100 per cycle. The motion passed unanimously by those present.

**4. CONSIDERATION OF AND ACTION ON AWARDING A BID FOR BARRIER FENCING FOR THE DOWNTOWN PARKING PROJECT.**

**Executive Summary:** In accordance with the purchase agreement to acquire a 2.25 acre site in Downtown from BNSF, we are in the process of erecting a barrier fence on the northern border of the property. We have received multiple bids for the following three (3) fencing options:

- a basic six-foot, nine-gage chain link fence
- a six-foot, nine-gage, vinyl-coated chain link fence
- an eight-foot, wrought iron fence (which matches the fence at the Railroad Museum)

Houston Fence Company was the lowest bidder on all three (3) options at \$11,935.00, \$18,325.00 and \$40,925.00, respectively.

This expenditure will be applied to the Livable Centers Account, which currently has a balance of \$250,000.

**Key discussion points:**

- Jeremy Heath discussed the three (3) fencing options.
- Randall Malik stated that the contract with BNSF Railway Company requires that we place six-foot high fences within sixty (60) days of executing the contract.
- Director Scopel suggest to look at the wrought iron at a later date, possibly after the parking lot is paved.

**Questions/Answers:**

- Director Moses asked about the current state of the Railroad Museums fence.

- Jeremy Heath explained there is a powder coating on the fence which comes with a warranty to reapply the coating, every few years, and the Railroad Museums fence has held up well.
- Director Bailey asked if the wrought iron has to be repainted every five (5) to ten (10) years.
- Jeremy Heath stated that it is quite possible the wrought iron will have to be repainted.

**Action:** Director Barta moved, seconded by Director Moses, to approve the six-foot, nine-gauge, vinyl-coated chain link fence in the amount of \$18,325.00. The motion passed unanimously by those present.

**5. REVIEW AND DISCUSS ROSENBERG DEVELOPMENT CORPORATIONS (RDC) ECONOMIC DEVELOPMENT INCENTIVE GUIDELINES, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

**Executive Summary:** This agenda item allows for the RDC Board to discuss potential incentive guidelines for the RDC. At the February RDC Meeting, Directors Garcia and Pena agreed to assist with a review of RDC incentive policies. We recently met to discuss RDC incentives and the types of incentives typically offered by economic development corporations in the Houston region.

Staff will provide a presentation of examples of local and state incentives available to qualifying businesses at the RDC Meeting.

**Key discussion points:**

- Randall Malik presented information regarding a potential incentive guidelines for the RDC, through a slide presentation. He proposed providing a questionnaire, online, which could include some incentive guidelines.
- Director Bailey suggested including non-specific guidelines without including actual figures.
- President Knesek mentioned that by providing minimal qualifications to businesses, might deter them.

No action was taken.

**6. REVIEW AND DISCUSS QUARTERLY ECONOMIC DEVELOPMENT PARTNERSHIP MEETINGS, AND TAKE ACTION AS NECESSARY TO DIRECT STAFF.**

**Executive Summary:** At the July 2015 RDC Board Meeting, the Board requested to discuss the concept of the economic development office hosting quarterly meetings. The purpose of the quarterly meeting would be to facilitate the sharing of economic development related projects with our stakeholders. Attached is a draft agenda for a potential Quarterly Economic Development Partnership Meeting.

**Key discussion points:**

- President Knesek stated that he feels the Rosenberg Business Appreciation Event has evolved more into a networking event, but the Economic Development Partnership Meetings can possibly be taken to a higher level by developing relationships with Rosenberg businesses.

**Action:** Director Pena moved, seconded by Director Moses, to approve the Quarterly Economic Development Partnership Meetings on a trial bases. The motion passed unanimously by those present.

**7. CONSIDERATION OF AND ACTION ON A REPORT FROM THE ROSENBERG DEVELOPMENT CORPORATION EXECUTIVE DIRECTOR REGARDING THE PREVIOUS MONTH'S ECONOMIC DEVELOPMENT ACTIVITIES AND CONTACTS, WHICH INCLUDES UPDATES ON THE FOLLOWING:**

- ECONOMIC INDICATORS;**
- BUSINESS RETENTION VISITS;**
- LIVABLE CENTERS STUDY;**
- BUSINESS APPRECIATION LUNCHEON;**
- NEW AND EXPANDED BUSINESSES; AND,**
- EXISTING BUSINESSES.**

**Executive Summary:** This item has been included to provide the Executive Director the opportunity to update the Board on the previous month's activities, contacts, and projects.

**Key discussion points:**

- Randall Malik updated the Board on economic development activities.

No action was taken.

**8. REVIEW AND DISCUSS REQUESTS FOR FUTURE AGENDA ITEMS, AND TAKE ACTION AS**

**NECESSARY.**

**Executive Summary:** This item provides the RDC Board the opportunity to request future agenda items.

No discussion was held regarding this item.

**9. ANNOUNCEMENTS.**

- Randall Malik mentioned that during the City's Budget workshop meetings, the consensus among City Council was to move the RDC meeting to City Hall, in order to potentially video the meetings.
- Director Barta indicated that City Council would need to have additional discussion on the location of the meetings.

**10. ADJOURNMENT.**

**Action:** Director Scopel moved, seconded by Director Moses, to adjourn the RDC Board Meeting. The motion carried by a unanimous vote of those present. The meeting adjourned at 5:14 p.m.

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Jasmine Bowens  
Secretary II

Meeting Minute attachments:

1. Draft Agenda for Proposed Economic Development Partnership Meeting

## Draft Agenda for Economic Development Partnership Meeting

**Purpose:** To facilitate the sharing of information on economic development and community projects with the Rosenberg business community, economic development stakeholders, and elected & appointed officials.

**Meeting Location:** Rosenberg Civic Center – Multi-Media Room

**Meeting Frequency:** Quarterly

### **Sample Agenda:**

7:45-8am: Breakfast Served & Networking

8-8:20 - Guest Speaker discussing economic development related topics

8:20-8:30 - Question and Answer Session for guest speaker

8:30-8:45 - Overview of Economic Development Activity from Economic Development Staff and Q&A.

8:45-9:00- Updates from Stakeholders

9:00- Adjournment



## COMMUNICATION FORM

September 10, 2015

|  |   |
|--|---|
| <b>ITEM #</b>  | <b>ITEM TITLE</b>   |
| <b>B</b>   | <b>Rosenberg Development Corporation Financial Report</b> |
| <b>ITEM/MOTION</b>   |   |
| Consideration of and action on the monthly Rosenberg Development Corporation Financial Report for the period ending August 31, 2015. |   |
| <b>APPROVAL</b>  | <b>SUPPORTING DOCUMENTS</b>                               |

**SUBMITTED BY :**

1. RDC Financial Report – August 2015

Joyce Vasut  
Executive Director of Administrative Services

### EXECUTIVE SUMMARY

The August 2015 RDC Financial Report is attached for your review and consideration. Staff recommends approval.

**CITY OF ROSENBERG, TEXAS**  
**ROSENBERG DEVELOPMENT CORPORATION**  
**AS OF AUGUST 31, 2015**

| Classification  | 2014-15<br>Amended<br>Budget | 2014-15<br>Act. Rev/Exp<br>YTD | 2014-15<br>Encumbered | 2014-15<br>YTD Budget<br>Remaining | % of<br>Budget<br>Target |
|---|------------------------------|--------------------------------|-----------------------|------------------------------------|--------------------------|
| <b>REVENUES:</b>  |                              |                                |                       |                                    | 92%                      |
| <i>Sales Taxes</i>                                      | \$ 2,840,000                 | \$ 2,799,709                   | \$ -                  | \$ 40,291                          | 99%                      |
| <i>Sales Taxes BTC I</i>                                | 575,000                      | 560,880                        | -                     | 14,120                             | 98%                      |
| <i>Sales Taxes BTC II</i>                               | 425,000                      | 465,043                        | -                     | (40,043)                           | 109%                     |
| <i>Downtown Sales Taxes</i>                             | -                            | 33,087                         | -                     | (33,087)                           |                          |
| <i>Sales Tax Total</i>                                  | 3,840,000                    | 3,858,719                      | -                     | (18,719)                           |                          |
| <i>Interest Earnings</i>                                | 5,000                        | 2,428                          | -                     | 2,572                              | 49%                      |
| <b>TOTAL REVENUES</b>                                   | <b>3,845,000</b>             | <b>3,861,147</b>               | <b>-</b>              | <b>(16,147)</b>                    | <b>100%</b>              |
| <b>EXPENDITURES:</b>                                    |                              |                                |                       |                                    |                          |
| <b>Administration (max 10%):</b>                        |                              |                                |                       |                                    |                          |
| <i>Office Supplies</i>                                  | 1,000                        | 834                            | -                     | 166                                | 83%                      |
| <i>Computer Supplies</i>                                | 2,000                        | 1,588                          | -                     | 412                                | 79%                      |
| <i>Board Meeting and Directors' Expenses</i>            | 1,700                        | 1,442                          | -                     | 258                                | 85%                      |
| <i>General Insurance</i>                                | 400                          | 277                            | -                     | 123                                | 69%                      |
| <i>Education and Travel</i>                             | 8,250                        | 5,747                          | -                     | 2,503                              | 70%                      |
| <i>Administrative Services</i>                          | 244,374                      | 191,733                        | -                     | 52,641                             | 78%                      |
| <b>Subtotal for Administration Expenses</b>             | <b>257,724</b>               | <b>201,620</b>                 | <b>-</b>              | <b>56,104</b>                      | <b>78%</b>               |
| <b>Marketing:</b>                                       |                              |                                |                       |                                    |                          |
| <i>Greater Fort Bend Economic Development</i>           | 12,500                       | 12,500                         | -                     | -                                  | 100%                     |
| <i>Postage</i>  | 200                          | 130                            | -                     | 70                                 | 65%                      |
| <i>Freight and Express</i>                              | 100                          | 13                             | -                     | 87                                 | 13%                      |
| <i>Advertising</i>                                      | 30,500                       | 25,784                         | -                     | 4,716                              | 85%                      |
| <i>Printing and Binding</i>                             | 4,500                        | 952                            | 327                   | 3,221                              | 28%                      |
| <b>Subtotal for Marketing Accounts</b>                  | <b>47,800</b>                | <b>39,379</b>                  | <b>327</b>            | <b>8,094</b>                       | <b>83%</b>               |
| <b>Memberships &amp; Services:</b>                      |                              |                                |                       |                                    |                          |
| <i>Business Recruitment</i>                             | 9,000                        | 1,674                          | -                     | 7,326                              | 19%                      |
| <i>Dues, Subscriptions &amp; Service Contracts</i>      | 17,627                       | 5,441                          | -                     | 12,186                             | 31%                      |
| <i>RDC Memberships</i>                                  | 83,000                       | 80,350                         | -                     | 2,650                              | 97%                      |
| <i>Business Retention</i>                               | 10,000                       | 1,500                          | -                     | 8,500                              | 15%                      |
| <b>Subtotal for Memberships &amp; Services Accounts</b> | <b>119,627</b>               | <b>88,966</b>                  | <b>-</b>              | <b>30,662</b>                      | <b>74%</b>               |
| <b>Professional Services:</b>                           |                              |                                |                       |                                    |                          |
| <i>Professional Services - Legal Fees</i>               | 200,000                      | 166,673                        | -                     | 33,327                             | 83%                      |
| <b>Subtotal for Professional Services</b>               | <b>200,000</b>               | <b>166,673</b>                 | <b>-</b>              | <b>33,327</b>                      | <b>83%</b>               |
| <b>Infrastructure:</b>                                  |                              |                                |                       |                                    |                          |
| <i>Prospective Business Incentive</i>                   | 500,000                      | -                              | -                     | 500,000                            | 0%                       |
| <i>Debt Service - Principal</i>                         | 767,235                      | 703,300                        | -                     | 63,935                             | 92%                      |
| <i>Debt Service - Interest</i>                          | 197,708                      | 181,232                        | -                     | 16,476                             | 92%                      |
| <i>Transfer to RDC Projects Fund</i>                    | 1,485,375                    | 1,230,375                      | -                     | 255,000                            | 83%                      |
| <b>Subtotal for Infrastructure Accounts</b>             | <b>2,950,318</b>             | <b>2,114,907</b>               | <b>-</b>              | <b>835,411</b>                     | <b>72%</b>               |
| <b>TOTAL EXPENDITURES</b>                               | <b>\$ 3,575,469</b>          | <b>\$ 2,611,545</b>            | <b>\$ 327</b>         | <b>\$ 963,597</b>                  | <b>73%</b>               |

**ROSENBERG DEVELOPMENT CORPORATION**  
**2014-15 ACTUAL**  
**PERIOD ENDED AUGUST 31, 2015**

| Classification                                    | RDC<br>Actual       | RDC<br>Projects     | Total                |
|---|---------------------|---------------------|----------------------|
| <b>Resources:</b>                                 |                     |                     |                      |
| Total Beginning Fund Balance @ 10/01/14 (audited) | \$ 3,755,279        | \$ 4,887,495        | \$ 8,642,774         |
| Revenues and Transfers In                         | 3,861,147           | 1,362,608           | 5,223,755            |
| Total Funds Available                             | <u>\$ 7,616,426</u> | <u>\$ 6,250,103</u> | <u>\$ 13,866,529</u> |
| <b>Uses/Deductions:</b>                           |                     |                     |                      |
| Expenditures and Transfers Out                    | 2,611,545           | 2,958,236           | 5,569,781            |
| <b>Ending Fund Balance:</b>                       |                     |                     |                      |
| Total Ending Fund Balance                         | \$ 5,004,881        | \$ 3,291,867        | \$ 8,296,748         |
| Reserved for Debt Service                         | 964,943             | \$ -                | 964,943              |
| Reserved for RDC Projects                         | -                   | \$ 3,291,867        | 3,291,867            |
| <b>Unreserved Fund Balance Total</b>              | <u>\$ 4,039,938</u> | <u>\$ -</u>         | <u>\$ 4,039,938</u>  |

**Synopsis of Current Revenues and Expenditures  
Rosenberg Development Corporation  
For the Month Ended August 31, 2015**

| Account Number                           | Description   | Amount               |
|--|---|----------------------|
| <b>Revenues</b>                          |   |                      |
| 219-0000-402-0000                        | Sales Taxes   | \$ 404,770.18        |
| <b>Total Current Period Revenues</b>     |   | <b>\$ 404,770.18</b> |
| <b>Expenditures</b>                      |   |                      |
| 219-1000-540-3110                        | Office Supplies (Administration)                                | -                    |
| 219-1000-540-3120                        | Computer Supplies (Administration)                              | -                    |
| 219-1000-540-3135                        | Board Meeting and Directors' Expenses (Administration)          | -                    |
| 219-1000-540-5120                        | General Insurance (Administration)                              | -                    |
| 219-1000-540-5510                        | Education and Travel (Administration)                           | 1,534.03             |
| 219-1000-540-5710                        | Administrative Services (Administration)                        | 61,093.50            |
| <b>Total Administration</b>              |   | <b>\$ 62,627.53</b>  |
| 219-2000-540-4391                        | Greater Fort Bend Economic Development (Marketing)              | -                    |
| 219-2000-540-5220                        | Postage (Marketing)   | -                    |
| 219-2000-540-5230                        | Freight and Express (Marketing)                                 | 140.90               |
| 219-2000-540-5310                        | Advertising (Marketing)   | -                    |
| 219-2000-540-5410                        | Printing and Binding (Marketing)                                | 327.00               |
| <b>Total Marketing</b>                   |   | <b>\$ 467.90</b>     |
| 219-3000-540-3135                        | Business Recruitment (Memberships and Services)                 | 209.31               |
| 219-3000-540-4235                        | Dues/Subscriptions/Service Contracts (Memberships and Services) | -                    |
| 219-3000-540-4390                        | RDC Memberships (Memberships and Services)                      | 500.00               |
| 219-3000-540-5730                        | Business Retention (Memberships and Services)                   | -                    |
| <b>Total Business Recruitment</b>        |   | <b>\$ 709.31</b>     |
| 219-6000-540-4390                        | Other Professional Services - (Professional Services)           | 16,044.92            |
| <b>Total Professional Services</b>       |   | <b>\$ 16,044.92</b>  |
| 219-7000-540-5725                        | Prospective Business Incentive (Infrastructure)                 | -                    |
| 219-7000-540-8110                        | Debt Service - Principal (Infrastructure) - August 2015         | 63,936.00            |
| 219-7000-540-8120                        | Debt Service - Interest (Infrastructure) - August 2015          | 16,476.00            |
| 219-7000-540-9225                        | Transfer to RDC Projects Fund (Infrastructure)                  | -                    |
| <b>Total Infrastructure</b>              |   | <b>\$ 80,412.00</b>  |
| <b>Total Current Period Expenditures</b> |   | <b>\$ 160,261.66</b> |

