

****PUBLIC NOTICE****



CITY COUNCIL WORKSHOP AND REGULAR SESSION

Thursday, January 20, 2022 at 6:00 PM

City Hall | 3300 Corinth Parkway

Pursuant to section 551.127, Texas Government Code, one or more council members or employees may attend this meeting remotely using videoconferencing technology. The videoconferencing technology can be accessed at www.cityofcorinth.com/remotesession. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting.

A. NOTICE IS HEREBY GIVEN of a Workshop and Regular Session of the Corinth City Council.

B. CALL TO ORDER

C. WORKSHOP AGENDA

1. Receive a report, hold a discussion, and provide staff direction on the draft Tree Preservation Ordinance provisions/comparison findings update
2. Hold a discussion on the establishment of governance policies for City Council and City Boards and Commissions.
3. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

D. ADJOURN WORKSHOP

E. CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

F. PROCLAMATIONS AND PRESENTATIONS

1. Proclamation recognizing Law Enforcement Appreciation Month - January.
2. Presentation of the 2021 Richard R. Lillie Texas Chapter of the American Planning Association Excellence Award.

G. CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

H. CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Councilmember desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

3. Consider and act on minutes from the January 13, 2022, City Council Meeting.
4. Consider and act on Resolution No. 22-01-20-01 reviewing and adopting the investment policy for funds for the City of Corinth and providing an effective date.

- [5.](#) Consider and act on Resolution 22-01-20-02 reviewing and adopting the investment policy for funds for the Economic Development Corporation Investment Policy and providing an effective date.
- [6.](#) Consider and act on Resolution No. 22-01-20-04 reviewing and adopting the investment policy for funds for the Fire Control, Prevention, and Emergency Medical Services District and providing an effective date.
- [7.](#) Consider and act on Resolution No. 22-01-20-03 reviewing and adopting the investment policy for funds for the Crime Control and Prevention District and providing an effective date.
- [8.](#) Consider and act on the purchase and installation of Cisco Call Center software in an amount not to exceed \$82,950 utilizing American Rescue Plan Act funding and authorizing the City Manager to execute the necessary documents.

I. BUSINESS AGENDA

- [9.](#) Consider and act on a contract with N.G. Painting for the Woods Ground Storage Tank rehab Capital Improvement Project (CIP) WA 22-01 & 22-02 projects, in an amount not to exceed \$1,209,750, and authorizing the City Manager to execute the necessary documents.
- [10.](#) Consider and act on the purchase of four (4) generators through the BuyBoard, from Waukesha-Pearce Industries, Inc., in an amount not to exceed \$756,973, and authorizing the City Manager to execute the necessary documents.
- [11.](#) Consider and act on an ordinance adopting a new section of the Municipal Code of Corinth, creating Chapter 150.200 to include Single Family Rental Program.
- [12.](#) Consider and act on an ordinance amending Chapter 118 of the Municipal Code of Corinth, specifying types and uses of Portable Storage Units (PSU) and Unattended Outdoor Temporary Receptacles (UTOR).
- [13.](#) Consider and act on an ordinance of the City Council of the City of Corinth Texas authorizing the City Manager to execute an agreement between the City of Corinth and the Lake Cities Chamber of Commerce for the payment and use of Hotel Tax Revenue.
- [14.](#) Consider and act on the current electric power franchise between the City and Oncor Electric Delivery Company, LLC to authorize the use by Oncor Electric Delivery of the present and future streets, alleys, highways, public utility easements, public ways and public property of the City in accordance with the terms of the existing franchise, providing for compensation to City; directing publication of a summary of the purpose of the Ordinance in the official City newspaper as required by City Charter; and providing an effective date.

J. COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

K. CLOSED SESSION

The City Council will convene in such executive or closed session to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code. After discussion of any matters in closed session, any final action or vote taken will be public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

Section 551.071 - Legal Advice. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflict with Chapter 551.

a. Unauthorized third-party use of City-owned property.

Section 551.072 - Real Estate. To deliberate the purchase, exchange, lease, or value of real property if deliberations in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

- a. BEING a 60-foot-wide strip of land situated in the L.H. BATES SURVEY, Abstract No. 204, Corinth, Denton County, Texas, and being a portion of Lol 2, Block A, PINNELL SQUARE ADDITION, to the City of Corinth, Denton County Texas according to the plat recorded in Document No. 07-22993, of the Official Public Records of Denton County, Texas, and also being a portion of the tract of land conveyed to North Texas Crossroads Investment, LLC, by the deed recorded in Document No. 2008-100464, of the Official Public Records of Denton County, Texas. Consisting of 0.347 acres of land.
- b. BEING a 60-foot-wide strip of land situated in the L.H. BATES SURVEY, Abstract No. 204, Corinth, Denton County, Texas, and being a portion of Lot 2, McCLAIN ADDITION, to the City of Corinth, Denton County Texas according to the plat recorded in Document No. 96-R0029793, of the Official Public Records of Denton County, Texas, and also being a portion of the tract of land conveyed to Nathan McClain, by the deed recorded in Document No. 94-0078637 , of the Official Public Records of Denton County, Texas. Consisting of 0.251 acres of land.

Section 551.087 - Economic Development. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business project.

a. Project Agora.

L. RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS

Consider and take appropriate action regarding unauthorized third-party use of City-owned property generally located at 6801 South Interstate 35, including authorization to the City Attorney for filing appropriate legal action for available remedies.

M. ADJOURN

Posted on this 14th day of January 2022, at 11:30 A.M., on the bulletin board at Corinth City Hall.

The City Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters posted on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.071, "Consultation with Attorney" for the purpose of receiving legal advice.



Lana Wylie, City Secretary
City of Corinth, Texas



CITY OF CORINTH

Staff Report

Meeting Date:	1/20/2022	Title:	Review Ordinance - Tree Preservation
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input checked="" type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Receive a report, hold a discussion, and provide staff direction on the draft Tree Preservation Ordinance provisions/comparison findings update

Item Summary/Background/Prior Action

Over the past year, Council has held several workshop sessions to consider the challenges presented by the current UDC Tree Preservation ordinance provisions and prior past practice of applying those provisions. As such, at the last workshop session held on June 17, 2021, Staff was directed to move forward with drafting sliding scale multiplier provisions for use in determining replacement rates for caliper inches (CI) removed and credits for CI saved based on the CI of the Protected Tree. The intent of the sliding scale approach is to entice/reward the development community for preservation of large healthy existing Protected Trees.

Since the last workshop, Staff has had the opportunity to receive comparison findings of the proposed sliding scale “multiplier” against an example subdivision to assess the impact and possible outcome of the new provisions.

The Ashford Park Subdivision Tree Preservation/Mitigation Plan was used as a test case (case study) as it was considered a positive result¹. In that case, Meritage Homes preserved 15% of the total Protected Tree caliper inches (CI) on site along with 741 CI being replanted on site (*beyond required landscaping*) and generated a fee for the City’s tree fund in the amount of \$135,000. Kimley-Horn, professional engineer on that project, performed several rounds of test calculations of the proposed sliding scale against the approved Ashford Park/Meritage Homes subdivision Tree Preservation provisions.

¹ Ashford Park Tree Preservation and Mitigation Plan was considered a positive result given that the recent past practice of applying the existing UDC Ordinance Tree Provisions had been interpreted to exempt Protected Trees from mitigation calculations when located within rights-of-way, building pads +5’, utility easements with no baseline preservation requirements.

The Test Case Study results are as follows:

- A. **1st Test Case Study – Sliding Scale Replacement Rate/Preservation Credits used were as discussed at June 2021 City Council Workshop – Results:**
 - a. 15% Protected Tree CI preserved in groves on site
 - b. Total mitigation required: 11,734 CI
 - c. Replanted 741 CI on site
 - d. Fee: \$1,648,950 (assumes 11,734 CI (*total mitigation required*) - 741 CI (*replanted*) = 10,993 CI (*remaining mitigation*) *\$150))

- B. **2nd Test Case Study – Sliding Scale Replacement Rate Multiplier adjusted down² based on feedback from Kimley-Horn – Results:**
 - a. 15% Protected Tree CI preserved in groves on site
 - b. Total mitigation required: 6,810 CI
 - c. Replanted 741 CI on site
 - d. Fee: \$910,350 (assumes 6,810 (*total mitigation required*) - CI-741 CI (*replanted*) = 6,069 CI (*remaining mitigation*) *\$150))

- C. **3rd Test Case Study – Sliding Scale Replacement Rate is the same as 2nd Case Study with increased credits³ for preservation of larger trees – Results:**
 - a. 15% Protected Tree CI preserved in groves on site
 - b. Total mitigation required: 3,593 CI
 - c. Replanted 741 CI on site
 - d. Fee: \$427,800 (assumes 3,593 (*total mitigation required*) - CI-741 CI (*replanted*) = 6,069 CI (*remaining mitigation*) *\$150))

Analysis of Case Study Comparison Results:

The results of applying the “sliding scale multiplier for both replacement and preservation credits” are directly affected by the size of Protected Trees preserved and percentage of Protected Trees saved. The larger the trees

² **Replacement Rate Multiplier** (*adjusted based*)
 (Sliding Scale Size Categories)

Size of Protected Tree:	CI Replacement rate per CI Removed:
6” – 20”	1:1
20.1” – 36”	1.5:1
36.1” - 48”	2:1
48.1”+	4:1

³ **Preservation Credit Categories – Sliding Scale** (*adjusted*)

Protected Tree CI Categories:	Credit offered to off-set CI Replacement Required:
6” – 12”	2.0:1
12.1” – 20”	3.0:1
20.1” – 36”	3.5:1
36.1” – 48”	4.0:1
48.1” +	5.0:1

preserved, the greater the credit. Conversely, the larger the tree removed, the greater mitigation rate. The intent is to entice the preservation of the larger trees.

Regarding the Alternative Compliance and PD provisions written for Ashford Park/Meritage Homes project the “replacement rate multiplier” was at a rate of 1:1. While there was incentive to preserve a base number of trees to receive credits, there was no significant sliding scale multiplier for preserving larger trees. The comparison of fees in the 3rd Test Case Study is higher by approximately \$300,000. Though as is provided in the example below, the “Replacement Rate Multiplier/Preservation Credits” as outline in the 3rd Test Case Study above, were an enticement to the Timber Ridge Planned Development project that is currently under review.

Additional Example for Consideration - Current Planned Development Under Review – Timber Ridge on Corinth Parkway

- Applicant has requested a departure from current UDC Tree Preservation provisions (*1:1 mitigation with 50% due to heavily treed site*) to follow the sliding scale (*replacement/credit*) used in the 3rd Case Study above.
- Preliminary calculations show:
 - 20% of Protected Trees CI on site
 - Total mitigation required: 902 CI
 - Fee: \$135,300*

** Staff is still in discussions on what portion of the required mitigation 902 CI will consist of replanting on site. We have shared with the developer that it is the City’s preference for replanting of trees over fees.*

It appears that the figures used in the 3rd Test Case Study and as applied in the current Timber Ridge PD concept plan will have a fair and equitable result for projects moving forward.

Other Points added to draft Ordinance since June 17, 2021 – For Council Consideration

1. Added option to provide credits equal to replacement mitigation rate for any Protected Tree required to be removed due City required street connection as shown on the adopted Master Thoroughfare Plan (and subsequent updates)
2. Added Tree Condition Categories: dead, poor, fair, good, and/or excellent as identified by a Certified Arborist or Registered Landscape Architect (RLA).
3. Clarified that healthy Protected Tree for purposes of receiving “Sliding Scale Saved Protected Tree Base Credit” are consider those in good or excellent health.
4. Clarified that Sliding Scale Credits:
 - a. Protected Trees identified with fair health may receive a credit of 1:1 regardless of the Protected Tree CI Category it falls within.
 - b. Protected Trees identified with the condition fair to excellent condition may be considered in determining the “Saved Protected Tree Base Credit” percentage.
 - c. Protected Trees identified with the condition dead or poor are not to be calculated in the “Saved Protected Tree Base Credit” percentage nor are they eligible for sliding scale preservation credit as outlined in Table 16-B – Credits for Protected Tree Preservation Efforts.

Attachments

For your reference, please find the attached documents:

1. Latest draft of the Tree Preservation Ordinance provisions-Rev8

2. PowerPoint Presentation from the June 17, 2021, City Council Workshop Session – This document may be helpful in recalling points discussed previously

Staff Request

Direction on the “adjusted sliding scale” and conducting a workshop at Planning and Zoning Commission followed by formal Public Hearing and Adoption process.

Staff Commentary: The following language is the latest draft as of 1-10-22 (Revision 8) and is for discussion purposes.

Repeal and Replace:

Section 2.09.02. - Tree Preservation

A. Purpose

1. The purpose of this Section 2.09.02 is to establish regulations for the preservation and replacement of existing Protected Trees within the City of Corinth and to provide protection of trees during construction, development, or redevelopment of a site. In addition, this section shall further the following public purposes:
 - a. Establish a permitting and enforcement process for tree removal;
 - b. Encourage the preservation and protection of existing Protected Trees and Protected Tree stands and groves through the application of design principles that consider the environmental context of the site and which include the preservation of open spaces in the design of undeveloped residential and non-residential developments;¹
 - c. Reward context sensitive (*environmentally sensitive*) site design that preserves existing Protected Trees and associated habitat by offering preservation credits to off-set required replacement rates for Protected Trees that are necessarily removed during construction, development, and redevelopment;
 - d. Preserve trees that further the ecological, environmental, and unique aesthetic qualities that make the Corinth special place to live, work, and play;
 - e. Preserve and provide for trees that offer shade and windbreaks; reduce the erosive effects of rainfall, protect water resources, mitigate ambient air temperatures and improve air quality;
 - f. Provide for open space and more efficient drainage of land thereby reducing the effects of soil erosion.
 - g. Prevent the untimely and indiscriminate removal or destruction of trees and clear cutting that once destroyed, may only be regenerated after generations;
 - h. Maintain the high quality of life in Corinth by preserving the existing mature Protected Trees as important natural features and to require replanting where preservation is not practical; and
 - i. Protect healthy quality trees and promote preservation of habitat and the aesthetic qualities of the city.

B. Scope The scope of this Section 2.09.02 includes the removal and mitigation of Protected Trees as further detailed herein.

C. Definitions For the purposes of this Section 2.09.02. Tree Preservation, the following terms shall have the special meaning ascribed to them below. Special meanings shall govern in case of any conflict with other definitions set forth in the City Code of Ordinances.