**CITY OF ROSENBERG, TEXAS  
RDC SALES TAX REVENUES**

| Monthly<br>Total Actual<br>Receipts | Cumulative<br>YTD<br>Receipts | Budgeted<br>Receipts |     | Total YTD<br>Percent<br>of Budget | Prior Year Pct.<br>Increase (Decrease) |     |
|-------------------------------------|-------------------------------|----------------------|-----|-----------------------------------|--|-----|
|                                     |                               | Monthly              | YTD |                                   | Month                                  | YTD |
| (1)                                 | (2)                           | (3)                  | (4) | (5)                               | (6)                                    | (7) |
| Cumulative (1)                      |                               | Cumulative (3)       |     | (2)/(4)                           |  |     |

| Monthly<br>BTC - I<br>Receipts | Monthly<br>BTC - II<br>Receipts | Monthly<br>Downtown<br>Receipts |
|--------------------------------|---------------------------------|---------------------------------|
|--------------------------------|---------------------------------|---------------------------------|

**Fiscal Year 2012-13**

|       |            |            |            |            |         |       |       |            |            |
|-------|------------|------------|------------|------------|---------|-------|-------|------------|------------|
| Oct   | \$ 253,488 | \$ 253,488 | \$ 206,329 | \$ 206,329 | 122.86% | 17.3% | 17.3% | \$ 39,879  | \$ 22,088  |
| Nov   | 300,245    | 553,733    | 268,681    | 475,010    | 116.57% | 6.7%  | 11.3% | 41,673     | 56,236     |
| Dec   | 267,903    | 821,636    | 206,328    | 681,337    | 120.59% | 24.0% | 15.1% | 48,344     | 18,259     |
| Jan   | 240,399    | 1,062,035  | 217,242    | 898,579    | 118.19% | 5.6%  | 12.8% | 40,056     | 20,626     |
| Feb   | 357,120    | 1,419,155  | 326,707    | 1,225,286  | 115.82% | 4.3%  | 10.6% | 76,617     | 71,043     |
| Mar   | 240,499    | 1,659,655  | 211,174    | 1,436,460  | 115.54% | 8.7%  | 10.3% | 39,397     | 17,709     |
| Apr   | 254,107    | 1,913,762  | 214,541    | 1,651,001  | 115.92% | 13.1% | 10.7% | 40,281     | 19,444     |
| May   | 334,041    | 2,247,802  | 298,699    | 1,949,700  | 115.29% | 6.8%  | 10.1% | 49,039     | 57,367     |
| Jun   | 277,134    | 2,524,936  | 232,209    | 2,181,909  | 115.72% | 13.9% | 10.5% | 38,850     | 21,572     |
| Jul   | 288,843    | 2,813,779  | 250,468    | 2,432,378  | 115.68% | 10.1% | 10.4% | 43,577     | 23,776     |
| Aug   | 339,032    | 3,152,811  | 298,843    | 2,731,220  | 115.44% | 8.3%  | 10.2% | 49,537     | 59,166     |
| Sep   | 281,355    | 3,434,166  | 238,780    | 2,970,000  | 115.63% | 12.5% | 10.4% | 41,584     | 23,507     |
| Total |            |            |            |            |         |       |       | \$ 548,834 | \$ 410,794 |

**Fiscal Year 2013-14**

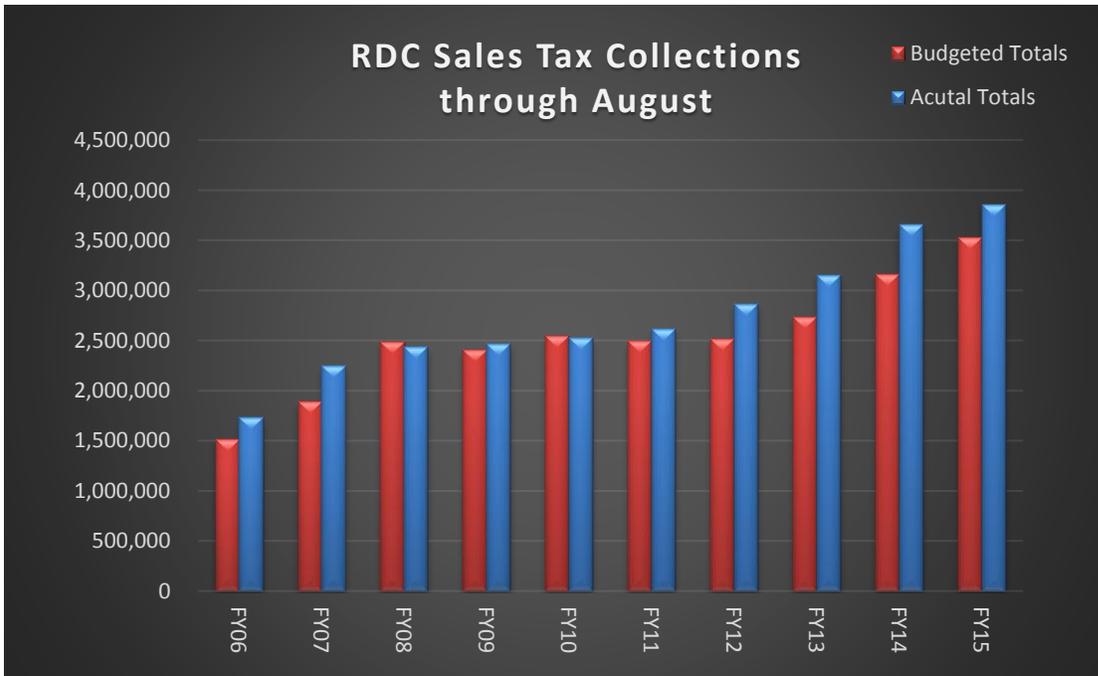
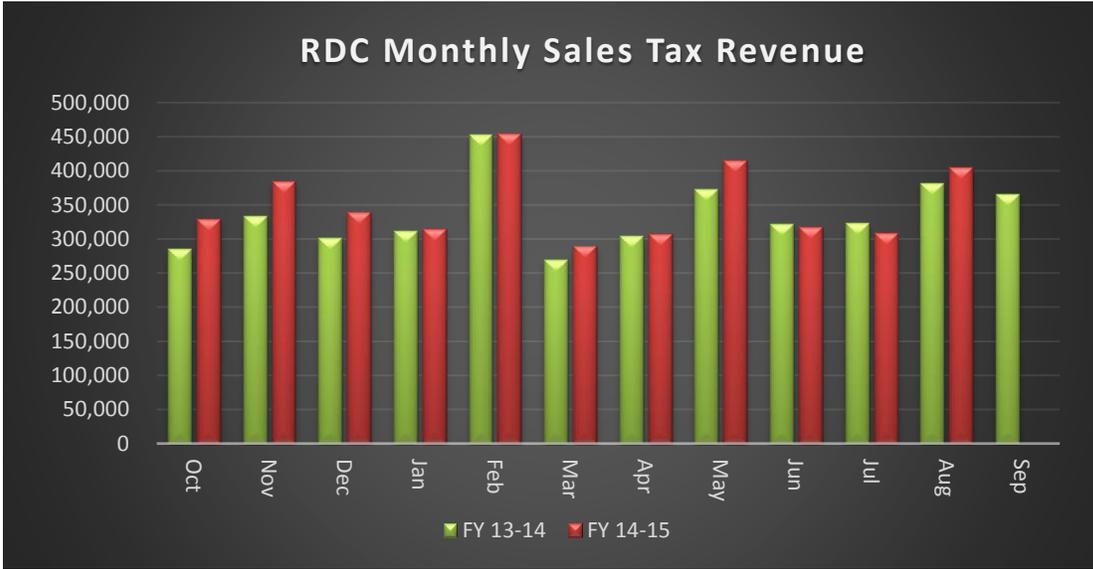
|       |           |            |            |            |         |       |       |            |            |           |
|-------|-----------|------------|------------|------------|---------|-------|-------|------------|------------|-----------|
| Oct   | \$284,645 | \$ 284,645 | \$ 254,303 | \$ 254,303 | 111.93% | 12.3% | 12.3% | \$ 45,426  | \$ 26,206  | \$ 2,678  |
| Nov   | 332,266   | 616,912    | 301,210    | 555,512    | 111.05% | 10.7% | 11.4% | 43,511     | 62,113     | 2,709     |
| Dec   | 300,765   | 917,676    | 268,764    | 824,276    | 111.33% | 12.3% | 11.7% | 41,356     | 23,209     | 2,873     |
| Jan   | 311,275   | 1,228,951  | 241,171    | 1,065,447  | 115.35% | 29.5% | 15.7% | 55,706     | 27,306     | 3,558     |
| Feb   | 452,793   | 1,681,744  | 358,268    | 1,423,715  | 118.12% | 26.8% | 18.5% | 81,972     | 80,410     | 5,100     |
| Mar   | 269,503   | 1,951,247  | 241,272    | 1,664,988  | 117.19% | 12.1% | 17.6% | 35,930     | 21,835     | 2,401     |
| Apr   | 304,220   | 2,255,468  | 254,923    | 1,919,911  | 117.48% | 17.9% | 17.9% | 44,267     | 23,697     | 3,481     |
| May   | 372,069   | 2,627,537  | 335,114    | 2,255,025  | 116.52% | 11.4% | 16.9% | 50,765     | 60,332     | 2,784     |
| Jun   | 321,933   | 2,949,470  | 278,024    | 2,533,049  | 116.44% | 16.2% | 16.8% | 42,815     | 24,392     | 3,429     |
| Jul   | 322,644   | 3,272,114  | 289,771    | 2,822,820  | 115.92% | 11.7% | 16.3% | 43,395     | 26,561     | 3,439     |
| Aug   | 381,528   | 3,653,642  | 340,121    | 3,162,941  | 115.51% | 12.5% | 15.9% | 50,943     | 63,637     | 2,954     |
| Sep   | 365,422   | 4,019,064  | 282,259    | 3,445,200  | 116.66% | 29.9% | 17.0% | 44,345     | 26,570     | 2,944     |
| Total |           |            |            |            |         |       |       | \$ 580,432 | \$ 466,269 | \$ 38,351 |

**Fiscal Year 2014-15**

|       |           |            |            |            |         |       |       |            |            |           |
|-------|-----------|------------|------------|------------|---------|-------|-------|------------|------------|-----------|
| Oct   | \$328,597 | \$ 328,597 | \$ 283,444 | \$ 283,444 | 115.93% | 15.4% | 15.4% | \$ 47,153  | \$ 27,876  | \$ 2,454  |
| Nov   | 383,604   | 712,201    | \$ 335,726 | 619,171    | 115.02% | 15.5% | 15.4% | 48,133     | 66,466     | 3,267     |
| Dec   | 338,699   | 1,050,900  | \$ 299,563 | 918,734    | 114.39% | 12.6% | 14.5% | 42,177     | 24,526     | 2,589     |
| Jan   | 314,787   | 1,365,687  | \$ 268,808 | 1,187,542  | 115.00% | 1.1%  | 11.1% | 58,756     | 28,549     | 3,443     |
| Feb   | 453,735   | 1,819,423  | \$ 399,323 | 1,586,865  | 114.66% | 0.2%  | 8.2%  | 87,501     | 85,910     | 4,580     |
| Mar   | 288,676   | 2,108,098  | \$ 268,921 | 1,855,785  | 113.60% | 7.1%  | 8.0%  | 40,699     | 22,571     | 3,237     |
| Apr   | 306,989   | 2,415,087  | \$ 284,136 | 2,139,921  | 112.86% | 0.9%  | 7.1%  | 43,336     | 23,946     | 2,340     |
| May   | 414,271   | 2,829,359  | \$ 373,516 | 2,513,437  | 112.57% | 11.3% | 7.7%  | 52,568     | 64,295     | 3,120     |
| Jun   | 316,538   | 3,145,897  | \$ 309,884 | 2,823,322  | 111.43% | -1.7% | 6.7%  | 41,881     | 24,158     | 2,395     |
| Jul   | 308,052   | 3,453,949  | \$ 322,977 | 3,146,299  | 109.78% | -4.5% | 5.6%  | 45,797     | 26,383     | 3,140     |
| Aug   | 404,770   | 3,858,719  | \$ 379,097 | 3,525,396  | 109.45% | 6.1%  | 5.6%  | 52,877     | 70,363     | 2,521     |
| Sep   | -         |            | \$ 314,604 | 3,840,000  |         |       |       |            |            |           |
| Total |           |            |            |            |         |       |       | \$ 560,880 | \$ 465,043 | \$ 33,087 |

**ROSENBERG DEVELOPMENT CORPORATION  
SALES TAX REVENUES**

**GRAPHS**



**Rosenberg Development Corporation  
Outstanding Debt Service  
2014-2015 Budget**

| <b>Fiscal Year</b> | <b>Principal Due</b> | <b>Total Interest</b> | <b>Total Principal &amp; Interest</b> | <b>Adjustment for Business Park</b> | <b>Adjusted Principal &amp; Interest</b> |
|--------------------|----------------------|-----------------------|---------------------------------------|-------------------------------------|--|
| 2014-15            | 802,235              | 197,708               | 999,943                               | (35,000)                            | 964,943                                  |
| 2015-16            | 652,770              | 177,221               | 829,991                               | (35,000)                            | 794,991                                  |
| 2016-17            | 657,305              | 160,476               | 817,781                               | (113,000)                           | 704,781                                  |
| 2017-18            | 672,840              | 147,957               | 820,797                               | (113,000)                           | 707,797                                  |
| 2018-19            | 687,875              | 126,890               | 814,765                               | (113,000)                           | 701,765                                  |
| 2019-20            | 703,410              | 104,444               | 807,854                               | (113,000)                           | 694,854                                  |
| 2020-21            | 382,980              | 85,627                | 468,607                               | (191,000)                           | 277,607                                  |
| 2021-22            | 387,515              | 71,341                | 458,856                               | (191,000)                           | 267,856                                  |
| 2022-23            | 284,800              | 59,162                | 343,962                               | (270,000)                           | 73,962                                   |
| 2023-24            | 297,835              | 48,994                | 346,829                               | (270,000)                           | 76,829                                   |
| 2024-25            | 228,190              | 39,216                | 267,406                               | (256,000)                           | 11,406                                   |
| 2025-26            | 236,225              | 29,874                | 266,099                               |                                     | 266,099                                  |
| 2026-27            | 247,295              | 19,974                | 267,269                               |                                     | 267,269                                  |
| 2027-28            | 255,330              | 9,557                 | 264,887                               |                                     | 264,887                                  |
| 2028-29            | 71,400               | 2,621                 | 74,021                                |                                     | 74,021                                   |
| 2029-30            | 23,005               | 489                   | 23,494                                |                                     | 23,494                                   |
| <b>Total</b>       | <b>\$6,591,010</b>   | <b>\$1,281,551</b>    | <b>\$7,872,561</b>                    | <b>(1,700,000)</b>                  | <b>\$6,172,561</b>                       |