1. **Building Footprint** – The actual foundation area of a building including all parts of a main building that rest, directly or indirectly on the ground, including, attached garages, bay windows with floor space, chimneys, and porches.
2. **Caliper Inch (CI)** – Measurement around a tree’s circumference to determine the diameter of the tree trunk, typically used to measure the trunk diameter of a nursery grown tree [replacement tree] with the point of measurement being approximately six (6) inches above the top of the root ball (also see diameter at breast height (DBH)).
3. **Clear-cutting** – The indiscriminate cutting down or mechanical removal of a Protected Tree from a site or tract.

¹ Examples of context and environmentally sensitive site design include practices that incorporate linear open space linkages to preserve trees within riparian buffer zones, tree groves or stands, and/or more formal open space greens such as plazas that strategically designed to contain groupings of Protected Trees within non-residential, multi-family or mixed use developments.

- 4. **Critical root zone** – The area of undisturbed natural soil around a tree defined by a concentric circle with a radius equal to the distance from the trunk to the outermost portion of the drip line.
- 5. **Development** – Any manmade change to improved or unimproved real estate including, but not limited to, buildings and other structures, paving, drainage, utilities, storage, and agricultural activities.
- 6. **Diameter at Breast Height (DBH)** – Measurement around a tree’s circumference to determine the diameter of the tree trunk, typically used to measure the trunk diameter of an existing tree located in a natural setting, with the point of measurement being 4’ 6” above the natural grade (also see caliper inch (CI)).
- 7. **Incident** – Each Protected Tree, with at least a 6” DBH that was removed from a site or tract or severely damaged in violation of this section. Note that each Protected Tree affected would represent one incident.
- 8. **Mitigation** – The method by which trees are replaced whether through replanting on the subject property, transplanting to another location or same property, or through an offer of fee-in-lieu-of replanting.
- 9. **Owner** – The person who has legal title to the property or a lessee, agent, employee, or other person acting on behalf of the titleholder with authorization to do so.
- 10. **Tree.** A self-supporting, woody, perennial plant which may have one or more stems or trunks, in which case the cumulative total diameters of those trunks shall be calculated in determining whether the trunk of the tree is six inches (6”) in diameter or larger at DBH.
- 11. **Tree, Heritage** – Any Protected Tree species with 50.1 CI or greater as measured at DBH. Such trees should be preserved to the greatest extent possible.
- 12. **Tree, Protected** - Any tree having a trunk caliper of six inches (6”) or more, measured 4’ 6” above natural grade level (also referred to as measured at DBH).
- 13. **Tree, Removal** – Uprooting, severing the main trunk of the tree, or any act which causes, or may reasonably cause, the tree to die, including but not limited to:
 - a. Damage inflicted upon the root system by machinery, storage of materials, or soil compaction,
 - b. Substantially changing the natural grade above the root system or around the trunk,
 - c. Excessive pruning, or
 - d. Paving with concrete, asphalt, or other impervious materials in a manner which may reasonably be expected to kill the tree.
- 14. **Tree, Replacement** – A Shade Tree (Canopy Tree) as outlined in Table ___ - Recommended Planting List.
- 15. **Tree, Shade** –
- 16. **Tree, Understory** -
- 17. **Tree, Not Protected (exempt from Section 2.09.02)** - Note that the following trees are specifically exempt from the provisions of Section 2.09.02 regardless of caliper inches at DBH based on species type:

Common Name	Botanical Name
a. Bois d' Arc	Maclura pomifera
b. Chinaberry	Melia azedarach
c. Cottonwood	Populus deltoides
d. Hackberry, Texas Sugarberry	Celtis laevigata
e. Honey Locust	Gleditsia triacanthos
f. Mesquite	Populus deltoides
g. Mimosa	Mimosa sp.

- c. A plat or site plan application.
- d. A request to remove a tree (*regardless of CI*) that was identified on an approved Landscape Plan for a site plan or plat and required by the UDC Landscape Regulation provisions. In such instances, the tree shall be replaced with a minimum of a 3" replacement tree to satisfy the UDC requirements and/or PD approval.
- e. A request to remove a Protected Tree located within a "deeded open space lot" or an area identified on site plan (and associated Protection Plan/Landscape Plan) as being a "Protected Tree Preservation Area" shall be mitigated at the "sliding scale" replacement rate noted in Section ____ based on the CI of the Protected Tree to be removed.

3. Contents of an Application for Tree Removal Permit. An application for Tree Removal Permit shall consist of the following:

- a. A **Tree Survey and Tree Protection Plan** (*including an associated Landscape Plan showing the location of proposed replacement trees (which shall be distinguished from the required landscape plantings as required by UDC or unique PD approvals)*). If there are no Protected Trees on site, then a statement indicating such shall be attested to by a Registered Landscape Architect or Certified Arborist.
- b. Tree Removal Permit Form
- c. Application Worksheet
- d. A summary narrative shall be provided explaining the reasoning for the proposed tree removal
- e. Application fee provided per Fee Schedule (*updated annually*)

4. Tree Surveys and Tree Protection Plan Requirements.

- a. The **Tree survey** shall identify the **Protected Trees** as follows (also reference Tree Permit Application Form):
 - i. Tree Identification Number (graphic location)
 - ii. Tree Type (Common and Botanical name of tree)
 - iii. Tree Size (Trunk Diameter (caliper inches as measured at DBH))
 - iv. Condition of Tree (**health of the tree rating: dead, poor, fair, good, and excellent**)
 - v. Canopy Radius
 - vi. Status (Removed or Preserved)
 - vii. Replacement Rate Multiplier
 - viii. Mitigation Required (Caliper Inches)
 - ix. Credit Multiplier (if applicable)
 - x. Adjusted Mitigation (Caliper Inches)
- b. The **Tree Survey** shall be prepared by a Registered Landscape Architect or Certified Arborist.
- c. The **Tree Protection Plan** shall provide detailed information beyond the requirements of the tree survey by graphically identifying Protected Trees to be preserved and those to be removed for the entire site. Additionally, an accounting of the following items shall be presented in table format on a plan sheet and provided on a separate 8 ½ x 11 worksheet and including an Excel Spreadsheet linked to the Tree Survey and Tree Protection Plan assumptions.
 - i. Total Protected Trees CI on site
 - ii. Total Protected Trees CI to be preserved on site (including percentage of total CI)
 - iii. Total Protected Trees CI to be removed on site
 - iv. Total Protected Trees CI to be removed on site with Replacement Rate Multiplier (*based on Protected Tree Size Category*)
 - v. Sliding Scale Credits (if applicable and broken out by CI Category)
 - vi. Subtotal CI Mitigation Required
 - vii. ____% off "Subtotal CI Mitigation Required" – Standard Deduction Credit (see Table 16-B)

- viii. Total Mitigation Required
- d. The **Tree Protection Plan** shall also include the calculation of required replacement tree caliper inches required for mitigation of Protected Trees to be removed based on the “replacement ratio” options and credits as provided for in Section ____.
- e. A **Landscape Plan** shall be required in conjunction with a **Tree Survey** and **Tree Protection Plan** to show the proposed location for **Replacement Trees** relative to the location of other required tree plantings and trees preserved on site. The landscape plan shall clearly distinguish the location of “replacement trees” from other landscape plantings as may be required per the UDC, e.g., Section ____, Landscape Regulations and/or applicable provisions of an approved PD.
- f. The **Tree Survey** and **Tree Protection plan** shall be submitted jointly.
5. **Violation.** It is considered an incident and offense to directly or indirectly, cause, permit or allow the cutting down, destruction, removal, or damaging of a Protected Tree (*defined herein*), prior to approval of a Tree Removal Permit which includes a Tree Survey and Tree Protection Plan (*with an associated Landscape Plan showing the proposed replacement of Protected Trees*).
- a. If removal has occurred prior to an approved Tree Removal Permit, the penalty replanting rate shall be 3:1 for estimate inches removed based on the most recent aerial photography showing the extent of the existing tree “canopy tree cover” prior to tree removal. In such instances, the entirety of tree canopy coverage removed shall be assumed to be that of Protected Trees with an estimate of the CI for Protected Trees on site to produce the canopy coverage as established by a Certified Arborist or Registered Landscape Architect.
- b. The property owner in violation shall be responsible for replacement mitigation as violation of these provisions shall not constitute and exemption to the replacement requirements established herein.
6. **Tree Removal Permit Review and Approval Process.** The Director of Planning and Development (and/or designee) may administratively review and approve a Tree Removal Permit subject to mitigation requirements outlined in Subsection ____ herein. In processing the application, the following shall be considered:
- a. Applicant submits a complete Application and applicable fees.
- b. Contents of the Application are in accordance with Subsection ____ above.
- c. A Protected Tree shall not be removed or transplanted until the following steps have been undertaken:
- i. The Mitigation requirements of Subsection ____ have been established and approved for the subject lot, site, tract, or parcel based on an approved Tree Survey and Protection Plan (*including a landscape plan showing the location of replacement trees when applicable*).
- ii. A Pre-Clearing Conference (*may be a component of Preconstruction Meeting*) shall be held with appropriate City Staff prior to the authorization for any clearing, grading, and/or construction activities to begin on the lot, site, tract, or parcel. The pre-clearing discussion shall include a review of procedures for protection and operating on the site considering Protected Trees as part of the Tree Removal Permit.
- iii. City Construction Inspector has signed off that all Protected Trees to be preserved on site have been clearly marked and that protective fencing (orange plastic fencing four (4) feet in height around the Drip Line or Critical Root Zone) has been properly installed per Subsection ____.
- iv. Tree Removal Permit has been issued based on compliance with the statements above.
7. **Tree Removal Permit Application Deferral.** The Director of Planning and Development (and/or designee) may determine, at their discretion, to defer a Tree Removal Permit application to City Council for review and approval and/or consideration of Alternative Compliance options.

8. Appeals. The mitigation requirements established in the Tree Removal Permit documentation as administratively approved, may be appealed to the City Council under the process established for Alternative Compliance – Tree Preservation whereby the Applicant may complete an alternative proposal application that justifies any requested departures from the criteria established in these provisions. The Applicant shall have the burden of demonstrating hardship or an alternative solution that is more beneficial to the public good.

G. Mitigation Requirements for Protected Trees Removed

1. **Calculation of Replacement CI.** If it is necessary to remove a Protected Tree, the Applicant shall be required to mitigate the Protect Tree based on the “development type” outlined in **Table 16-A-Replacement Rates for Protected Trees**. Note that where the removal of a Protected Tree is unavoidable, the planting of a replacement tree is desired over fee mitigation to promote revegetation and reestablishment of habitat.

Table 16-A: REPLACEMENT RATES FOR PROTECTED TREES																
Development Type:	Permit Approval:	Removal:	Replacement Rate Ratio:													
1.	Existing single-family dwellings or two-family dwellings (after initial development and occupied as a residence), not being developed, redeveloped, platted, replatted, or subdivided.	N/A	Removal of any tree is permitted without mitigation except that any tree required by the Landscape Regulations of the UDC Ordinance or provisions of an approved Planned Development provisions that is removed, shall be replaced with a three (3) caliper inch or greater tree and species outlined on Table 15 - Recommended Plant Material List (See Section 2.09.01).	N/A, except as noted under “removal” as required to maintain compliance with UDC landscaping or approved Planned Development provisions.												
2.	Undeveloped Single-Family residential platted lots of record existing as of the adoption date of these provisions, _____, 2021	Administrative Staff Level Approval at time of Building Permit Application	Removal of Protected Trees located <u>outside</u> of the building footprint +5’, utility easements, and driveways are subject to replacement mitigation.	CI replacement at rate of 1:1 for CI removed.												
3.	Undeveloped land proposed for new development or redevelopment activities	Administrative Staff Approval prior to Release for and grading or construction on the site. Note that the initial review of the permit shall be undertaken as part of Site Plan or Plat submission or shall include a preliminary estimates for any Planned Development Rezoning Application to demonstrate	Removal of Protected Trees are subject to replacement rates based on the size categories. <i>*Credits may be offered to off-set required CI replacement based on CI preservation percentages outlined Table 16-B (see below).</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Replacement Rate Multiplier (Sliding Scale Size Categories)</th> </tr> <tr> <th style="width: 50%;">Size of Protected Tree:</th> <th style="width: 50%;">CI Replacement rate per CI Removed:</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">6” – 20”</td> <td style="text-align: center;">1:1</td> </tr> <tr> <td style="text-align: center;">20.1” – 36”</td> <td style="text-align: center;">1.5:1</td> </tr> <tr> <td style="text-align: center;">36.1” – 48”</td> <td style="text-align: center;">2:1</td> </tr> <tr> <td style="text-align: center;">48.1”+</td> <td style="text-align: center;">4:1</td> </tr> </tbody> </table>	Replacement Rate Multiplier (Sliding Scale Size Categories)		Size of Protected Tree:	CI Replacement rate per CI Removed:	6” – 20”	1:1	20.1” – 36”	1.5:1	36.1” – 48”	2:1	48.1”+	4:1
Replacement Rate Multiplier (Sliding Scale Size Categories)																
Size of Protected Tree:	CI Replacement rate per CI Removed:															
6” – 20”	1:1															
20.1” – 36”	1.5:1															
36.1” – 48”	2:1															
48.1”+	4:1															

		<p>preservation and unique provisions that may need to be codified in PD Ordinance text associated with Protected Trees being a part of proposed deed common open space park land dedication, etc.</p> <p><i>*Approval may be deferred to City Council at the discretion of the Director of Planning and Development</i></p>		
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2. **Credits for Protected Tree Preservation Efforts.** The following Credit Sliding Scale is intended to encourage the preservation of Protected Trees and wildlife habitat through the thoughtful incorporation of such into the overall design of a site. Credits are offered based the percentage of total Protected Tree CI preserved on site AND preserved in deeded open space lots to remain in perpetuity and cared for by the HOA and/or POA for residential subdivisions. Such credits may also be applied to mixed use, multi-family, and non-residential developments where Protected Tree(s) are preserved and incorporated into the overall site design in a manner that is “context sensitive” and furthers sustainability of natural areas and habitat within park greens, plazas, linear connections, or other such common site amenities that serve to support a gathering space(s) within a development. Such Protected Tree preservation will become a part of the approved Site Plan/Landscape Plan subject to zoning enforcement and are to remain in perpetuity and part of a Property Owner’s Association. The credit options are outlined below in **Table 16-B - Credits for Protected Tree Preservation Efforts.**