**Rosenberg Development Corporation  
RDC Projects Fund  
For the Period Ended August 31, 2015**

| <b>CP0705</b>                            |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b> |
|--|--------------------|---------------------|------------------------|--------------------|------------------|
| <b>Project Description</b>               | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>     |
| Transportation Gateway Improvements      | 225-7000-540-7030  | \$ 676,392          | \$ 664,052             | \$ 12,340          | \$ -             |
| FY15 Transportation Gateway Improvements | 225-7000-540-7038  | 80,000              | 13,937                 | 364                | 65,699           |
| Project Management Fee                   |                    | 4,016               | 4,016                  | -                  | -                |
| <b>Totals</b>                            |                    | <b>\$ 760,408</b>   | <b>\$ 682,005</b>      | <b>\$ 12,704</b>   | <b>\$ 65,699</b> |

| <b>CP1301</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b> |
|----------------------------|--------------------|---------------------|------------------------|--------------------|------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>     |
| FY2013 Park Improvements   | 225-7000-540-7030  | \$ 251,177          | \$ 245,856             | \$ -               | \$ 5,321         |
| <b>Totals</b>              |                    | <b>\$ 251,177</b>   | <b>\$ 245,856</b>      | <b>\$ -</b>        | <b>\$ 5,321</b>  |

| <b>CP1302</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b>  | <b>Remaining</b> |
|----------------------------|--------------------|---------------------|------------------------|---------------------|------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>       | <b>Funds</b>     |
| Business Park Development  | 225-7000-540-7030  | \$ 3,849,783        | \$ 1,895,260           | \$ 1,930,339        | \$ 24,184        |
| Project Management Fee     | 225-7000-540-4395  | 85,000              | 22,112                 | -                   | 62,888           |
| <b>Totals</b>              |                    | <b>\$ 3,934,783</b> | <b>\$ 1,917,372</b>    | <b>\$ 1,930,339</b> | <b>\$ 87,073</b> |

| <b>CP1316</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b>  |
|----------------------------|--------------------|---------------------|------------------------|--------------------|-------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>      |
| Downtown Parking Lot       | 225-7000-540-7030  | \$ 262,500          | \$ 266,445             | \$ -               | \$ (3,945)        |
| <b>Totals</b>              |                    | <b>\$ 262,500</b>   | <b>\$ 266,445</b>      | <b>\$ -</b>        | <b>\$ (3,945)</b> |

| <b>CP1317</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b> |
|----------------------------|--------------------|---------------------|------------------------|--------------------|------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>     |
| Bamore Road Phase IV       | 225-7000-540-7031  | \$ 750,000          | \$ 750,000             | \$ -               | \$ -             |
| <b>Totals</b>              |                    | <b>\$ 750,000</b>   | <b>\$ 750,000</b>      | <b>\$ -</b>        | <b>\$ -</b>      |

| <b>CP1402</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b>  |
|----------------------------|--------------------|---------------------|------------------------|--------------------|-------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>      |
| Aldi Project               | 225-7000-540-7032  | \$ 500,000          | \$ -                   | \$ -               | \$ 500,000        |
| <b>Totals</b>              |                    | <b>\$ 500,000</b>   | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 500,000</b> |

| <b>CP1501</b>              |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b>  |
|----------------------------|--------------------|---------------------|------------------------|--------------------|-------------------|
| <b>Project Description</b> | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>      |
| Livable Centers            | 225-7000-540-7035  | \$ 250,000          | \$ -                   | \$ -               | \$ 250,000        |
| <b>Totals</b>              |                    | <b>\$ 250,000</b>   | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 250,000</b> |

| <b>CP1503</b>                                  |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b>  |
|--|--------------------|---------------------|------------------------|--------------------|-------------------|
| <b>Project Description</b>                     | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>      |
| Traffic Signal at Reading Rd and Town Ctr Blvd | 225-7000-540-7037  | \$ 115,375          | \$ -                   | \$ -               | \$ 115,375        |
| <b>Totals</b>                                  |                    | <b>\$ 115,375</b>   | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 115,375</b> |

| <b>CP1507</b>                 |                    | <b>Total</b>        | <b>Amount Paid</b>     | <b>Encumbrance</b> | <b>Remaining</b>  |
|-------------------------------|--------------------|---------------------|------------------------|--------------------|-------------------|
| <b>Project Description</b>    | <b>G/L Account</b> | <b>Project Cost</b> | <b>Project To Date</b> | <b>Amount</b>      | <b>Funds</b>      |
| Macario Garcia Park Restrooms | 225-7000-540-7036  | \$ 150,000          | \$ 4,800               | \$ 2,750           | \$ 142,450        |
| <b>Totals</b>                 |                    | <b>\$ 150,000</b>   | <b>\$ 4,800</b>        | <b>\$ 2,750</b>    | <b>\$ 142,450</b> |

|                                      |  |                     |                     |                     |                     |
|--------------------------------------|--|---------------------|---------------------|---------------------|---------------------|
| <b>Total</b>                         |  | <b>\$ 6,885,227</b> | <b>\$ 3,840,350</b> | <b>\$ 1,945,793</b> | <b>\$ 1,099,085</b> |
| <b>Total Project Management Fees</b> |  | <b>\$ 89,016</b>    | <b>\$ 26,128</b>    | <b>\$ -</b>         | <b>\$ 62,888</b>    |



## COMMUNICATION FORM

September 10, 2015

| ITEM #   | ITEM TITLE                  |
|--|-----------------------------|
| 1  | Board Member Decorum        |
| <b>ITEM/MOTION</b>   |                             |
| Consideration of and action on Decorum of RDC Board Members. |                             |
| <b>APPROVAL</b>  | <b>SUPPORTING DOCUMENTS</b> |

**SUBMITTED BY :**

1. None

Randall Malik  
RDC Executive Director

### EXECUTIVE SUMMARY

This item has been added by Director Pena to discuss RDC Board Member Decorum.



## COMMUNICATION FORM

September 10, 2015

| ITEM #  | ITEM TITLE  |
|---|---|
| 2   | Rosenberg Development Corporation (RDC) Investment Policy |
| <b>ITEM/MOTION</b>  |   |
| Consideration of and action on the RDC Investment Policy. |   |
| <b>APPROVAL</b>   | <b>SUPPORTING DOCUMENTS</b>                               |

**SUBMITTED BY :**

A handwritten signature in blue ink that reads "Joyce Vasut".

1. RDC Investment Policy
2. RDC Investment Policy - Redlined
3. Disclosure Statement
4. Training Certificate

Joyce Vasut  
Executive Director of Administrative Services

### EXECUTIVE SUMMARY

The Public Funds Investment Act (PFIA) and RDC's Investment Policy (Policy), require the Policy to be reviewed annually by the Finance Committee and the RDC Board.

The Policy has been reviewed by staff and some minor changes have been suggested and presented to the Finance Committee on August 18<sup>th</sup>. The Finance Committee recommended submitting the Draft RDC Investment Policy to the full Board at the September RDC Meeting.

In accordance with the PFIA and RDC's Investment Policy, attached you will find a copy of the most recent training certificate and the disclosure statement.

City staff and the Finance Committee recommend approval of the Investment Policy.

# Rosenberg Development Corporation Investment Policy

## 1. Purpose

The purpose of this investment policy shall be to establish and provide the Rosenberg Development Corporation (RDC) with specific policy guidelines in order to conduct the investment program of the RDC, and to ensure that all investments of RDC funds will be made in compliance with State Statutes, the City Charter and Ordinances of the City of Rosenberg (the City), the RDC's Articles of Incorporation and Bylaws and the Governmental Accounting Standards Board Statement No. 3. The RDC will strive to invest public funds in a manner which will provide maximum security and the best commensurate yield while meeting the daily cash flow demands of the RDC.

## 2. Scope

This Investment Policy applies to all financial assets of the RDC. This policy established guidelines for those who can invest RDC funds, how RDC funds will be invested, and when and how a regular review of investments will be made.

## 3. Objectives. Funds of the RDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The financial assets of the RDC shall be invested in accordance with the following provisions:

3.1 Safety of Principal. Safety of principal is the foremost objective of the investment program. The RDC will give priority to the preservation and safety of the principal invested. Investments will be made in a manner that will mitigate credit risk and interest rate risk.

3.2 Liquidity. The RDC's investment portfolio will remain sufficiently liquid to enable the RDC to meet all operating requirements, which might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements. Short-term investment pools provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

3.3 Diversification. The investment portfolio shall be diversified to minimize market and credit risk in any particular sector and shall be diversified by maturity to stabilize interest income throughout market cycles.

3.4 Public Trust. Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid transactions that might impair public confidence in the RDC's ability to govern effectively.

3.5 Return on Investment (Yield). The RDC will invest in a manner that will maximize earnings to the greatest extent, consistent with State and local laws and the objectives of safety and liquidity.

4. **Strategy.** The RDC's investment strategy is the logical product of the investment objectives. As such, it emphasizes low credit risk, diversification, and the management of maturities. The strategy also takes into account the expertise and time constraints of the investment officers. The allowable investments listed in Section 7 reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. The RDC's strategy uses investment pools to achieve diversification. The management of maturities refers to structuring the maturity dates of the direct investments so that, while funds may be initially invested for a longer time, some investments mature each quarter.

The major components of the strategy are as follows:

- 4.1 **Depository Bank.** Funds at the depository bank are to be managed to a level that minimizes the cost of the relationship to the RDC. Concerns about safety are to be addressed by the pledging requirements of the depository, in accordance with state law.
  - 4.2 **Investment Pools.** An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity and yield. Funds are usually available from investment pools on a next day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staffs, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. The strategy of the RDC calls for the use of investment pools as a primary source of diversification and a secondary source of liquidity.
  - 4.3 **Direct Investments.** The RDC may purchase securities of the U.S. Treasury and U.S. Agencies in the secondary market. The majority of these purchases are Treasury Bills with maturities of six months or less. The RDC employs a laddered maturity strategy for these instruments, enhancing liquidity. However, the laddered yields are those of six month investments rather than securities having a single month to maturity, enhancing yield. Funds whose expenditure is not anticipated for at least six months are available for such investing. Additionally, the RDC occasionally purchases a U.S. Treasury or Agency security with maturities longer than six (6) months. Only a small portion of reserve funds, whose use is not anticipated in an annual cycle, is available for investing in maturities over six months. The strategy of the RDC is to maintain enough liquidity in its portfolio that it never needs to sell a security. This will protect the principal of the investment against interest rate risk. Should it become necessary to sell a security prior to maturity, it will not be sold at less than acquisition cost without authorization of RDC's Board of Directors.
5. **Delegation of Authority.** All officials of the RDC having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might involve a conflict of interest or otherwise impair public confidence in the ability of the RDC to govern effectively.
    - 5.1. **Investment Committee.** As a requirement of this section, an Investment Committee shall hereby be established. The purpose of the Investment Committee shall be to determine and review investment policies and the results of the investment activities of the RDC; advise the Investment Officer as to any factors affecting market conditions,

investment activities, and target rates of return; authorize financial institutions and broker/dealer bid lists; and to recommend any changes that may be appropriate to investment ordinances, policies and procedures. The membership of the Investment Committee shall be composed of at least three (3) members of the RDC's Board of Directors, the Executive Director, and the Investment Officer. Members of the Investment Committee shall serve without compensation. The Investment Officer shall serve as chairman of the Investment Committee.

- 5.2 **Investment Officer.** The Finance Director of the City of Rosenberg shall be designated as the Investment Officer for the RDC and shall be responsible for investment decisions and activities under the direction of the Executive Director. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program.
- 5.3 **Training of Investment Officers.** All investment officers of the RDC shall attend at least one training session related to investing public funds within 12 months of assuming duties. This training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state laws governing investment activities. They must also attend at least ten hours of continuing education not less than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. The training provider must be an independent source approved by the RDC's Investment Committee.
- 5.4 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which 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 probable income to be derived." The Investment Officer, while acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.
- 5.5 **Internal Control.** The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Fidelity bonds will be purchased by the RDC covering each member of the Investment Committee.
6. **Ethics and Conflicts of Interest.** Members of the RDC Investment Committee or any others 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. Members of the Investment Committee should disclose to the RDC's Board of Directors any material financial interests in financial institutions that conduct business with the RDC, and they shall further disclose positions that could be related to the performance of the RDC's portfolio. RDC staff shall subordinate their personal financial transactions to those of the RDC, particularly with regard to timing of purchases and sales.

Any member of the Investment Committee of the RDC who has a personal business relationship with an organization seeking to sell an investment to the RDC shall file a statement disclosing that personal business interest. Any member of the Investment Committee who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the RDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the RDC's Board of Directors.

7. **Authorized Investment Instruments.** Authorized investments shall consist of instruments of the following types:

7.1 **Operating Funds:**

- 7.1.1 U.S. Treasury bills maturing within one (1) year;
- 7.1.2 U.S. Treasury notes and bonds maturing within one (1) year;
- 7.1.3 Short-term obligations of U.S. government agencies and instrumentalities maturing within one (1) year, and approved for investment purposes by the Investment Committee, the principal and interest of which are unconditionally guaranteed by the United States of America, or its agencies and instrumentalities;
- 7.1.4 Local government investment pools, created to function as money market mutual funds, organized in conformity with Chapter 791 (Interlocal Cooperation Contract Act) and Chapter 2256 (Public fund Investment Act) of the Government Code, and approved by the RDC Board; or
- 7.1.5 Fully collateralized certificates of deposit or Certificate of Deposit Account Registry Service, made with banks or savings and loan associations that are insured by the Federal Deposit Insurance Corporation (FDIC) or with federal credit unions that are insured by the National Credit Union Share Insurance Fund and mature within one (1) year.

- 7.2 **Reserve Funds:** Investment maturities for reserve funds will be invested in the authorized investments listed in Section 7.1, with maturities not to exceed five (5) years, provided however, that no more than fifty percent (50%) of the RDC's overall portfolio may be invested in maturities exceeding one (1) year.

8. **Selection of Qualifying Institutions.** Qualifying institutions shall be of two types: federally insured financial institutions, or securities brokers and/or dealers.

8.1 **Financial Institution:** Selection criteria for federally insured financial institutions serving as the RDC's depository bank shall include the following:

- 8.1.1 The financial institution must be an FDIC member bank;
- 8.1.2 The financial institution must be incorporated under the laws of the State of Texas or of the United States of America; and
- 8.1.3 The financial institution must be located within the corporate boundaries of the City. Depositories located outside the City limits, but within Fort Bend County or Harris County may be eligible to bid on investments, provided the financial institution maintains a place of business within the State of Texas and offers

within the State the services required by the depository services contract; and the RDC's Board of Directors, has adopted a written policy expressly permitting the consideration of applications received by the RDC from a financial institution that is not doing business within the City, after taking into consideration what is in the best interest of the RDC in establishing a depository.

8.2 **Brokers/Dealer:** Selection criteria for brokers/dealers shall include the following:

- 8.2.1 Investments shall only be made with those business organizations (including local government investment pools) that have provided the RDC with a written instrument, executed by a qualified member of the firm, acknowledging that the business organization has:
  - a. received and reviewed the RDC's Investment Policy; and
  - b. implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the RDC's Investment Policy, except to the extent that the authorization is dependent on an analysis of the makeup of the RDC's entire portfolio or requires an interpretation of subjective investment standards.
- 8.2.2 A primary government securities dealer, recognized as such by the Federal Reserve Bank of New York; or
- 8.2.3 A broker/dealer located within the Fort Bend or Harris County boundaries, licensed to conduct business in the State of Texas, and regulated by the Securities and Exchange Commission; AND
- 8.2.4 A broker/dealer in good standing with the Financial Industry Regulating Authority. (FINRA).

8.3 The Investment Officer shall maintain an approved bid list containing both financial institutions and brokers/dealers and their successors with which the RDC is authorized to conduct investment transactions. Additions to or deletions from the bid list shall be approved only by the Investment Committee.

8.4 The Investment Committee shall evaluate the soundness of both the financial institutions and brokers/dealers. Investigation may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with the RDC shall be required to provide any financial data requested by the Investment Committee or the Investment Officer.

9. **Safekeeping and Collateral.**

9.1 For all investment securities purchased by the RDC, securities pledged as collateral for certificates of deposit or other evidences of deposit shall be retained in safekeeping in a third party safekeeping bank located within the State of Texas. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions. The RDC, financial institution, and the safekeeping bank shall operate in accordance with a master safekeeping agreement approved by all three parties. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the RDC in the event the

RDC has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the RDC are in jeopardy for whatever reason, including involuntary closure or change of ownership. The RDC shall always maintain the original safekeeping receipt for all investments and pledged collateral.

- 9.2 Release of collateral or substitution of securities must be approved in writing by the Investment officer, with the consent of the Executive Director.
- 9.3 The RDC may accept the following securities as collateral for its certificates of deposit and other evidences of deposit (V.T.C.A., Government Code, Section 2256.001, et. seq, formerly Article 842a-2, Section 2, V.T.C.S., as amended);
  - 9.3.1 FDIC coverage;
  - 9.3.2 U.S. Treasury bills, notes and bonds;
  - 9.3.3 State of Texas bonds;
  - 9.3.4 Bonds issued by other Texas governmental entities (City, County or school districts only) with a remaining maturity of twenty (20) years or less. Bonds must be (and must remain) investment quality: that is, with a rating of at least "A" or its equivalent;
  - 9.3.5 Other obligations of the U.S. or its agencies and instrumentalities of which both the principal and interest are unconditionally guaranteed by the U.S.

Provided however, that at least ninety percent (90%) of the pledged collateral must be in the form of sections 9.3.1 - 9.3.4 above.

- 9.4 For certificates of deposit, other evidences of deposit, and U.S. Treasury bills, notes, and bonds, collateral shall be at 110% of market value. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.
  - 9.5 Financial institutions with whom the RDC invests or maintains other deposits, shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the RDC, marked to current market prices. The listing shall include total pledged securities itemized by name, type, description, par value, current market value, maturity date, and Moody's or Standard & Poor's rating, if applicable. The Investment Committee and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.
10. **Portfolio Management.** It shall be the duty of the RDC to manage the investment portfolio to enhance overall investment income through active fund management.
    - 10.1 **Monitoring of Performance.** The Investment Officer shall routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and adjust the portfolio accordingly.