Table 16-B – CREDITS FOR HEALTHY PROTECTED TREE PRESERVATION EFFORTS		
a. Saved Protected Tree Base Credit (Fixed rate up to 10%): Offered at a rate of 1:1 (1 CI credit for every 1 CI preserved) when up to 10% the total Protected Tree CI on site. Protected Trees rated fair to excellent are eligible for credit.		
b. Saved Protected Tree Base Credit (Fixed rate 10.1% to 15%): Offered at a rate of 1.5:1 (1.5 CI credit for every 1 CI preserved) when a minimum of 10.1% to 15% of the total Protected Tree CI on site. Protected Trees rated fair to excellent are eligible for credit.		
<p>c. Saved Healthy Protected Tree Base Credit (Sliding Scale): When 15.1% or more total Protected Tree CI on site a sliding scale credit may be applied to reward context sensitive design that effectively incorporates Protected Tree and habitat preservation. Healthy Protected Trees rated with a condition rating of good or excellent are eligible for sliding scale credit. Protected Trees noted in fair condition may receive 1.5:1 credit and shall not be credited based on Sliding Scale CI category.</p> <p>*Bonus Credit: Where groves and habitat pockets and/or corridors of healthy Protected Trees are preserved, an additional 0.5:1 credit may be considered at the discretion of the Planning and Development Director (and added to each Protected Tree CI Category) where innovative and environmentally sensitive design demonstrated though the preservation of stands of trees and environmentally sensitive habitat an incorporate into the overall project design.</p>	Sliding Scale Credit Categories	
	Protected Tree CI Categories:	Credit offered for Healthy Protected Trees with condition rating of good-to-excellent to off-set CI Replacement Required:
	6" – 12"	2.0:1
	12.1" – 20"	3.0:1
	20.1" – 36"	3.5:1
	36.1" – 48"	4.0:1
48.1" +	5.0:1	

d.	Sliding Scale Credit for Protected Tree “species/types” less than 6 CI: When 20% or more total Protected Trees CI on site are saved on site within deed common open space lots, a credit of 1:1 may be offered for trees that are preserved within a stand though less than the 6 CI Protected Tree threshold.
e.	Landscaping Requirements Credits: Where 20% or more of total Protected Tree CI are preserved on a site, and where Shade Trees as required to be planted within Landscape Edge Buffers, Residential Adjacency buffers, or as part of a landscape plan for detention/retention basins (that have been approved to satisfy “park and/or trail” land and located within deeded common open space), landscape credits for Shade and Ornamental Trees planted (at least 3” CI) may be offered to off-set mitigation requirements.
f.	Public Right-of-Way Credits: When 20% or more of total Protected Tree CI are preserved, the same percentage of Protected Trees preserved may be credited against the CI removed within the public right-of-way.
g.	Credit equal to replacement mitigation rate for any Protected Tree required to be removed due to City required street connection as shown on the adopted Master Thoroughfare plan, as may be amended.
h.	Building Footprint: At the discretion of the Planning and Development Director and in consideration of furthering economic development, when 20% or more of total Protected Tree CI are preserved on site and effectively incorporated into overall site design as a feature such as common open space green, and demonstrate exemplary context sensitive design, the CI of Protected Trees located within the building footprint of a commercial building may be excluded from the overall mitigate requirements.
i.	Standard Deduction Credit: If 10% of existing Protected Tree CI on site have been saved on site, a 20% reduction of any remaining mitigation requirements may be offered after applicable credits above are applied. The Standard Deduction Credit may increase from 20% to 50% reduction as noted above, when 20% or more existing Protected Tree CI are preserved on site.

3. Replacement of Protected Trees.

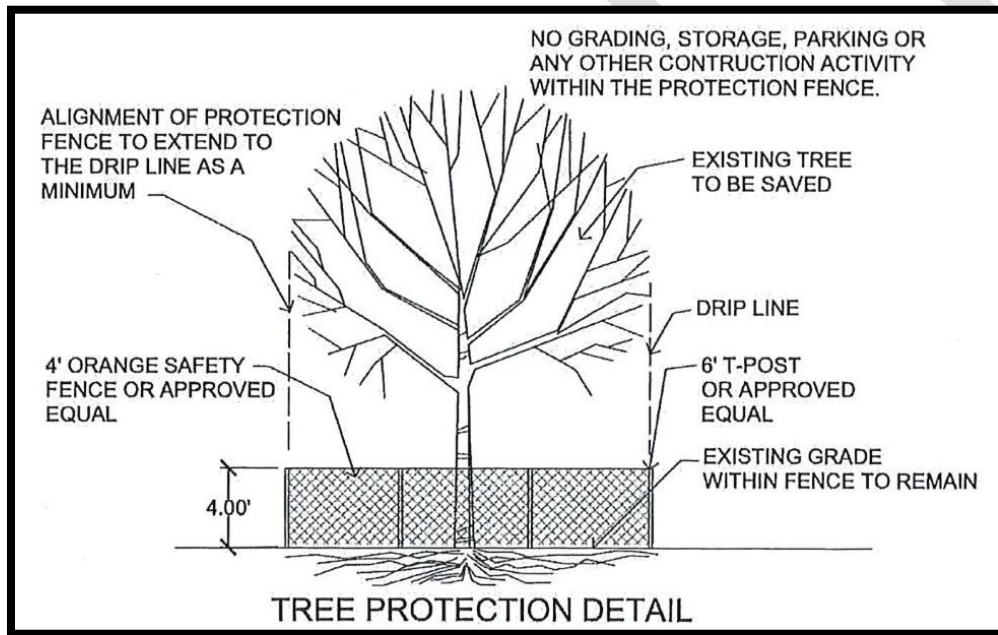
- a. Protected Trees shall be mitigated by planting replacement trees on the same property equal to the total CI replacement rates established by applying the criteria outlined in Tables 16-A and 16-B (if applicable).
- b. All replacement trees measurements are in CI in accordance with the American Standards for Nursery Stock and shall be a minimum of three (3) CI unless otherwise noted.
- c. All replacement trees shall be selected from the list found in Table 15 - Recommended Plant Material List for Shade Trees, unless otherwise permitted by the Planning and Development Director based on “similar” plant material.
- d. If any replacement tree cannot be located on the same property, the applicant may plant the replacement tree(s) on City owned property and with rights-of-way (*as may permitted by the City if determined practical*).
- e. Where is not practical to replant all or a portion of required mitigation CI due to site constraints, the Applicant may pay a fee-in-lieu of replanting in accordance with the published Fee Schedule (*updated annually*) – Note that the replanting of trees is the preference of the city and will only be considered when no practical alternatives are available.
- f. **Timing of replanting and fees.** Any approved “fees-in-lieu-of” shall be paid at the time of issuance of Tree Removal Permit (*prior to release for construction*). If mass grading occurs on a site that is proposed for phased development/construction, the required replanting for the phase shall be installed prior to final inspection and any issuance of Acceptance of Public Improvements or Certificate of Occupancy. Trees required to be replanted in later phases shall be subject to an escrow account to guarantee the future _____.
- g. The approval of a Tree Removal Permit (*including the Tree Protection Plan and associated Landscape Plan*) shall constitute a “tree mitigation agreement” between the City and the owner confirming the owner’s obligation to mitigate the CI of Protected Trees removed from the site. Each replacement tree

must survive in a full healthy state for a period of three years from installation (as noted at final inspection). The owner shall replace any replacement tree that becomes unhealthy or dies during the three year period following planting. This obligation shall be noted in the Tree Removal Permit as an agreement between the owner and the City.