10.2 **Diversification of Portfolio.**

10.2.1 **Diversification by Maturities.** The RDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

10.2.2 **Diversification by Investment Instrument.** Diversification by investment instrument shall not exceed the following guidelines:

|   | <b><u>Maximum Amount or Percentage of Portfolio</u></b> |
|---|---|
| Depository Bank   |   |
| Target balance of \$50,000 to be maintained, with balance not to exceed \$350,000.  | \$350,000   |
| U.S. Treasury Obligations   | 100%  |
| U.S. Government Agency Securities & Instrumentalities of Government Sponsored Corporations  | 30%   |
| Fully Collateralized Certificates of Deposit or Certificate of Deposit Account Registry Service   | 100%  |
| Authorized Government Investment Pools  | 95%   |
| If the RDC has authorized participation in more than one government investment pool, then the maximum to be invested in any one pool shall be 55% of the 95% of the total portfolio percentage authorized for total pool investment. (One pool maximum shall be 52.25% of total portfolio.) |   |
| Other Authorized Obligations  | 5%  |

10.3 The RDC shall invest local funds in investments yielding the highest possible rate of return while providing necessary protection of the principal consistent with the operating requirements of this section or written policies.

10.4 For all investments which are not included within the scope of any depository agreement, the Investment Officer shall be authorized to accept competitive quotations from bidders having been approved by the Investment Committee. At least three responsible quotations shall always be taken for all investment instruments. Investment decisions shall be documented internally.

10.5 The Investment Officer may order investments orally, but shall be required to provide written confirmation of the investment order from the financial institution or broker/dealer.

- 10.6 All investments purchased by the RDC shall be purchased "delivery versus payment" (DVP), meaning the RDC shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the RDC. The notification may be oral, but shall be confirmed in writing.
- 10.7 Investments will never be prematurely sold at less than acquisition cost without the authorization of the RDC's Board of Directors.
11. **Reporting.** The Investment Officer shall generate quarterly investment reports. Such reports shall be signed by the Investment Officer presented to the RDC Board of Directors. Reports must include a statement of compliance of the investment portfolio with the approved investment strategy and with the Public Funds Investment Act. Additionally, reports must include, but are not limited to, the following:
  - 11.1 Interest earned during the reporting period;
  - 11.2 Investment activities during the reporting period, including investment purchases and maturities or sales;
  - 11.3 A list of all investments by type, financial institution or broker/dealer, and by fund at the end of the reporting period;
  - 11.4 A report of investment transactions for the preceding period, describing in detail the investment position of the RDC as of the date of the report.
12. **Investment Policy Adoption.** The RDC's Board of Directors shall adopt the written investment policy. The RDC's Board of Directors shall review the policy and strategy annually. Revisions shall be made only by action of RDC's Board of Directors.

## **BROKER/DEALERS**

Coastal Securities

Wells Fargo

## **INVESTMENT POOLS**

LOGIC

Lonestar

Texas Class

Texas TERM

TexPool

## Rosenberg Development Corporation Investment Policy

### 1. ~~1.~~ Purpose.

The purpose of this investment policy shall be to establish and provide the Rosenberg Development Corporation (RDC) with specific policy guidelines in order to conduct the investment program of the RDC, and to ensure that all investments of RDC funds will be made in compliance with State Statutes, the City Charter and Ordinances of the City of Rosenberg (the City), the RDC's Articles of Incorporation and Bylaws and the Governmental Accounting Standards Board Statement No. 3. The RDC will strive to invest public funds in a manner which will provide maximum security and the best commensurate yield while meeting the daily cash flow demands of the City.

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### 2. Scope: applicability.

~~2.1 The financial assets of all funds of the RDC comprise one pooled fund group. They are invested under a single strategy and share the same investment objectives. These funds are accounted for in the RDC's Comprehensive Annual Financial Report (CAFR) and include the following:~~

- ~~2.1.1 General Fund;~~
- ~~2.1.2 Special Revenue Funds;~~
- ~~2.1.3 Debt Service Funds; and~~
- ~~2.1.4 Capital Project Funds.~~

~~2.2 These fund as well as funds that may be created from time to time, shall be administered in accordance with the provisions of this policy.~~

This Investment Policy applies to all financial assets of the RDC. This policy established guidelines for those who can invest RDC funds, how RDC funds will be invested, and when and how a regular review of investments will be made.

### 3. Objectives. Funds of the RDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The financial assets of the RDC shall be invested in accordance with the following provisions:

3.1 Safety of Principal. Safety of principal is the foremost objective of the investment program. ~~Investments of the RDC shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio, investments are limited to the safest types of securities, and pre-qualification is required for broker/dealers, financial institutions, and advisors with which the RDC will do business.~~ The RDC will give priority to the preservation and safety of the principal invested. Investments will be made in a manner that will mitigate credit risk and interest rate risk.

3.2 Liquidity. The RDC's investment portfolio will remain sufficiently liquid to enable the RDC to meet all operating requirements, which might be reasonably anticipated. Liquidity

shall be achieved by matching investment maturities with ~~budgetary and economic cycles and~~ forecasted cash flow requirements. Short-term investment pools provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

~~3.3 **Return on Investment (Yield).** The RDC's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the RDC's investment risk constraints and the cash flow characteristics of the portfolio. Return on Investment is of secondary importance compared to safety and liquidity objectives. The yields of the three and six month Treasury Bill shall be the minimum yield objectives or "benchmarks";~~

~~3.4.3 **Diversification.** Investments shall be made in order to avoid unreasonable or avoidable risks, to enhance total yield and to fulfill the objectives of this section or written policies; The investment portfolio shall be diversified to minimize market and credit risk in any particular sector and shall be diversified by maturity to stabilize interest income throughout market cycles.~~

~~3.4 **Public Trust.** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid transactions that might impair public confidence in the RDC's ability to govern effectively.~~

~~3.5 **Return on Investment (Yield).** The RDC will invest in a manner that will maximize earnings to the greatest extent, consistent with State and local laws and the objectives of safety and liquidity. The RDC's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the RDC's investment risk constraints and the cash flow characteristics of the portfolio. Return on Investment is of secondary importance compared to safety and liquidity objectives. The yields of the three and six month Treasury Bill shall be the minimum yield objectives or "benchmarks";~~  
~~3.5 **Statutory Compliance and Staffing Capabilities.** Investments shall be made based on statutory constraints and subject to available designated staffing capabilities.~~

~~3.6 **Banking Relationships.** This policy shall further seek to maintain good banking relationships while minimizing the cost of banking services.~~

~~3.7 **Maximizing Investible Cash Balances.** Procedures shall be established and implemented in order to maximize investible cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.~~

4. **Strategy.** The RDC's investment strategy is the logical product of the investment objectives. As such, it emphasizes low credit risk, diversification, and the management of maturities. The strategy also takes into account the expertise and time constraints of the investment officers. The allowable investments listed in Section 7 reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. The RDC's strategy uses investment pools to achieve diversification. The management of maturities refers to structuring the maturity dates of the direct investments

so that, while funds may be initially invested for a longer time, some investments mature each ~~calendar month~~quarter.

~~A single strategy is specified, in accordance with the single pooled fund group defined in Section 2.~~The major components of the strategy are as follows:

4.1 **Depository Bank.** Funds at the depository bank are to be managed to a level that minimizes the cost of the relationship to the RDC. Concerns about safety are to be addressed by the pledging requirements of the depository, in accordance with state law.

4.2 **Investment Pools.** An investment pool is an entity created to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are safety, liquidity and yield. Funds are usually available from investment pools on a next day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staffs, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve diversification. The strategy of the RDC calls for the use of investment pools as a primary source of diversification and a secondary source of liquidity.

4.3 **Direct Investments.** The RDC ~~may purchase~~s securities of the U.S. Treasury and U.S. Agencies in the secondary market. The majority of these purchases are Treasury Bills with maturities of six months or less. The RDC employs a laddered maturity strategy for these instruments, enhancing liquidity. However, the laddered yields are those of six month investments rather than securities having a single month to maturity, enhancing yield. Funds whose expenditure is not anticipated for at least six months are available for such investing. Additionally, the RDC occasionally purchases a U.S. Treasury or Agency security with maturities longer than six (6) months. Only a small portion of reserve funds, whose use is not anticipated in an annual cycle, is available for investing in maturities over six months.

4.4 ~~Hold to Maturity.~~ The strategy of the RDC is to maintain enough liquidity in its portfolio that it never needs to sell a security. This will protect the principal of the investment against interest rate risk. Should it become necessary to sell a security prior to maturity, it will not be sold at less than acquisition cost without authorization of RDC's Board of Directors.

5. **Delegation of Authority.** All officials of the RDC having either a direct or indirect role in the process of investing idle funds shall act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might involve a conflict of interest or otherwise impair public confidence in the ability of the RDC to govern effectively.

5.1. **Investment Committee.** As a requirement of this section, an Investment Committee shall hereby be established. The purpose of the Investment Committee shall be to determine and review investment policies and the results of the investment activities

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of the RDC; advise the Investment Officer as to any factors affecting market conditions, investment activities, and target rates of return; authorize financial institutions and broker/dealer bid lists; and to recommend any changes that may be appropriate to investment ordinances, policies and procedures. The membership of the Investment Committee shall be composed of the at least three (3) members of the RDC's Board of Directors, the Executive Director, ~~and the Investment Officer.~~ Members of the Investment Committee shall serve without compensation. The Investment Officer shall serve as chairman of the Investment Committee.

5.2 **Investment Officer.** The Finance Director of the City of Rosenberg shall be designated as the Investment Officer for the RDC and shall be responsible for investment decisions and activities under the direction of the Executive Director. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program. ~~Commitment of financial and staffing resources in order to maximize total return through active portfolio management shall be the responsibility of the RDC's Board of Directors.~~

5.3 **Training of Investment Officers.** All investment officers of the RDC shall attend at least one training session related to investing public funds within 12 months of assuming duties. This training must include education in investment controls, security risks, strategy risks, market risks, and compliance with state laws governing investment activities. They must also attend at least ten hours of continuing education not less than once in a two-year period that begins on the first day of the City's fiscal year and consists of the two consecutive fiscal years after that date. The training provider must be an independent source approved by the RDC's Investment Committee.

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5.4 **Prudence.** The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which 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 probable income to be derived." The Investment Officer, while acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

5.5 **Internal Control.** The Investment Officer shall establish a system of written internal controls, which shall be reviewed annually by independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Fidelity bonds will be purchased by the RDC covering each member of the Investment Committee.

6. **Ethics and Conflicts of Interest.** Members of the RDC Investment Committee or any others 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. Members of the Investment Committee should disclose

to the RDC's Board of Directors any material financial interests in financial institutions that conduct business with the RDC, and they shall further disclose positions that could be related to the performance of the RDC's portfolio. RDC staff shall subordinate their personal financial transactions to those of the RDC, particularly with regard to timing of purchases and sales.

Any member of the Investment Committee of the RDC who has a personal business relationship with an organization seeking to sell an investment to the RDC shall file a statement disclosing that personal business interest. Any member of the Investment Committee who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the RDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission, the City Council of the City of Rosenberg and the RDC's Board of Directors.

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7. **Authorized Investment Instruments.** Authorized investments shall consist of instruments of the following types:

7.1 Operating Funds:

- 7.1.1 U.S. Treasury bills maturing within one (1) year;
- 7.1.2 U.S. Treasury notes and bonds maturing within one (1) year;
- 7.1.3 Short-term obligations of U.S. government agencies and instrumentalities maturing within one (1) year, and approved for investment purposes by the Investment Committee, the principal and interest of which are unconditionally guaranteed by the United States of America, or its agencies and instrumentalities;
- 7.1.4 Local government investment pools, created to function as money market mutual funds, organized in conformity with Chapter 791 (Interlocal Cooperation Contract Act) and Chapter 2256 (Public fund Investment Act) of the Government Code, and approved by the RDC Board such as Tex-pool; or
- 7.1.5 Fully collateralized certificates of deposit or Certificate of Deposit Account Registry Service, including Super NOW and Money Market accounts, made with banks or savings and loan associations that are insured by the Federal Deposit Insurance Corporation (FDIC) or with federal credit unions that are insured by the National Credit Union Share Insurance Fund and mature within one (1) year.

7.2 Debt Service and/or Reserve Funds: Investment maturities for debt service interest and sinking funds and/or other types of reserve funds will be invested in the authorized investments listed in Section 7.1, with maturities not to exceed five (5) years, provided however, that no more than fifty percent (50%) of the RDC's overall portfolio may be invested in maturities exceeding one (1) year.

8. **Selection of Qualifying Institutions.** Qualifying institutions shall be of two types: federally insured financial institutions, or securities brokers and/or dealers.

8.1 Selection criteria for federally insured financial institutions serving as the RDC's depository bank shall include the following:

- 8.1.1 The financial institution must be an FDIC member bank;
- 8.1.2 The financial institution must be incorporated under the laws of the State of Texas or of the United States of America; and
- 8.1.3 The financial institution must be located within the corporate boundaries of the City. Depositories located outside the City limits, but within Fort Bend County or Harris County may be eligible to bid on investments, provided the financial institution maintains a place of business within the State of Texas and offers within the State the services required by the depository services contract; and the RDC's Board of Directors, has adopted a written policy expressly permitting the consideration of applications received by the RDC from a financial institution that is not doing business within the City, after taking into consideration what is in the best interest of the RDC in establishing a depository.

8.2 **Selection criteria for brokers/dealers** shall include the following:

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- 8.2.1 Investments shall only be made with those business organizations (including local government investment pools) that have provided the RDC with a written instrument, executed by a qualified member of the firm, acknowledging that the business organization has:
  - a. **received and reviewed the RDC's Investment Policy;** and
  - b. implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the RDC's Investment Policy, except to the extent that the authorization is dependent on an analysis of the makeup of the RDC's entire portfolio or requires an interpretation of subjective investment standards.
- 8.2.2 A primary government securities dealer, recognized as such by the Federal Reserve Bank of New York; or
- 8.2.3 A broker/dealer located within the Fort Bend or Harris County boundaries, licensed to conduct business in the State of Texas, and regulated by the Securities and Exchange Commission; AND
- 8.2.4 A broker/dealer in good standing with the Financial Industry Regulating Authority. (FINRA).

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8.3 The Investment Officer shall maintain an approved bid list containing both financial institutions and brokers/dealers and their successors with which the RDC is authorized to conduct investment transactions. Additions to or deletions from the bid list shall be approved only by the Investment Committee. *(List attached.)*

8.4 The Investment Committee shall evaluate the soundness of both the financial institutions and brokers/dealers. Investigation may include, but is not limited to, review of rating agency reports, review of call reports, and analyses of management, profitability, capitalization, and asset quality. Financial institutions and brokers/dealers desiring to conduct business with the RDC shall be required to provide any financial data requested by the Investment Committee or the Investment Officer.

9. **Safekeeping and Collateral.**

9.1 For all investment securities purchased by the RDC, securities pledged as collateral for certificates of deposit or other evidences of deposit shall be retained in safekeeping in a third party safekeeping bank located within the State of Texas. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions. The RDC, financial institution, and the safekeeping bank shall operate in accordance with a master safekeeping agreement approved by all three parties. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the RDC in the event the RDC has determined that the depository bank has failed to pay on any matured investments in certificates of deposit, or has determined that the funds of the RDC are in jeopardy for whatever reason, including involuntary closure or change of ownership. The RDC shall always maintain the original safekeeping receipt for all investments and pledged collateral.

9.2 Release of collateral or substitution of securities must be approved in writing by the Investment officer, with the consent of the Executive Director.

9.3 The RDC may accept the following securities as collateral for its certificates of deposit and other evidences of deposit (V.T.C.A., Government Code, Section 2256.001, et. seq, formerly Article 842a-2, Section 2, V.T.C.S., as amended);

9.3.1 FDIC coverage;

9.3.2 U.S. Treasury bills, notes and bonds;

9.3.3 State of Texas bonds;

9.3.4 Bonds issued by other Texas governmental entities (City, County or school districts only) with a remaining maturity of twenty (20) years or less. Bonds must be (and must remain) investment quality: that is, with a rating of at least "A" or its equivalent;

9.3.5 Other obligations of the U.S. or its agencies and instrumentalities of which both the principal and interest are unconditionally guaranteed by the U.S.