H. Tree Protection Measures at Time of Construction - All Protected Trees shall be protected by the owner as follows:

1. **Tag and/or mark trees.** Prior to grading, brush removal, or construction, the owner shall clearly tag or mark all trees to be preserved in accordance with the approved Tree Removal Permit/Protection Plan (associated approved Landscape Plan)
2. **Erect Orange Plastic Fencing.** Before development or redevelopment, the owner shall install an orange plastic mesh fence at least four (4) feet in height around each Protected Tree or group of Protected Trees to prevent the placement of debris, equipment, or fill within the Drip Line or Critical Root Zone. The fence shall be installed prior to the release of any permit. If the fence is found to be removed, damaged, or altered at any time during construction prior to final inspection or landscape installation, a stop work order may be issued.

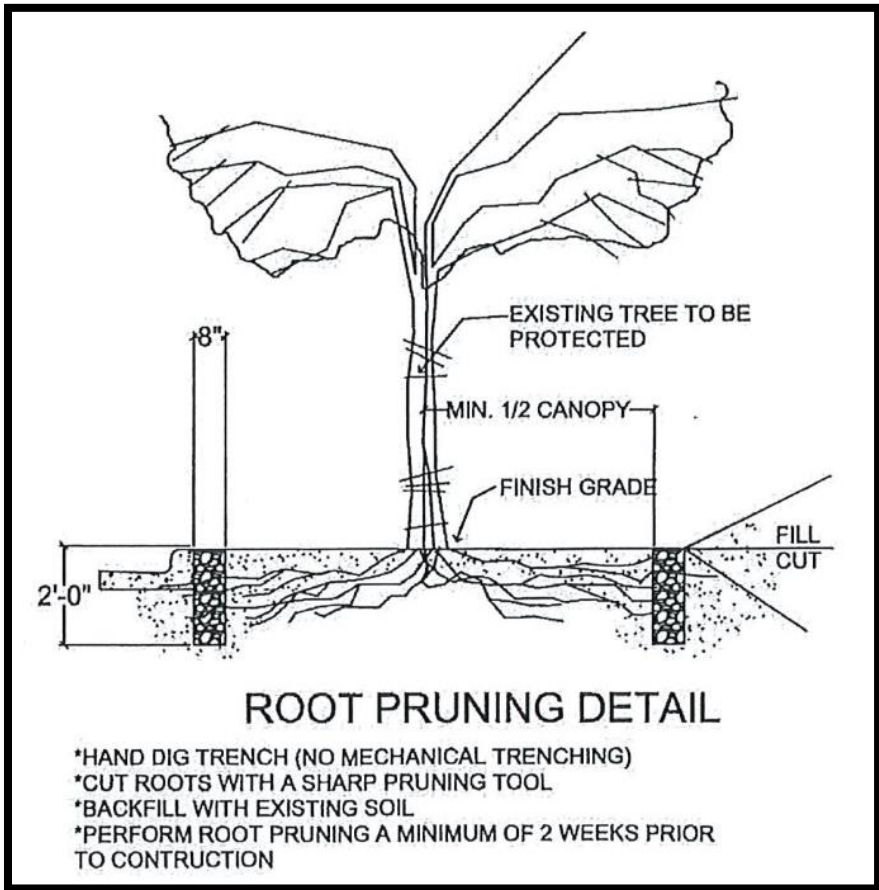
Figure ___ - TREE PROTECTION DETAIL



3. **Construction Entrance.** Before grading, brush removal, construction, development, or redevelopment, the owner shall establish a construction entrance that avoids Protected Trees.
4. **Equipment or Materials Disposal.** Cleaning equipment or materials and/or the disposal of any waste material, including, but not limited to, paint, oil, solvents, asphalt, concrete, mortar, etc., is prohibited under the canopy or dripline of any Protected Tree.
5. **Attachment to Protected Trees.** Attachments and wires are prohibited from being attached to any Protected Tree except for cables, tree rods, and similar hardware may be installed to support the structural integrity of a Protected Tree.
6. **Canopy or Drip Line Protection.** The following activities are prohibited within the canopy, dripline, or critical root zone of a Protected Tree:

- a. No fill or excavation shall occur within the canopy, dripline of a Protected Tree unless specific measures have been approved in the Tree Protection Plan and/or the associated Landscape Plan as prepared by a Registered Landscape Architect and/or Certified Arborist.
- b. Any plan proposing the use of tree wells or retaining walls within the Dripline of a tree to be preserved shall be designed by a Registered Landscape Architect. Major changes of grade (6 inches or greater) will require additional measures to maintain proper oxygen and water exchange with the roots.
- c. The retaining wall or tree well should not be closer than half the distance between the trunk and the Drip Line and the existing grade maintained around a tree or grouping of trees.
- d. At no time should a retaining wall, pavement, or porous pavement be placed closer than five (5) feet or one (1) foot for every two (2") inches in caliper, whichever is greater, to the trunk of the tree.
- e. In instances where tree wells or retaining walls are approved, root pruning may be necessary when the critical root zone is to be disturbed. If root pruning is necessary, it shall be completed a minimum of two (2) week prior to any construction activity within the Drip Line and in accordance with the provisions outlined in Figure ____ - Root Pruning Detail)
- f. If a patio, sidewalk, drive, parking lot, or other paved surface must be placed within the Drip Line of an existing Protected Tree, material such as a porous paver or other approved construction method that will allow the passage of water and oxygen is be required.

Figure ____ - ROOT PRUNING DETAIL



7. **Tree Maintenance and Pruning Practices During Construction.** All tree maintenance techniques shall be in conformance with accepted industry standards and shall be performed by a Certified Arborist. No person(s) or entity may use improper or malicious maintenance or pruning techniques which would likely lead to the death of a tree.
8. **Enforcement and Violations During Construction.** Enforcement of these provisions shall be in the field and as shown on the Protection Plan.
9. **Plan adjustments made during construction.** Plan adjustments during construction will constitute a “field change” and must be approved by the Director of Planning and Development as an amendment to the Tree Protection Plan and any subsequent mitigation (replacement CI) shall be noted on a “revised” Landscape Plan to be included with the approved construction plan set.
10. **Stop Work Order.** The city may issue a “stop-work order” at any time of preservation requirements are not being met.
11. **Final Inspection.**
 - a. A final inspection is required. The owner shall notify the appropriate City Staff for a final inspection before receiving a Certificate of Occupancy and/or acceptance of Public Improvements as may be applicable to the project.
 - b. Protected Trees that were identified as being preserved on the Tree Survey and Protection Plans and found to have been damaged beyond salvaging due to lack of compliance with established protection measures shall be mitigated based on the applicable CI Replacement Rate based on Protected Tree Size Category (see Table 16-A)

- c. All replacement trees installed per the approve Landscape Plan and found to be dead shall be replaced in-kind.

12. **Disposal of Trees Removed.** Any trees removed shall be chipped and used for mulch on site or hauled off-site within 72 hours of cutting.

- I. **Protected Tree and Replacement Tree Maintenance after Development.** If Protected Trees are preserved on site and/or replacement trees are planted to address mitigation and such trees die within a period of one year after completion of construction activities and/or final inspection, the owner of the property shall mitigate for the dead trees within six months at a 1:1 ratio.

J. **Administration of Tree Fund.** The City shall administer the Tree Fund.

- 1. Tree funds shall be used for the following purposes:
 - a. To purchase, plant and irrigate trees on public property, public rights-of-way, to preserve wooded property that remains in a natural state in perpetuity, to perform and maintain a city-wide tree inventory and to educate citizens and developers on the benefits and value of trees.
 - b. Fees contributed to the Tree Fund shall be paid with the issuance of the Tree Removal Permit (*prior to release for construction*) on all development (*including but not limited to Commercial, Industrial, Multi-Family Residential, Residential and Mixed Use Developments*), and prior to filing of a Final Plat for all single-family Residential Subdivisions.
 - c. No acceptance of public improvements shall be authorized until all replacement trees have been planted and/or a fee-in-lieu-of replacement have been made to the Tree Fund.

DRAFT

FOR YOUR REFERENCE:

**BELOW IS THE POWERPOINT PRESENTATION
FROM THE JUNE 17, 2021, CITY COUNCIL
WORKSHOP SESSION – This document may be
helpful in recalling points discussed previously**

TREE PRESERVATION REGULATIONS DISCUSSION



1. **IN YOUR PACKET**

- Staff Report – Outline of proposed “draft” Tree Preservation Ordinance Regulations

2. **PURPOSE OF WORKSHOP DISCUSSION**

- Quick Review of Background (*how did we get here?*)
- Provide Update on “draft” Ordinance Status & Receive Input on Key Items

3. **BACKGROUND & UPDATE**

- October and November 2020 Held City Council Workshop Sessions
 - Discussed Challenges/Opportunities for Tree Preservation in Corinth
 - Prior past practice
 - i. Exemptions for ROW, utility easements, building pads (+5’), and driveways
 - ii. Resulted in limited tree preservation
 - iii. No incentives to preserve trees or incorporate into site design
 - Last treed parcels under development pressure
 - Reviewed Benchmark City Ordinances
 - Discussed offering incentives/credits to reward quality site design/Penalty for removal of large trees

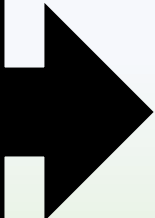
TREE PRESERVATION REGULATIONS DISCUSSION



3. DRAFT ORDINANCE

- **Full Rewrite AND Repeal and replace existing UDC Section 2.09.02**
 - **Draft Ordinance Language Key Section Outline:**
 - A. **Purpose:** Clarifies the “why” or intent of the provisions
 - B. **Definitions:** Establishes clear operating language and reduces ambiguity
 - C. **Applicability:** Identifies land subject to Tree Preservation Regulations
 - Undeveloped and vacant land
 - Land to be redeveloped (altered/expanded)
- Exemptions:** Identifies activities excluded from Tree Preservation Regulations, e.g.,
- **Existing single-family dwellings or two-family dwelling properties** (*after initial development and occupied as a residence*), so long as the property is not being developed, redeveloped, platted, replatted, or subdivided.
 - Nurseries
 - Removal due to dangerous or hazardous conditions

Current UDC regulations exempt: A tree in front yard area of a developed and owner-occupied residential property



D. Tree Removal Permit: **NEW PROCESS**

Establish a formal Permit and to more easily track in system AND move to a staff level Administrative Approval process with option to **defer to City Council** if complicated situation. Application would continue to require a Tree Survey, Tree Protection Plan and a Landscape Plan showing proposed replacement tree plantings.

QUESTIONS:

- 1. Confirm Staff Level Administrative Approval of all Tree Removal Permits (*with option to “defer” to Council*)**
- 2. Hybrid Options:**
 - City Council continues to approve large-scale developments**
 - Staff Level approval of small-scale existing single-family platted lots of record at time of building permit application e.g., Bluffs at Pinnell Pointe**

*Developers would continue to have the option during PD Rezoning process to request to alternative standards to establish Tree Preservation regulations based on innovative design/uniqueness of property, etc. e.g., Long Lake Property or Culbertson Property where a full tree survey might not be necessary should large areas/acres of trees are being preserved outright

Benchmark Cities – Using Administrative Approval

Frisco	➔	Director or designee
Allen	➔	Urban Forester
Coppell	➔	City Manager or designee
Rowlett	➔	Director though may defer to PZ, PRC or Tree Board
Carrollton	➔	Director or designee
Corinth	➔	City Council

D. Tree Removal Permit (continued):

1. **Tree Removal Permit Required** – Establishes the activities that require a permit application (*unless specifically exempted*):
 - Grading
 - Platting or site plans
 - Proposed Removal of a Protected Tree(s)
2. **Contents of the Application for Tree Removal** - Outlines clearly what is required and ensures consistency
3. **Tree Survey, Tree Protection Plan, and Landscape Plan Requirements** – Outlines required categories and formatting to provide uniformity and consistency in submittals
4. **Violation** - Defines what is considered an offense, to directly or indirectly, etc., cause, permit, or allow the cutting down, destruction, etc., of a Protected Tree without prior approval to remove the Protected Tree/Obtain a Permit. Proposed penalty is 2:1 replanting ratio
5. **Tree Permit Review and Approval Process** (*Staff Level with option to defer to City Council as Previously discussed*)
6. **Deferral Procedure** – As discussed above, Planning & Development Director may defer to City Council
7. **Appeals** - Defines a process for the Applicant to appeal Administrative (staff level) decisions to City Council

E. Mitigation Requirements for Protected Trees Removed - Establishes Replacement Rates AND Credits for trees removed and saved (*based on development type*)

Section C, Item 1.

1. Replacement Rates

Table 16-A: REPLACEMENT RATES FOR PROTECTED TREES				
	Development Type:	Permit Approval:	Removal:	Replacement Rate Ratio:
1.	Existing single-family dwellings or two-family dwellings (after initial development and occupied as a residence), not being developed, redeveloped, platted, replatted, or subdivided.	N/A	Removal of any tree is permitted without mitigation <u>except</u> that any tree required by the Landscape Regulations of the UDC Ordinance or provisions of an approved Planned Development provisions that is removed, shall be replaced with a three (3) caliper inch or greater tree and species outlined on Table 15 - Recommended Plant Material List (See Section 2.09.01).	N/A
2.	Undeveloped Single-Family residential platted lots of record existing as of the adoption date of these provisions, 2021	Administrative Staff Level Approval at time of Building Permit	Removal of Protected Trees located <u>outside</u> of the building footprint +5', utility easements, and driveways are subject to replacement mitigation.	CI replacement at rate of 1:1 for CI removed. Replace at 1:1 Ratio

Existing SF & 2F - Exempt



Undeveloped SF platted lots



Sliding Scale

Section C, Item 1.

Vacant and
Undeveloped
land



Land to be
Redeveloped

3.	Undeveloped land proposed for new development or redevelopment activities	Administrative Staff Approval prior to Release for Construction	Removal of Protected Trees are subject to replacement rates based on the size categories.	Replacement Rate Multiplier (Sliding Scale Size Categories)	
				Size of Protected Tree:	CI Replacement rate per CI Removed:
				6" – 12"	1:1
				12.1" – 20"	1.5:1
				20.1" or greater	2:1

**Approval may be deferred to City Council at the discretion of the Director of Planning and Development*

**Credits may be offered to off-set required CI replacement based on CI preservation percentages outlined Table 16-B (see below).*

***Is this an approach the City would like to take?**

Note that a Credit Sliding Scale is also proposed for large trees saved to help off-set the above replacement sliding scale (above) and to encourage preservation as part of site design.