Provided however, that at least ninety percent (90%) of the pledged collateral must be in the form of sections 9.3.1 - 9.3.4 above.

9.4 For certificates of deposit, other evidences of deposit, and U.S. Treasury bills, notes, and bonds, collateral shall be at 110% of market value. The market value of collateral will always equal or exceed the principal plus accrued interest of deposits at financial institutions.

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

10. **Portfolio Management.** It shall be the duty of the RDC to manage the investment portfolio to enhance overall investment income through active fund management.

10.1 **Monitoring of Performance.** The Investment Officer shall routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and adjust the portfolio accordingly.

10.2 **Diversification of Portfolio.**

10.2.1 **Diversification by Maturities.** The RDC shall diversify the use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maturity scheduling shall be managed by the Investment Officer so that maturities of investments shall be timed to coincide with projected cash flow needs.

10.2.2 **Diversification by Investment Instrument.** Diversification by investment instrument shall not exceed the following guidelines:

|  | <b>Maximum<br/>Amount or<br/>Percentage<br/>of Portfolio</b> |
|--|--|
| Depository Bank - Target balance of <del>\$200,000</del> <u>\$50,000</u> to be maintained, with balance not to exceed \$350,000.   | \$350,000  |
| U.S. Treasury Obligations  | 100%   |
| U.S. Government Agency Securities & Instrumentalities of Government Sponsored Corporations   | 30%  |
| Fully Collateralized Certificates of Deposit <u>or Certificate of Deposit Account Registry Service</u>   | 100%   |
| Authorized Government Investment Pools<br>If the RDC has authorized participation in more than one government investment pool, then the maximum to be invested in any one pool shall be <del>65</del> <u>55</u> % of the <del>89</del> <u>55</u> % of the total portfolio percentage authorized for total pool investment. (One pool maximum shall be <del>55</del> <u>2.25</u> % of total portfolio.) | <del>89</del> <u>55</u> %                                    |
| Other Authorized Obligations   | 5%   |

- 10.3 The RDC shall invest local funds in investments yielding the highest possible rate of return while providing necessary protection of the principal consistent with the operating requirements of this section or written policies.
- 10.4 For all investments which are not included within the scope of any depository agreement, the Investment Officer shall be authorized to accept competitive quotations from bidders having been approved by the Investment Committee. At least three responsible quotations shall always be taken for all investment instruments. Investment decisions shall be documented internally.
- 10.5 The Investment Officer may order investments orally, but shall be required to provide written confirmation of the investment order from the financial institution or broker/dealer.
- 10.6 All investments purchased by the RDC shall be purchased "delivery versus payment" (DVP), meaning the RDC shall authorize the release of funds only after receiving notification from the safekeeping bank that a purchased security has been received in the safekeeping account of the RDC. The notification may be oral, but shall be confirmed in writing.
- 10.7 Investments will never be prematurely sold at less than acquisition cost without the authorization of the RDC's Board of Directors.

11. **Reporting.** The Investment Officer shall generate **quarterly investment reports** as specified for management purposes at least quarterly. Such reports shall be submitted to the Investment Committee, and must be signed by the Investment Officer. ~~The Investment Committee must report presented quarterly~~ to the RDC Board of Directors. Reports must include a statement of compliance of the investment portfolio with the approved investment strategy and with the Public Funds Investment Act. Additionally, reports must include, but are not limited to, the following:

- 11.1 Interest earned during the reporting period;
- ~~11.2 Interest received during the reporting period;~~
- ~~11.23~~ 11.34 Investment activities during the reporting period, including investment purchases and maturities or sales;
- ~~11.34~~ 11.34 A list of all investments by type, financial institution or broker/dealer, and by fund at the end of the reporting period;
- ~~11.5 Pledged collateral report; and~~
- 11.64 A report of investment transactions for the preceding period, describing in detail the investment position of the RDC as of the date of the report.

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12. **Investment Policy Adoption.** The RDC's Board of Directors shall adopt the written investment policy. The RDC's Board of Directors shall review the policy and strategy annually. Revisions shall be made only by action of RDC's Board of Directors.

**BROKER/DEALERS**

Bank of America

UBS Paine Webber

Morgan Stanley

SAMCO

Duncan Williams

Vining Sparks

Coastal Securities

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Wells Fargo

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**INVESTMENT POOLS**

TexPool

Lonestar

LOGIC

| [Texas ClassMBIA](#)

MEMORANDUM

Date: September 1, 2015  
To: RDC Board Members  
Copy: Texas Ethics Commission  
From: Joyce Vasut, Executive Director of Administrative Services  
Subject : DISCLOSURE UNDER THE PUBLIC FUNDS INVESTMENT ACT

As Investment Officer for the City of Rosenberg (City), I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the City as of the date of this memorandum, in compliance with the Public Funds Investment Act and with the City's Investment Policy.

1. I have the following "personal business relationships" with individuals or entities who are offering to engage, have offered to engage or may offer to engage in an investment transaction with the City.

(a) I own (i) ten per cent (10%) or more of the voting stock or shares or (b) \$5,000 or more of the fair market value of the following business organizations: Not Applicable  
\_\_\_\_\_  
\_\_\_\_\_

(b) I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year: Not Applicable  
\_\_\_\_\_  
\_\_\_\_\_

(c) I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account: I have Certificates of Deposit with Amegy Bank, which is the City's Bank Depository. I also have a checking account with Amegy bank  
\_\_\_\_\_

2. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell an investment to the City: Not Applicable  
\_\_\_\_\_  
\_\_\_\_\_

3. I acknowledge that this disclosure will be filed with the City council Members of the City and the Texas Ethics Commission by the City.



\_\_\_\_\_  
(SIGNATURE)

Government Treasurers' Organization of Texas  
and  
University of North Texas Center for Public Management

Certificate of Attendance  
presented to

*Joyce Vasut*

*For completion of training on the Texas Public Funds Investment Act and related investment issues:*

|   |     |
|---|-----|
| Economic Commentary   | 2.0 |
| Legislative Update  | 1.5 |
| The Municipal Advisory Process, Part I                      |     |
| Municipalities Continuing Disclosure Cooperation Initiative | 1.5 |
| The Municipal Advisory Process, Part II                     | 1.5 |
| The Fed in Perspective                                      |     |
| GTOT Investment Policy Certification                        | 1.0 |
| The Future of GSEs  |     |
| Choosing the Right Benchmark for Public Sector Portfolios   | 1.0 |
| The State of the Texas Economy                              | 1.5 |
| Implementing Pensions: GASB-68                              | 1.5 |
| Let the Feds Talk Taper, My Focus is Commercial Paper       |     |
| MAC & EMMA for Dummies                                      | 1.5 |
| OPEB – Future Impacts                                       |     |
| The Current Investment Market                               |     |

*Total Hours: 13*

GTOT Winter Seminar  
December 8-10, 2014  
Fort Worth, Texas



Patrick Shinkle  
TSBPA CPE Sponsor 004662



## COMMUNICATION FORM

September 10, 2015

| ITEM #   | ITEM TITLE   |
|--|--|
| 3  | Resolution No. RDC-98 – Authorizing Participation in LOGIC Investment Pool |
| <b>ITEM/MOTION</b>   |  |
| Consideration of and action on Resolution No. RDC-98, a Resolution of the Board of Directors of the Rosenberg Development Corporation approving and authorizing execution of an Interlocal Agreement for participation in a public funds investment cooperative (the "Cooperative"), designating the Board of Directors of the Cooperative as an agency and instrumentality to supervise the Cooperative, approving investment policies of the Cooperative, appointing authorized representatives and designating investment officers. |  |
| <b>APPROVAL</b>  | <b>SUPPORTING DOCUMENTS</b>  |

**SUBMITTED BY:**

Joyce Vasut  
Executive Director of Administrative Services

- 1) Resolution No. RDC-98
- 2) LOGIC Participation Agreement
- 3) Banking Instructions

**EXECUTIVE SUMMARY**

During the August 18, 2015 Rosenberg Development Corporation (RDC) Investment Committee meeting, staff presented the need to diversify investments within the available public funds investment cooperatives.

Currently, 100% of the RDC's investments are in TexPool, which is the only investment pool that RDC is a member. This Resolution authorizes RDC participation in a second investment pool, known as the Local Government Investment Cooperative (LOGIC). The Resolution also establishes the authorized representatives and the participant representative. The LOGIC Participation Agreement, as well as the bank instruction form, is included for review.

Staff recommends approval of Resolution No. RDC-98, which authorizes the RDC to participate in the LOGIC.

## Resolution No. RDC-98

### Local Government Investment Cooperative Resolution

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN INTERLOCAL AGREEMENT FOR PARTICIPATION IN A PUBLIC FUNDS INVESTMENT COOPERATIVE (THE "COOPERATIVE"), DESIGNATING THE BOARD OF DIRECTORS OF THE COOPERATIVE AS AN AGENCY AND INSTRUMENTALITY TO SUPERVISE THE COOPERATIVE, APPROVING INVESTMENT POLICIES OF THE COOPERATIVE, APPOINTING AUTHORIZED REPRESENTATIVES AND DESIGNATING INVESTMENT OFFICERS.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended (the "Interlocal Act"), permits any "local government" to contract with one or more other "local governments" to perform "governmental functions and services," including investment of public funds (as such phrases are defined in the Interlocal Act);

WHEREAS, the Interlocal Act authorizes the contracting parties to any interlocal agreement to contract with agencies of the State of Texas, within the meaning of Chapter 771 of the Government Code,

WHEREAS, the Act permits the contracting parties to any interlocal agreement to create an administrative agency to supervise the performance of such interlocal agreement and to employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of such interlocal agreement;

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended (the "PFIA"), authorizes the entities described in Subsection (a) of the PFIA to invest their funds in an eligible public funds investment pool, and the Local Government Investment Cooperative intends to become and remain an eligible public funds investment pool, under the terms and conditions set forth in PFIA;

WHEREAS, \_\_\_\_\_ (the "Government Entity") desires to enter into that certain Interlocal Agreement (the "Agreement"), a copy of which is presented with this Resolution and is incorporated herein by reference, and to become a participant in a public funds investment pool created thereunder and under PFIA, to be known as Local Government Investment Cooperative (the "Cooperative");

WHEREAS, the Government Entity is a Government Entity as defined in the Agreement; and

WHEREAS, the Government Entity desires to cause administration of the Cooperative to be performed by a board of directors (the "Board"), which shall be an administrative agency created under the Interlocal Act; and

WHEREAS, the Government Entity desires to designate the Board as its agency and instrumentality with authority to supervise performance of the agreement, employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of the Agreement;

WHEREAS, each capitalized term used in this Resolution and not otherwise defined has the same meaning assigned to it in the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

1. The Agreement is hereby approved and adopted and, upon execution thereof by an Authorized Representative (defined below) and receipt of the Government Entity's application to join the Cooperative by the Administrator, the Government Entity shall become a Participant in the Cooperative for the purpose of investing its available funds therein from time to time in accordance with its terms.

2. The Board is hereby designated as an agency and instrumentality of the Government Entity, and the Board shall have the authority to supervise performance of the Agreement and the Cooperative, employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of the Agreement.

3. The investment policies of the Cooperative, as set forth in the document entitled Investment Policies, as summarized in the Information Statement, and as may be amended from time to time by the Board, are hereby adopted as investment policies of the Government Entity with respect to money invested in the Cooperative, and any existing investment policies of the Government Entity in conflict therewith shall not apply to investments in the Cooperative.

4. The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: execute the Agreement, an application to join the Cooperative and any other documents required to become a Participant; deposit money to and withdraw money from the Government Entity's Cooperative account from time to time in accordance with the Agreement and the Information Statement; and take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity:

1. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

2. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

3. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

4. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

In accordance with Cooperative procedures, an Authorized Representative shall promptly notify the Cooperative in writing of any changes in who is serving as Authorized Representatives.

5. **{Required}** List the name of the Authorized Representative listed above that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements

Name: \_\_\_\_\_

6. **{Optional}** In addition, the following additional Participant representative (not listed above) is designated as an Inquiry Only Representative authorized to obtain account information:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

7. **{Required}** Taxpayer Identification Number.

Applicant's taxpayer identification number is \_\_\_\_\_

8. **{Required}** Contact Information.

Applicant primary mailing address:

\_\_\_\_\_

Applicant physical address (if different):

\_\_\_\_\_

Applicant main phone number:

\_\_\_\_\_

Applicants main fax number:

\_\_\_\_\_

In addition to the foregoing Authorized Representatives, each Investment Officer of the Cooperative appointed by the Board from time to time is hereby designated as an investment officer of the Government Entity and, as such, shall have responsibility for investing the share of Cooperative assets representing funds of the Government Entity. Each depository and custodian appointed by the Board from time to time are hereby designated as a depository and custodian of the Government Entity for purposes of holding the share of Cooperative assets representing funds of the Government Entity.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

By: \_\_\_\_\_ Attest: \_\_\_\_\_

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Printed Name and Title

**OFFICIAL SEAL OF APPLICANT (REQUIRED BELOW)**



## **Local Government Investment Cooperative (LOGIC) Participation Agreement**

THIS PARTICIPATION AGREEMENT (together with any amendments and supplements, referred to as this “Agreement”) dated as of March 1, 1999 is made and entered into by and among each of those government entities initially executing this Agreement and any other government entity that is eligible and becomes a party hereto (collectively, the “Participants”).

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended (the “PFIA”) authorizes the entities described in the PFIA to invest their funds in an eligible public funds investment pool;

WHEREAS, each of the Participants qualifies as an entity described in the PFIA;

WHEREAS, the Participants desire to establish and maintain a public funds investment pool for the purpose of pooling their local funds for joint investment in accordance with the PFIA and the terms hereof and providing assistance to each other on investment alternatives and on other issues of concern to the Participants;

WHEREAS, the Participants desire that the public funds investment pool be entitled Local Government Investment Cooperative (the “Cooperative”) and the Cooperative be managed and operated by a board of directors, which shall be an advisory board under the PFIA;

WHEREAS, each of the Participants has duly taken all official action necessary and appropriate to become a party to this Agreement, including the adoption of a rule, order, ordinance, or resolution, as appropriate;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, the Participants mutually agree as follows:

### ARTICLE I

#### **Definitions and Rules of Construction**

**Section 1.01. Definitions.** Except as otherwise provided in this Agreement, the capitalized terms used herein shall have the following meanings unless the context otherwise requires:

**Account** - any account established by a Participant.

**Additional Party Agreement** - a document substantially in the form attached hereto as an Appendix which, when attached to a copy of this Agreement and executed by an Authorized Representative of a Government Entity, constitutes a valid and binding counterpart of this Agreement and results in the Government Entity becoming a party to this Agreement.

**Administrator** - Any person, firm or organization approved by the Board and under contract to provide administrative assistance in connection with the management and operation of the Cooperative.

**Advisor** - The registered investment advisor or advisors selected by or at the direction of the Board to provide advice regarding investment of Cooperative assets pursuant to this Agreement and subject to applicable law.

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

**Authorized Investments** - those investments which are authorized from time to time to be purchased, sold and invested in under PFIA or other applicable law and further defined in the Investment Policies.

**Authorized Representative** - an individual authorized to execute documents and take other necessary actions, pursuant to this Agreement, on behalf of a Government Entity or other person, firm or organization, as evidenced by a duly adopted resolution or bylaw of the governing body of such Government Entity or other person, firm or organization, a certified copy of which is on file with the Administrator. In the case of a Government Entity that is a combination of political subdivisions under the Act, the Authorized Representatives of any administrative agency appointed by such combination of political subdivisions shall be deemed to be Authorized Representatives for such Government Entities.

**Board** - the governing body of the Cooperative, known as The Board of Directors of Local Government Investment Cooperative.

**Bylaws** - the bylaws adopted by the Board, as the same may be amended from time to time, subject to the requirements of this Agreement.

**Cooperative** - the public funds investment cooperative created pursuant to this Agreement.

**Custodian** - any person, firm or organization selected by or at the direction of the Board to have custody of all money, investments and other assets of the Cooperative pursuant to this Agreement and subject to applicable law.

**General Manager** - any person, firm or organization which has contracted with the Board to provide general management services to the Board.

**Government Entity** - a local government of the State of Texas, as defined in the PFIA, a state agency, as defined in the PFIA, and a nonprofit corporation acting on behalf of a local government or a state agency, including but not limited to an incorporated city or town, a county, a public school district, a district or authority created under art. III, Section 52(b)(1) or (2) of the Texas Constitution, or art. XVI, Section 59 of the Texas Constitution, an institution of higher education as defined by Section 61.003 of the Education Code, a hospital district, or a fresh water supply district.

**Information Statement** - the information statement or any other document distributed to Participants and potential Participants to provide them with a description of the management and operation of the Cooperative, as the same may be amended from time to time, subject to the requirements of this Agreement.

**Interlocal Act** - the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as the same may be amended from time to time.

**Investment Officer** - one or more officers or employees of the Board designated as investment officers by the Board.

**Investment Policies** - the written Investment Policies adopted and approved by the Board governing investment and management of Cooperative assets of different Portfolios, as the same may be amended from time to time, subject to the requirements of this Agreement.

**Marketing Representative** - any person, firm or organization authorized by the Board to promote the Cooperative.

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

**Participants** - the Government Entities that are the initial parties to this Agreement and the Government Entities which subsequently become parties to this Agreement.

**PFIA** - the Public Funds Investment Act, Chapter 2256, Texas Government Code, as the same may be amended from time to time.

**Portfolio** - a portfolio of assets in the Cooperative which are held separate from other assets of the Cooperative and which are invested with a defined investment objective which may be different from other Portfolios in the Cooperative, and in which a Participant may elect to invest its funds.

**State** - the State of Texas.

**Units** - equal proportionate units of undivided beneficial interest in the assets of the Cooperative or of any Portfolio of the Cooperative from time to time, including fractions of units as well as whole units.

**Section 1.02. General Rules of Construction.**

- (a) Whenever in this Agreement the context requires: (1) a reference to the singular number shall include the plural and vice versa; and (2) a word denoting gender shall be construed to include the masculine, feminine, and neuter.
- (b) The titles given to any article or section of this Agreement are for convenience only and are not intended to modify the article or section.

ARTICLE II

**Creation of the Cooperative; Purpose and Objective**

**Section 2.01. Creation of the Board.**

- (a) The initial Participants hereby agree to jointly invest their funds in a public funds investment pool, to be known as Local Government Investment Cooperative (the "Cooperative") and to create and establish a board of directors of the Cooperative (the "Board"), as an advisory board pursuant to the PFIA and an administrative agency pursuant to the Interlocal Act, to supervise the Cooperative.
- (b) The Participants delegate to the Cooperative through its Board, the authority to hold legal title to and manage all money, investments and other assets transferred to or acquired by the Cooperative pursuant to this Agreement.
- (c) The Board shall have the authority to employ personnel, engage in other administrative activities and provide other administrative services necessary to accomplish the purpose of this Agreement.

**Section 2.02. Purpose and Objective.**

- (a) The first purpose of the Cooperative is to provide Government Entities with a variety of investment vehicles to best suit their investment needs, with each Portfolio tailored to meet a specific investment need.

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

- (b) The second purpose of the Cooperative is to provide Government Entities with a forum for discussion of, and to provide education concerning, investments and other issues of concern in public finance. In all cases, however, the Cooperative will have the following investment objectives in order of priority: safety of principal; liquidity in accordance with the operating requirements of the Participants; and the highest rate of return.
- (c) In order to accomplish the Cooperative's objective, each Participant agrees that the money transferred to a Portfolio within the Cooperative will be commingled with other money transferred to the Portfolio by other Participants for the purpose of making Authorized Investments, subject to the terms of this Agreement, the Investment Policies and applicable law, thereby taking advantage of investment opportunities and cost benefits available to larger investors.

### ARTICLE III

#### Cooperative Administration

##### **Section 3.01. The Board and the Bylaws**

- (a) The business and affairs of the Cooperative shall be managed by the Board as governing body of the Cooperative.
- (b) The Board is authorized to adopt Bylaws which shall set forth, among other things, the initial Board members, the procedures governing the selection of the members of the Board, the procedure for holding meetings, the election of officers, and other matters necessary or desirable for governance by the Board, and the right of the Board, the General Manager, and other consultants to be indemnified for damages arising from their actions in connection with the Cooperative. By executing this Agreement, the Participant consents to the Bylaws. By maintaining funds in the Cooperative after any amendment to the Bylaws becomes effective, the Participant consents to the Bylaws, as amended. The Board has the right to amend any term or provision of the Bylaws, provided that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, is a material change to the Bylaws.

##### **Section 3.02. Powers and Duties of the Board.**

- (a) Subject to applicable law and the terms of this Agreement, the Board shall have full and complete power to take all actions, do all things and execute all instruments as it deems necessary or desirable in order to carry out, promote or advance the investment objective, interests and purposes of the Cooperative to the same extent as if the Board was the sole and absolute owner of the Cooperative.
- (b) The Board shall adopt and maintain Investment Policies, consistent with the general objective of the Cooperative, which shall provide more detailed guidelines for investment and management of Cooperative assets. By executing this Agreement, the initial Participants consent to the proposed Investment Policies, and the subsequent Participants consent to the Investment Policies then in effect. By maintaining funds in the Cooperative after any amendment to the

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

Investment Policies becomes effective, the Participant has consented to the Investment Policies, as amended. The Board shall, subject to the terms of this Agreement, have the authority to amend any term or provision of the Investment Policies, provided that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, will have a material effect on such Participant's investment in the Cooperative.

- (c) The Board shall adopt and maintain Operating Procedures, which shall provide more detailed information on the procedures for depositing and withdrawing funds from the Cooperative. By executing this Agreement, the initial Participants consent to the proposed Operating Procedures, and the subsequent Participants consent to the Operating Procedures then in effect. By maintaining funds in the Cooperative after any amendment to the Operating Procedures becomes effective, the Participant has consented to the Operating Procedures, as amended. The Board shall, subject to the terms of this Agreement, have the authority to amend any term or provision of the Operating Procedures provided that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, will have a material effect on such Participant's investment in the Cooperative.
- (d) The Board shall designate one or more Investment Officers for the Cooperative who shall be responsible for the investment of Cooperative assets.
- (e) The Board shall prepare, or direct the preparation of an Information Statement that describes how the Cooperative will operate in accordance with the terms of this Agreement and the Investment Policies. Subject to the terms of this Agreement and the Investment Policies, the Information Statement may be amended or supplemented, notice of which will be provided to Participants in accordance with the disclosure requirements of the PFIA.
- (f) The Board shall, subject to the limitations established in the Investment Policies, have full and complete power and authority to appoint a general manager and any other service providers deemed necessary or helpful in the operation of the Cooperative.
- (g) The Board shall provide, through peer review, seminars, computer mail systems, or other means, information and educational opportunities to Participants on investing and on other issues in the area of public finance.
- (h) The Board shall have full and complete power to use, or direct the use of, Cooperative assets for the following purposes: (1) incur and pay any expenses which, in its opinion, are necessary or incidental to or proper for carrying out any of the purposes of this Agreement; (2) reimburse others for the payment thereof; (3) pay appropriate compensation or fees to persons with whom the Cooperative has contracted or transacted business; and (4) charge a Participant's Account for any special fees or expenses related specifically to transactions in such Account.
- (i) The Board shall have full power to compromise, arbitrate, or otherwise adjust claims in favor of or against the Cooperative.

Local Government Investment Cooperative (LOGIC)  
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- (j) The Board shall cause financial statements to be prepared and maintained for the Cooperative and for such statements to be audited annually by an independent certified public accounting firm.
- (k) The Board may appoint a General Manager to perform managerial services for the Cooperative, provided that the Board shall continue to oversee the operation and management of the Cooperative and shall have the authority to direct the General Manager to take or not take specific action on behalf of the Cooperative.
- (l) The enumeration of any specific power or authority herein shall not be construed as limiting the general power and authority of the Board over the Cooperative.

**Section 3.03. Liability.**

- (a) Neither the Board, the Investment Officers, nor any officers, employees or board members of any of the forgoing shall be held liable for any action or omission to act on behalf of the Cooperative or the Participants unless caused by such person's willful misconduct. The Cooperative shall indemnify and hold harmless (either directly or through insurance) any person referred to in this Section, to the extent permitted by law, for any and all litigation, claims or other proceedings, including but not limited to reasonable attorney fees, costs, judgments, settlement payments and penalties arising out of the management and operation of the Cooperative, unless the litigation, claim or other proceeding resulted from the willful misconduct of such person.
- (b) Neither the General Manager, the Marketing Representative, the Administrator, the Advisor, the Subadvisor, the Custodian, nor their affiliates, officers, employees or board members shall be held liable for any action or omission to act on behalf of the Cooperative or the Participants unless such person failed to meet the standard of care required under its agreement relating to the Cooperative or acted with willful misconduct. The Cooperative shall indemnify and hold harmless (either directly or through insurance) any person referred to in this Section, to the extent permitted by law, for any and all litigation, claims or other proceedings, including but not limited to reasonable attorney fees, costs, judgments, settlement payments and penalties arising out of the management and operation of the Cooperative, unless the litigation, claim, or other proceeding is adjudicated to have resulted from such person's failure to meet the standard of care required under its agreement relating to the Cooperative or its willful misconduct.
- (c) The indemnification provisions are described in more detail in the Bylaws.

ARTICLE IV

**Participation in the Cooperative**

**Section 4.01. Eligibility.** In order for a Government Entity to become a Participant and transfer money into the Cooperative, each of the following conditions must be satisfied:

- (a) The Government Entity must adopt a resolution (1) authorizing it to become a Participant and approving this Agreement, (2) acknowledging the Board's power

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

to supervise the Cooperative, (3) approving the investment policies of the Cooperative (as amended from time to time by the Board) and directing that any conflicting local investment policies shall not apply to Cooperative investments of the Participant, (4) designating Authorized Representatives of the Participant, (5) designating the Investment Officers appointed from time to time by the Board as the Participant's investment officers who shall be responsible for investing the share of Cooperative assets representing local funds of the Participant, and (6) designating the depository and custodian appointed from time to time by the Board as the Government Entity's depository and custodian for purposes of holding the share of Cooperative assets representing funds of the Government Entity; and

- (b) The Government Entity must become a party to this Agreement by executing an Additional Party Agreement and delivering the same to the Cooperative, together with a certified copy of the resolution referred to in subsection (a) of this Section, an application in form and substance satisfactory to the Board, and such other information as may be required by the Board.
- (c) No entity except a Government Entity may be a Participant. The Board shall have sole discretion to determine whether a Government Entity is eligible under Texas law to be a Participant and to designate categories of Government Entities eligible to be Participants in any Portfolio of the Cooperative.

**Section 4.02. Participant Accounts.**

- (a) While available local funds of Participants may be commingled for purposes of common investment and operational efficiency, one or more separate Accounts for each Participant in each Portfolio in the Cooperative designated by the Participant will be established in accordance with the Participant's application to join the Cooperative and maintained by the Cooperative.
- (b) Each Participant shall own an undivided beneficial interest in the assets in the Portfolios in which it invests, calculated as described in the Investment Policies.
- (c) The Participant agrees that all Cooperative fees shall be directly and automatically assessed and charged against the Participant's Account. The basic services fee shall be calculated as a reduction in the daily income earned and only the net income shall be credited to the Participant's Account. Fees for special services shall be charged to each Participant's Account as they are incurred or performed. Use of Cooperative assets for fees shall be made from current revenues available to the Participant.

**Section 4.03. Reports.** The Cooperative shall submit a written report a least once per month to each Participant. Such report will indicate: (1) the balance in each Account of a Participant as of the date of such report, (2) yield information, (3) all account activity since the previous report, and (4) other information required by the PFIA.

**Section 4.04. Termination.**

- (a) A Participant may withdraw all funds from an Account in accordance with the Investment Policies and Operating Procedures. A Participant may cease to be a

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

Participant under this Agreement, with or without cause, by providing written notice to the Cooperative at least 10 days prior to such termination.

- (b) The Board may terminate a Participant's participation in this Agreement upon at least 30 days notice if Texas law changes so that such Participant is no longer entitled to join in an eligible public funds investment pool under PFIA, the Interlocal Act, or other applicable law.
- (c) Upon the vote of a majority of its full membership, the Board may order the termination of this Agreement by directing that all outstanding operating expenses of the Cooperative be paid and remaining assets of the Cooperative be distributed to Participants in accordance with their respective pro rata interests.

ARTICLE V

**Cooperative Assets**

**Section 5.01. Cooperative Investments.** Cooperative assets shall be invested and reinvested by the Cooperative only in Authorized Investments in accordance with the Investment Policies.

**Section 5.02. Custody.** All money, investments and assets of the Cooperative shall be held in the possession of the Custodian.

ARTICLE VI

**Miscellaneous**

**Section 6.01. Severability.**

- (a) If any provision of this Agreement shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provisions contained herein or render the same invalid, inoperative or unenforceable to any extent whatsoever.
- (b) Any participation in this Agreement or transfer of assets to the Cooperative that is not qualified for any reason shall not terminate this Agreement or the participation of other Participants or otherwise adversely affect the Cooperative.

**Section 6.02. Limitation of Rights.** This Agreement does not create any right, title or interest for any person other than the Participants and any person who has a contract to provide services to the Cooperative, and nothing in or to be implied from this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under this Agreement.

**Section 6.03. Execution of Counterparts.** This Agreement may be executed in several separate counterparts, including by Additional Party Agreement, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 6.04. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 6.05. Term.** This Agreement shall have an initial term beginning with the effective date set forth below and ending March 31, 1995 and shall be automatically renewed for one year

Local Government Investment Cooperative (LOGIC)  
Participation Agreement

on such date and each anniversary of such date, except with respect to any Government Entity that may have terminated itself as a Participant or as otherwise provided in Section 4.05.

**Section 6.06. Notices.** Any notices or other information required or permitted to be given hereunder shall be sent: (a) to the Cooperative as set forth in the Information Statement, and (b) to a Participant as set forth in its application to become a Participant or as otherwise provided by written notice to the Administrator.

**Section 6.07. Entire Agreement; Amendments.** This Agreement represents the entire agreement and understanding of the Participants and supersedes the Interlocal Agreement dated as of April 4, 1994. This Agreement may be amended with the approval of the Board, provided that notice of any such amendment is sent to all Participants at least 60 days prior to the effective date thereof.

\* \* \* \* \*

Originally executed between Fort Bend County and City of Wichita Falls, Texas as of April 4, 1994, and amended by the Board and effective March 1, 1999.

\* \* \* \* \*

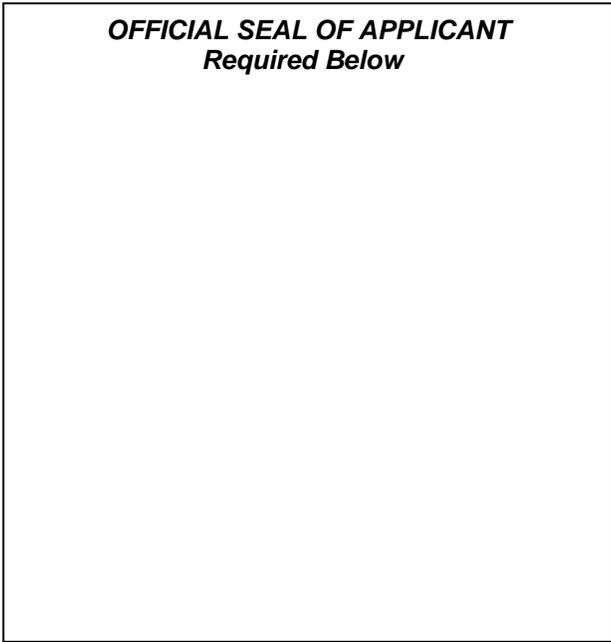
Local Government Investment Cooperative (LOGIC)  
Participation Agreement

**Additional Party Agreement**

The Government Entity of the State of Texas named below, acting by and through the undersigned Authorized Representative, hereby agrees to become a party to that certain Participation Agreement to which this page is attached, and thereby become a Participant in the Local Government Investment Cooperative, subject to all of the terms and provisions of such Agreement. The undersigned hereby represents that it is a Government Entity as defined in such Agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Name of Government Entity \_\_\_\_\_



By: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Printed Name and Title

Attest: \_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Printed Name and Title

Approved and accepted:

**LOCAL GOVERNMENT INVESTMENT COOPERATIVE {LOGIC}**

By: FIRST SOUTHWEST ASSET MANAGEMENT, INC.,  
Participant Services Administrator

By: \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Signer



# BANK INSTRUCTION FORM

PLEASE SELECT ONE OF THE FOLLOWING:

- NEW ACCOUNT: NAME \_\_\_\_\_
- CHANGE EXISTING ACCT: \_\_\_\_\_
- APPLY CHANGE TO ALL ACCOUNTS

EFFECTIVE DATE: \_\_\_\_\_

PARTICIPANT NAME: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

## Add Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE  PRIMARY BANK INSTRUCTION OR  ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING  WIRE AND ACH  WIRE ONLY  ACH ONLY

Bank Name: \_\_\_\_\_ City \_\_\_\_\_

Bank ABA Number (9 digits): \_\_\_\_\_ Bank ABA for ACH (if different) (9 digits): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_ Bank Account Name: \_\_\_\_\_

Correspondent Bank Name (if any): \_\_\_\_\_

Correspondent Bank ABA Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

## Delete Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE  PRIMARY BANK INSTRUCTION OR  ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING  WIRE AND ACH  WIRE ONLY  ACH ONLY

Bank Name: \_\_\_\_\_ City \_\_\_\_\_

Bank ABA Number (9 digits): \_\_\_\_\_ Bank ABA for ACH (if different) (9 digits): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_ Bank Account Name: \_\_\_\_\_

Correspondent Bank Name (if any): \_\_\_\_\_

Correspondent Bank ABA Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

*\* If ACH availability is selected, I hereby authorize JPMorgan Chase Bank, N.A. to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to LOGIC Participant Services. I understand that the LOGIC reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JPMorgan Chase Bank, N.A. to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. I authorize JPMorgan Chase Bank, N.A. to credit all amounts withdrawn in error to Designated Account.*

**NOTE: This authorization must be executed by two current Authorized Representatives of the Participant on file with LOGIC. As a current Authorized Representative, I certify that the above information is both true and correct.**

|  |                       |                |               |
|--|-----------------------|----------------|---------------|
| _____<br>Authorized Representative Signature | _____<br>Printed Name | _____<br>Title | _____<br>Date |
| _____<br>Authorized Representative Signature | _____<br>Printed Name | _____<br>Title | _____<br>Date |

Please complete this form either all typed or all handwritten. Forms with alterations (i.e. white out, mark out, etc.) will **NOT** be accepted.  
**LOGIC Participant Services \* 325 North St. Paul Street, Suite 800 \* Dallas, Texas 75201 \* 800.895.6442 \* Fax 214.953.8878**  
**Document with original signatures is required.**



## COMMUNICATION FORM

September 10, 2015

|  |                             |
|--|-----------------------------|
| <b>ITEM #</b>  | <b>ITEM TITLE</b>           |
| 4  | Downtown Parking Project    |
| <b>ITEM/MOTION</b>   |                             |
| Review and discuss Rosenberg Downtown Parking Project, and take action as necessary to direct staff. |                             |
| <b>APPROVAL</b>  | <b>SUPPORTING DOCUMENTS</b> |

**SUBMITTED BY :**

A handwritten signature in black ink, appearing to read "R. Malik".

Randall Malik  
RDC Executive Director

1. Texas Main Street Center Design Report.

### EXECUTIVE SUMMARY

Houston Fence Company has recently completed construction of a six-foot, nine-gage, vinyl-coated chain link fence. In order to move forward with having an engineer begin to prepare preliminary design documents for the parking lot, staff is seeking direction on the design of the parking lot. On the next page is a recommended design from the Texas Main Street Program Architects. After the general design is agreed upon, an engineering firm can be selected to conduct a preliminary engineering report.

The RDC has \$231,075 left in the Livable Centers line item for the project.

# TEXAS HISTORICAL COMMISSION

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September 3, 2015

## Texas Main Street Center Design Report

**Re:** Parking Lot at Avenue F and 3<sup>rd</sup> Street  
**City:** Rosenberg, Texas  
**By:** Marie Oehlerking, *Project Design Assistant*

---

*Not for regulatory approval, permitting, or construction  
Howard Langner, Architect, Texas Historical Commission*

*Prior to making any improvements to the building façade(s), the building owner should perform a thorough review of the major structural components of the building, including the roof, walls, and foundation. All mechanical and electrical systems should be well maintained in conformity with applicable codes and ordinances. Building uses and interior arrangements of program spaces should also be in conformity with applicable codes and ordinances.*

---

### DESIGN REQUEST

A design request was submitted for a city owned parking lot located at the intersection of Avenue F and 3<sup>rd</sup> Street. The lot has marked as a potential future infill location. For now, they would like recommendations on landscaping and streetscape elements along the perimeter of the lot. They would also like to construct a fence along the edge and add art at the corner.



*Above: Aerial View*



*Above: Existing signage*

---

Texas Historical Commission  
P.O. Box 12276  
Austin, TX 78711-2276  
512.463.6100  
fax 512.475.4872  
thc@thc.state.tx.us



**TEXAS HISTORICAL COMMISSION**  
*real places telling real stories*

[www.thc.state.tx.us](http://www.thc.state.tx.us)

# RECOMMENDATIONS

## Define the Perimeter

The edges and parking spaces of the existing lot are undefined. Delineating zones for pedestrians and automobiles along the edge of the lot will make the entire space more efficient and safe. Sidewalks and landscaping can be used to line the lot and will also visually connect it to the rest of downtown. Painted lines and landscaped islands can be used to define parking spaces. The aerial views below depict the difference in the space before and after the new interventions. The renderings at the end of this report also illustrate these recommendations.

Before



After



|   |   |   |                      |
|---|---|---|----------------------|
|  <b>TEXAS<br/>MAIN STREET</b><br><small>The State Agency for Historic Preservation</small> |  <b>TEXAS<br/>HISTORICAL<br/>COMMISSION</b><br><small>The State Agency for Historic Preservation</small> | PROJECT: Ave F & 3rd St                                     | SHEET NUMBER         |
|   |   | CITY: Rosenberg, Tx   |                      |
| DRAWN BY: M. Uehlerking   |   | DATE: 8/2/2016  | <b>SITE<br/>PLAN</b> |
| ARCHITECT:  |   | Not for regulatory approval,<br>permitting, or construction |                      |

## Sidewalks

Sidewalks should be incorporated into the new parking lot design to visually and physically link the lot to the rest of downtown. Pedestrians are more likely to walk along a block if there is a defined pathway that makes them feel safe and protected from traffic. Lamp posts that match those found in downtown should also be added along the sidewalks so they are well lit at night.

In the diagram below, the red zone signifies the buffer space between the pedestrian and the street. This will not only make the pedestrian feel safer it also creates a space to place utility poles, signage, and lamp posts. The sidewalk should be placed in the yellow zone with parking in the blue zone. Landscaping or a low wall or fence can be placed between the yellow and blue zones to physically divide the spaces and screen the parking lot from the street. For further explanation see page 4.



## Landscaping

Landscaping is an important component in defining the perimeter of a parking lot. Vegetation screens the lot from the street and makes the space more aesthetically pleasing. If placed between the sidewalk and the street, landscaping can also shield the pedestrian from passing traffic. The images to the right and on the next page provide examples.

Landscaping should consist of medium to large shrubs and/or trees. This will provide definition. Flowering plants can also add color in the mix. Native plants are always a good choice in landscaping because they require less water and maintenance.

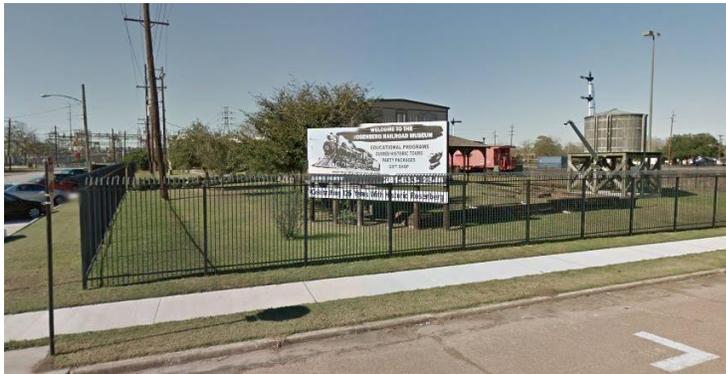




Examples of Landscaping

### Fence / Low Wall

A fence or wall can also be used along the perimeter of the parking lot. It should appear substantial and permanent. Chain link and wood **should not** be used as they are not compatible with the downtown district. The fence around the railroad museum across the street is a good example of a suitable fence for the parking lot. The images below provide additional examples. The fence is also a good opportunity to incorporate public art



## Public Art / Crosswalks

Incorporating public art in the edge of parking lot and crosswalks is a great opportunity to add color and local flavor to the site. Rosenberg Main Street can recruit local artist to create sculptures and installations for the lot. The images below are just a few examples of other Main Street cities that have incorporated art into their downtown. Much can be learned from Georgetown, Texas who has a successful public art program that incorporates sculptures at every street corner. For more information, please visit: <https://mainstreet.georgetown.org/play/public-art/>



Crosswalks are an important visual cue to incorporate at the intersection of Avenue F and 3<sup>rd</sup> street. Crosswalks indicate stop signs and mark pathways. They are also a great opportunity to incorporate public art as seen in the images below. Paintings can include motifs based on local culture or landscape. The crosswalk can also simply be the city name, which is what Palestine has done at one of their major intersections.



## Design Renderings

On the following pages are four renderings that illustrate landscaping, fences, and art installations for the parking lot. Additional options can be explored upon request.

## Option #1

- Black metal fence similar to railroad museum with art incorporated at the corner
- Minimal landscaping, grass on either side of sidewalks
- Regular crosswalks at corner
- Lamp posts that match those found in downtown



Close up of art at fence corner

## Inspiration:



## Option #2

- Black metal fence similar to railroad museum
- Minimal landscaping, grass on either side of sidewalks
- Art crosswalks with city name and train image
- Lamp posts that match those found in downtown
- Railroad track sculpture at corner



Close up of art at fence corner



### Option #3

- Black metal fence similar to railroad museum
- Shrubs and other vegetation along fence, additional plants at sidewalk intersection
- Regular crosswalks at corner
- Lamp posts that match those found in downtown



|   |   |                   |
|---|---|-------------------|
|  <p>TEXAS<br/>HISTORICAL<br/>COMMISSION<br/>The State Agency for Historic Preservation</p> | PROJECT: Ave F & 3rd St<br>CITY: Rosenberg, Tx<br>DRAWN BY: M. Oehlerking<br>DATE: 9/2/2015<br>ARCHITECT: | SHEET NUMBER<br>3 |
|   | Not for regulatory approval,<br>permitting, or construction   |                   |



Close up of art at fence corner

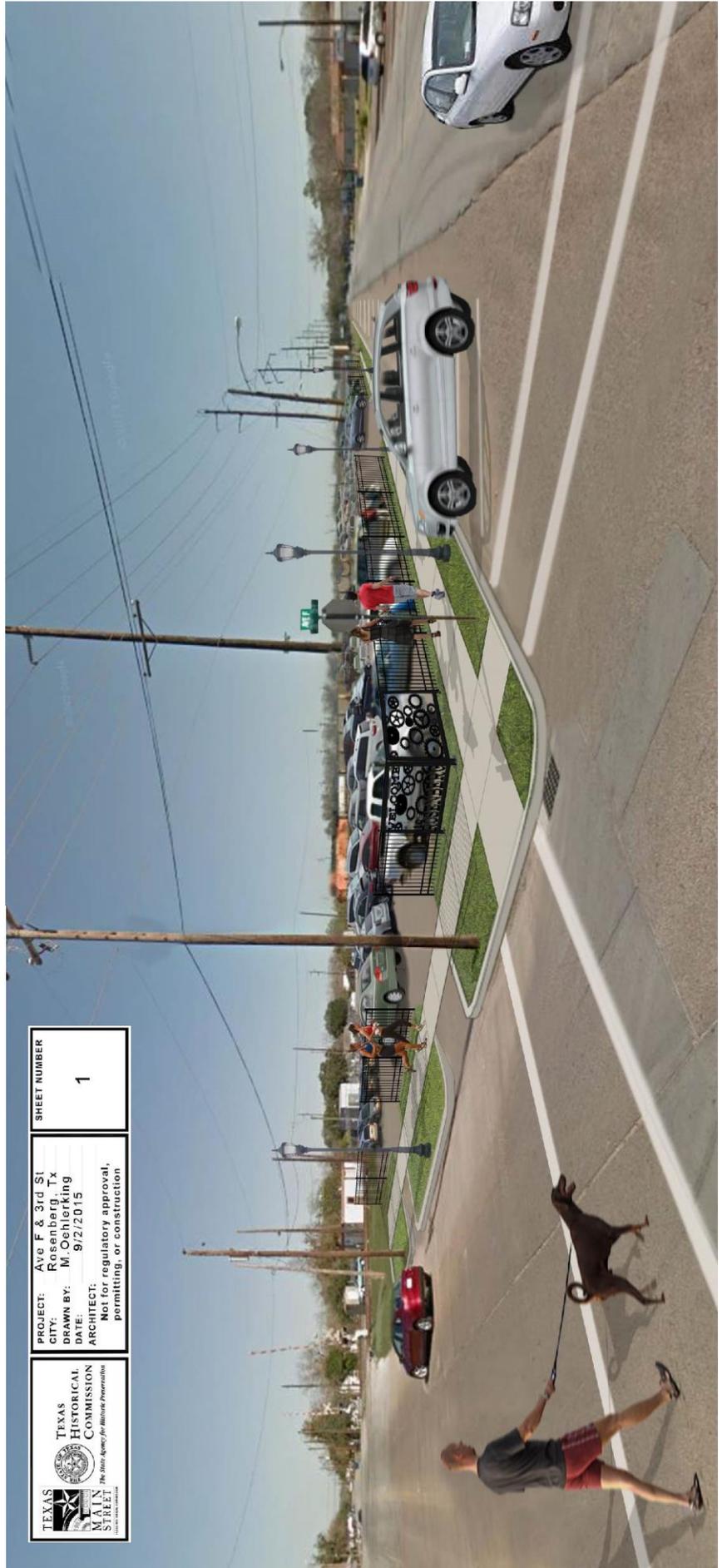
## Option #4

- Shrubs and other vegetation along perimeter of parking lot, additional plants at sidewalk intersection
- Regular crosswalks at corner
- Lamp posts that match those found in downtown
- Sculptures at corner and dispersed along shrubs

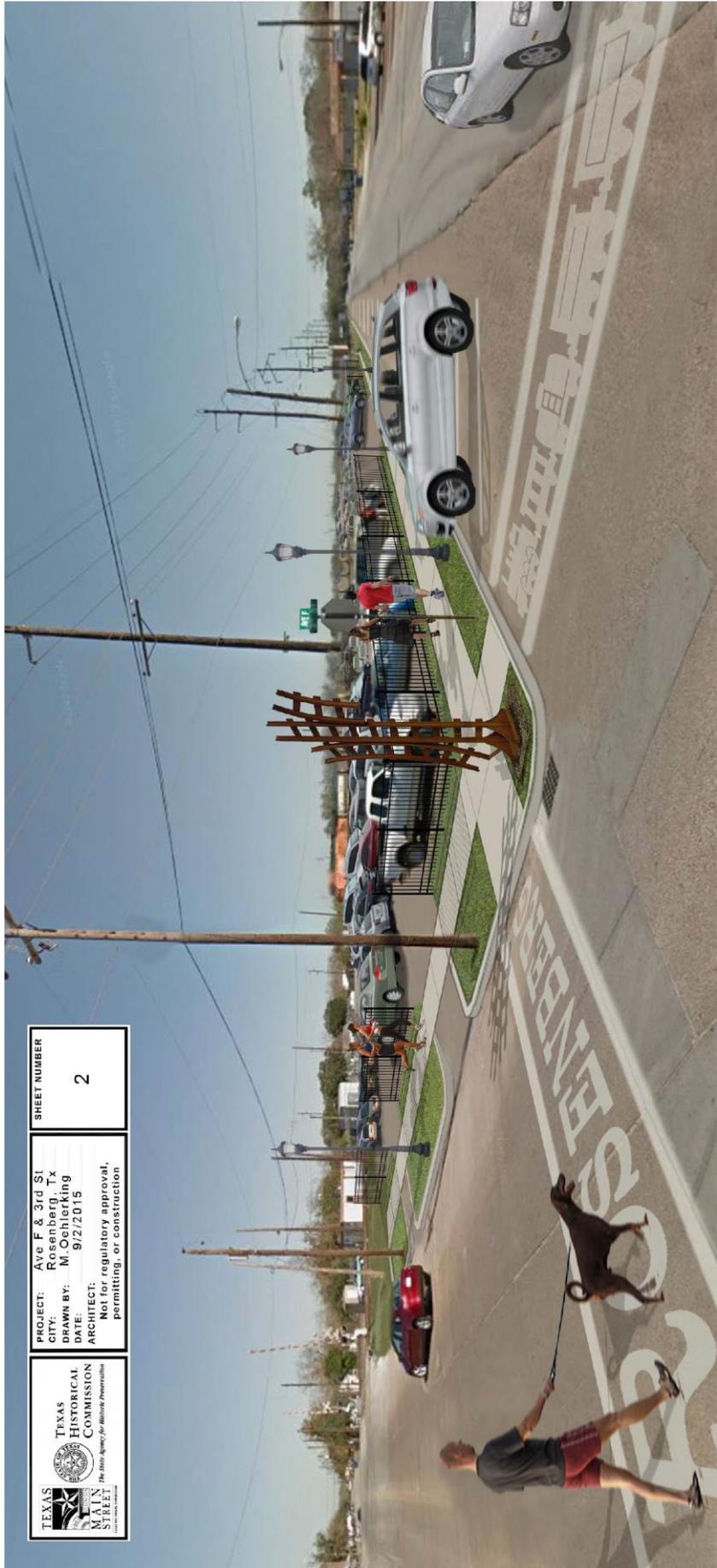


Close up of art at fence corner

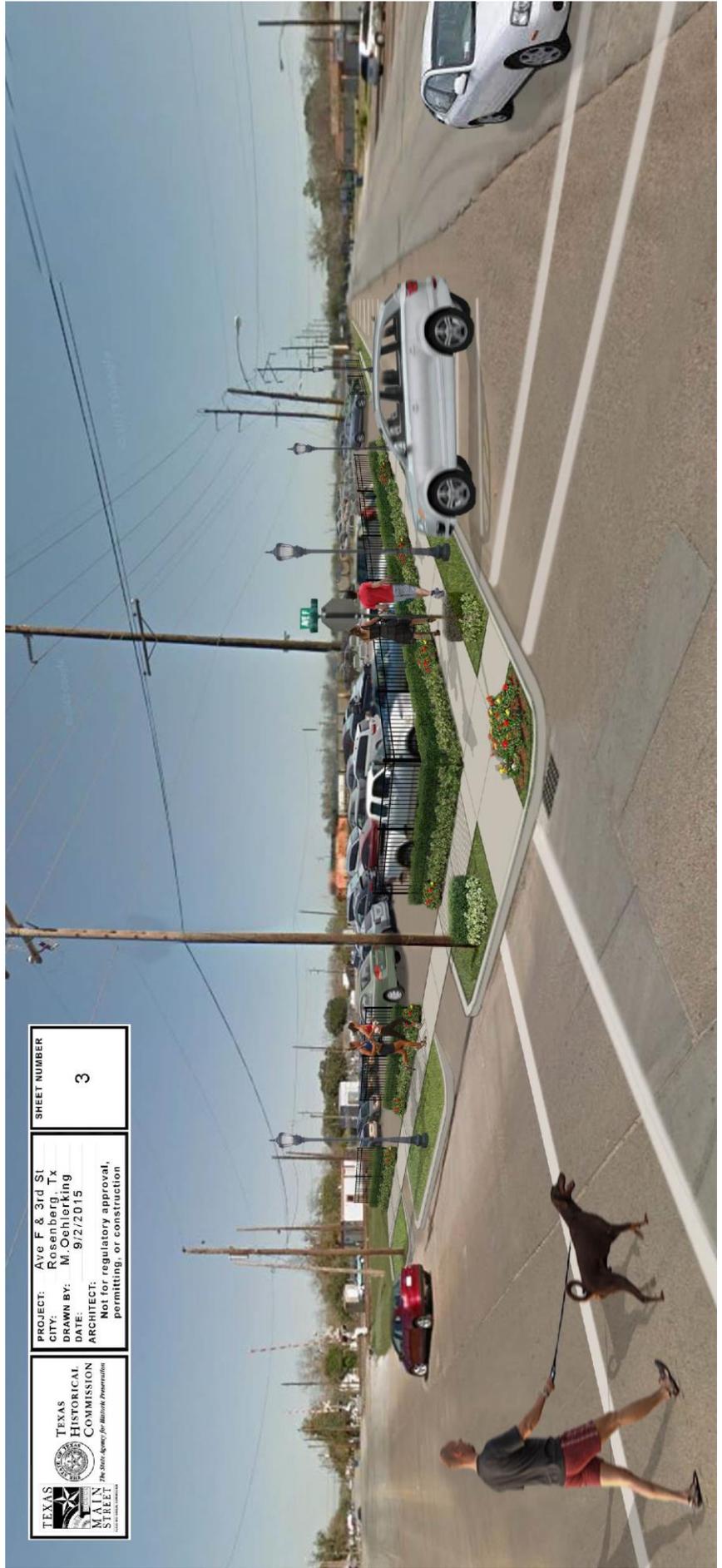
Enlarged renderings included on the following pages.



|   |   |                                |
|---|---|--------------------------------|
| <p>TEXAS<br/>HISTORICAL<br/>COMMISSION<br/>The State Agency for Historic Preservation</p> | <p>PROJECT: Ave F &amp; 3rd St<br/>CITY: Rosenberg, Tx<br/>DRAWN BY: M. Oehlerking<br/>DATE: 9/2/2015<br/>ARCHITECT: Not for regulatory approval,<br/>permitting, or construction</p> | <p>SHEET NUMBER<br/><br/>1</p> |
|---|---|--------------------------------|



|   |   |                                  |
|---|---|----------------------------------|
|  <p>TEXAS<br/>HISTORICAL<br/>COMMISSION<br/>The State Agency for Historic Preservation<br/>www.thc.texas.gov</p> | <p>PROJECT: Ave F &amp; 3rd St<br/>CITY: Rosenberg, Tx<br/>DRAWN BY: M. Ochlik<br/>DATE: 9/2/2015<br/>ARCHITECT: [Redacted]</p> | <p>SHEET NUMBER<br/><b>2</b></p> |
|   | <p>Not for regulatory approval,<br/>permitting, or construction.</p>  |                                  |
|   | <p>[Redacted]</p>   |                                  |
|   | <p>[Redacted]</p>   |                                  |



|  |  |                                  |
|--|--|----------------------------------|
|  <p>TEXAS<br/>HISTORICAL<br/>COMMISSION<br/><i>The State Agency for Historic Preservation</i></p> | <p>PROJECT: Ave F &amp; 3rd St<br/>CITY: Rosenberg, Tx<br/>DRAWN BY: M. Oehlertking<br/>DATE: 9/2/2015<br/>ARCHITECT: Not for regulatory approval,<br/>permitting, or construction</p> | <p>SHEET NUMBER<br/><b>3</b></p> |
|--|--|----------------------------------|



|   |  |                     |
|---|--|---------------------|
|  <p>TEXAS<br/>HISTORICAL<br/>COMMISSION<br/>The State Agency for Historic Preservation</p> | <p>PROJECT: Ave F &amp; 3rd St<br/>CITY: Rosenberg, Tx</p>                     | <p>SHEET NUMBER</p> |
|   | <p>DRAWN BY: M. Ochlerking</p>   | <p>4</p>            |
|   | <p>DATE: 9/2/2015</p>  |                     |
|   | <p>ARCHITECT: Not for regulatory approval,<br/>permitting, or construction</p> |                     |

## Guidance for Rehabilitation

The Texas Main Street Program helps Texas cities revitalize their historic downtowns and neighborhood commercial districts by utilizing preservation and economic development strategies. The Secretary of the Interior's Standards for Rehabilitation is a list of ten ways to approach rehabilitation on historic buildings. The Texas Historical Commission uses this list of standards when analyzing and making recommendations for a project. The standards can be found here: <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>

Rehabilitation is defined as "the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values."

## Funding

There are many options for funding preservation projects. As part of a designated Main Street community, the property owner has as a resource the local Main Street manager who can help you research and identify sources of additional funding. Localized financial tools can include façade grants or other direct assistance programs that come through sources such as local economic development organizations.

The THC and TMSP has compiled a document that identifies many of these avenues for funding and financing, it can be found on our website: <http://www.thc.state.tx.us/public/upload/Funding%20Methods%20for%20Main%20Street%20communities%206.3.15%20update.pdf> There are funding sources at the local, state and federal levels and they are outlined in the document. The list provides only brief summaries of potential funding sources, and information including eligibility requirements and application deadlines that are subject to change without notice. If the scope of work exceeds available sources of funding, the project should be phased accordingly, but these options for funding can still be utilized. Please contact possible grantors directly for more information on their programs.

## State & Federal Preservation Tax Credit

Income – producing properties listed on the National Register (individual or district) or designated as a Registered Texas Historic Landmark or State Antiquities Landmark may be eligible for one or both of the tax credits programs offered through the state. The work undertaken as part of the project must meet the Secretary of the Interior's Standards for Rehabilitation, found here: <http://www.nps.gov/tps/standards/four-treatments/treatment-rehabilitation.htm>. For more information on the tax credit programs and application process, please visit: <http://www.thc.state.tx.us/preserve/projects-and-programs/preservation-tax-incentives> or contact Valerie Magolan at 512.463.3857 or [valerie.magolan@thc.state.tx.us](mailto:valerie.magolan@thc.state.tx.us).

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After the owner has had a chance to review the recommended concept, the Texas Main Street Design Center Staff will work with the owner(s) to help develop their rehabilitation plan for this particular building. It is also requested that TMSDC be notified when clarification of design elements might prove helpful or when an alternate scheme is contemplated. Please contact Sarah Blankenship (512) 463-9129/ [sarah.blankenship@thc.state.tx.us](mailto:sarah.blankenship@thc.state.tx.us), Marie Oehlerking (512) 463-3345 / [marie.oehlerking@thc.state.tx.us](mailto:marie.oehlerking@thc.state.tx.us) , or Howard Langner (512) 305-9045/ [howard.langner@thc.state.tx.us](mailto:howard.langner@thc.state.tx.us).



## COMMUNICATION FORM

September 10, 2015

| ITEM #  | ITEM TITLE                  |
|---|-----------------------------|
| 5   | Executive Director's Report |
| <b>ITEM/MOTION</b>  |                             |
| Consideration of and action on a report from the Rosenberg Development Corporation Executive Director regarding the previous month's economic development activities and contacts, which includes updates on the following: <ul style="list-style-type: none"><li>a. Economic Indicators;</li><li>b. Business Retention Visits;</li><li>c. Livable Centers Study;</li><li>d. RDC Mowing Contracts;</li><li>e. New and Expanded Businesses; and,</li><li>f. Existing Businesses.</li></ul> |                             |
| <b>APPROVAL</b>   | <b>SUPPORTING DOCUMENTS</b> |

**SUBMITTED BY :**

A handwritten signature in black ink, appearing to read 'R. Malik', is written over the signature line.

Randall Malik  
RDC Executive Director

1. Executive Director's Report – August 2015.

### EXECUTIVE SUMMARY

This item has been included to provide the Executive Director the opportunity to update the Board on the previous month's activities, contacts, and projects.



## **Rosenberg Development Corporation Economic Development Director's Update August 2015**

### **New Home Update**

|                                |     |
|--------------------------------|-----|
| City Housing Starts in 2015:   | 298 |
| City Housing Starts in August: | 18  |
| ETJ Housing Starts in 2015:    | 339 |
| ETJ Housing Starts in August:  | 29  |

### **Economic Indicators:**

|   |                 |
|---|-----------------|
| Unemployment for July 2015:                           | 4.6%            |
| Non-Adjusted Employment for June 2015:                | 15,812          |
| August Sales Tax Receipts (July 2015 sales):          | \$1,613,801.85  |
| Percentage Change From Previous Year:                 | + 6.09%         |
| Annual Sales Tax Receipts for 2015 (July 2015 sales): | \$11,190,286.31 |
| Percentage Change From Previous Year:                 | + 2.61%         |

### **Business Retention Visits**

Fort Bend Hydraulics  
Rose-Rich Shopping Center

### **Department Activity**

- Made presentation to Society for Marketing Professional Services – Houston.
- Met with Bart Sanghavi regarding Hwy 36/I69 Shopping Center development.
- Attended Fort Bend Commercial Realtors monthly meeting.
- Met with Jonas Fertitti regarding Rose-Rich Shopping Center development.
- Attended and participated in Port of Houston Briefing and Economic Development Roundtable Discussion.
- Attended Central Fort Bend Chamber Board of Directors Meeting.
- Met with Project Manager for ALDI regarding construction/drainage.
- Met with City Engineer, Assistant City Manager regarding easement acquisition for OCuSOFT expansion project.



- Attended bi-monthly meeting with Economic Development Staff of CenterPoint Energy.
- Attended Fort Bend Chamber- Economic Development Group Luncheon.
- Held RDC Finance Committee Meeting.
- Met with Director of the Taipei Economic and Cultural Office in Houston to discuss FDI opportunities in Rosenberg.
- Attended Central Fort Bend Chamber Breakfast in the Bend – Guest Speaker Dan Kelleher, Main Street Manager.
- Conducted three prospect visits.

### **Projects Update:**

***Livable Centers Study***- Morris architects is expected to complete the Livable Centers Study by the week of September 7th. The study will be presented to City Council at the September 22nd Council Workshop.

***Downtown Parking Lot*** – Houston Fence Company has completed the installation of the six-foot, nine-gage, vinyl-coated chain link fence along the northern border of the property.

***Business Appreciation Luncheon*** – The RDC Business Appreciation Luncheon is scheduled for September 15 at the Civic Center. Staff is coordinating the event planning with Central Fort Bend Chamber staff. Seating at the Rosenberg Civic Center will accommodate up to 250 people.

***Rosenberg Entrance Signs***- The contractor has been authorized to schedule and complete the project.

***Rosenberg Demographic Profile***- Staff is working with Smith and Jones advertising to make slight revisions and updates to the Rosenberg 2015 Demographic Profile. The demographic profiles will be provided to the attendees at the Business Appreciation Luncheon.



## August 2015 Area Sales Tax Comparisons (June 2015 receipts)

| City                 | Net Payment This Period | Comparable Payment Prior Year | Change | 2015 Payments To Date | 2015 Payments To Date | Change |
|----------------------|-------------------------|-------------------------------|--------|-----------------------|-----------------------|--------|
| <b>Rosenberg</b>     | 1,613,801.85            | 1,521,078.44                  | 6.09%  | 11,190,286.31         | 10,904,751.06         | 2.61%  |
| <b>Richmond</b>      | 501,159.25              | 467,660.26                    | 7.16%  | 3,586,387.06          | 3,221,093.73          | 11.34% |
| <b>Fulshear</b>      | 129,103.82              | 97,436.26                     | 32.50% | 832,054.58            | 630,251.27            | 32.01% |
| <b>Houston</b>       | 61,163,425.58           | 57,344,725.47                 | 6.65%  | 447,480,700.33        | 427,617,694.53        | 4.64%  |
| <b>Humble</b>        | 1,202,240.86            | 1,134,870.11                  | 5.93%  | 9,475,004.07          | 8,850,240.74          | 7.05%  |
| <b>Katy</b>          | 1,027,157.60            | 1,049,612.68                  | -2.13% | 7,507,426.46          | 7,278,377.61          | 3.14%  |
| <b>League City</b>   | 1,780,704.54            | 1,564,667.16                  | 13.80% | 11,609,632.74         | 10,703,328.35         | 8.46%  |
| <b>Missouri City</b> | 662,232.30              | 602,873.17                    | 9.84%  | 4,891,379.48          | 4,536,232.37          | 7.82%  |
| <b>Pearland</b>      | 2,738,129.25            | 2,408,680.43                  | 13.67% | 19,135,721.26         | 17,086,247.71         | 11.99% |
| <b>Sugar Land</b>    | 4,538,103.41            | 4,619,955.29                  | -1.77% | 34,891,671.36         | 32,743,323.83         | 6.56%  |
| <b>Stafford</b>      | 1,780,732.02            | 1,556,970.21                  | 14.37% | 11,483,227.88         | 10,908,696.80         | 5.26%  |

RDC August Allocation: \$403,450.46

# **ITEM 6**

**Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.**

# **ITEM 7**

**Adjourn Executive Session, reconvene Regular Session, and take action as necessary as a result of Executive Session.**



## COMMUNICATION FORM

September 10, 2015

| ITEM #   | ITEM TITLE                  |
|--|-----------------------------|
| 8  | Future Agenda Items         |
| <b>ITEM/MOTION</b>   |                             |
| Review and discuss requests for future Agenda items, and take action as necessary. |                             |
| <b>APPROVAL</b>  | <b>SUPPORTING DOCUMENTS</b> |

**SUBMITTED BY :**

1. None

Randall Malik  
RDC Executive Director

|  |
|--|
| <b>EXECUTIVE SUMMARY</b>   |
| This item provides the RDC Board the opportunity to request future Agenda items. |

# **ITEM 9**

**Announcements.**

# **ITEM 10**

**Adjournment.**