Benchmark Cities with sliding scale replacement rates: Plano, Denton, Frisco, Coppell, Allen Flower Mound

* Corinth & Rowlett replace at straight 1:1 replacement rate

2. Credits - Summary of Credits for Protected Tree Preservation Efforts

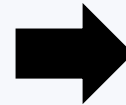
Base Credit for every CI preserved within common open space:

10% CI or less = 1:1

10.1% - 15% = 1.5:1

15.1% or more (*Sliding Scale Credit Applied*)

0.5.1 Bonus Credit for groves/habitat preserved



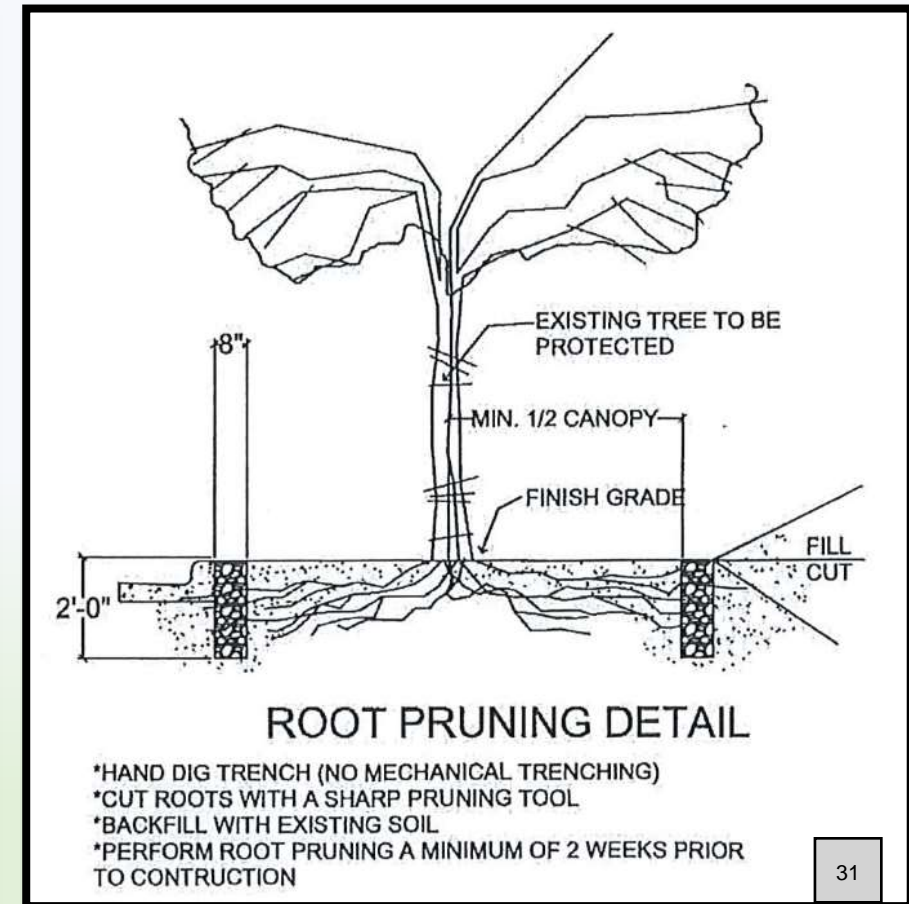
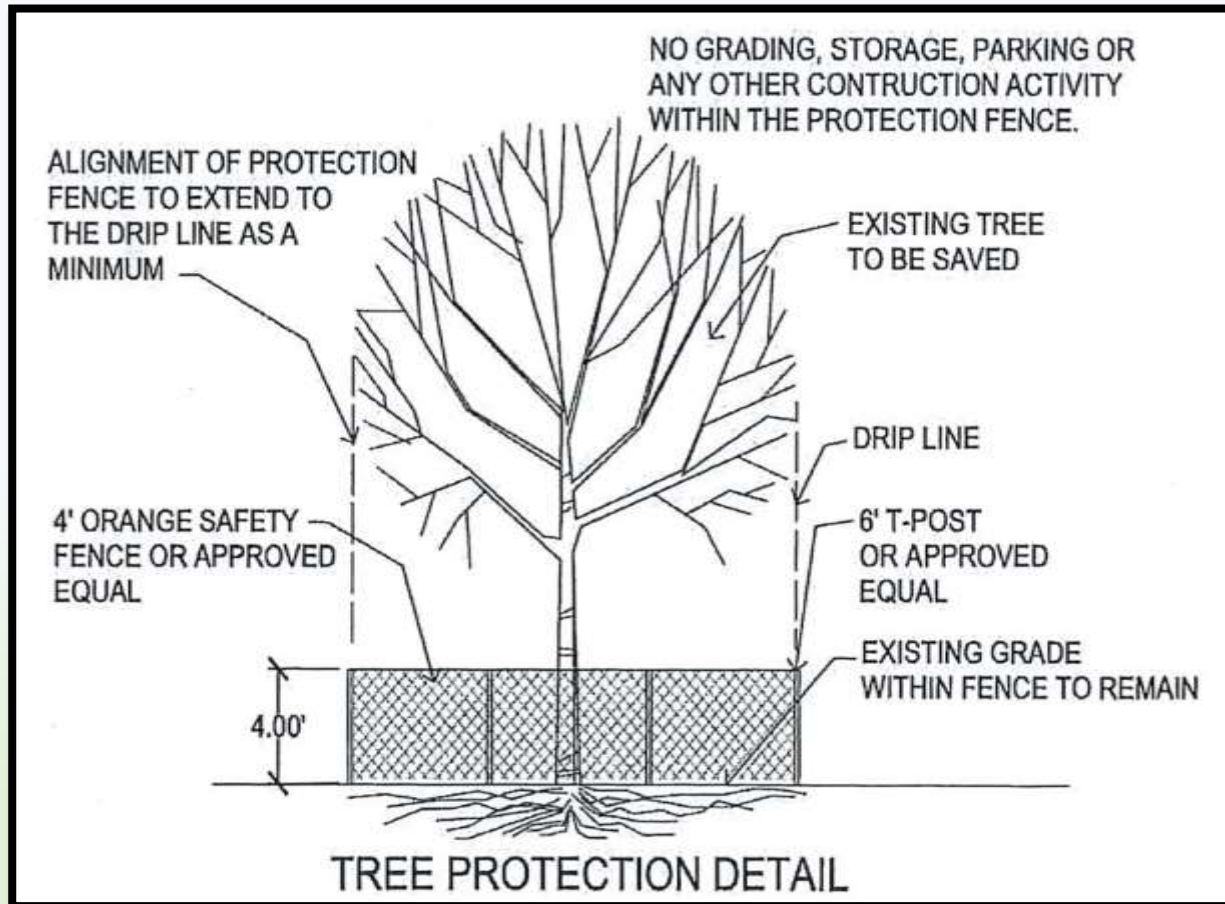
Sliding Scale Credit Categories	
Protected Tree CI Categories:	Credit offered to off-set CI Replacement Required:
6" – 12"	2:1
12.1" – 20"	2.5:1
20.1" – 36"	3:1
36.1" – 48"	3.5:1
48.1"+	4:1

When 20% CI or more are preserved in common open space

- Added Credit for Protected Tree Species less than 6" CI preserved = 1:1
- Landscape Credit for required Shade and Ornamental Trees planted in required buffers, detention/retention approved as an amenity
- Public Rights-of-Way Credit offered based on percentage of "base credit" preserved
- Building Footprint for Commercial Buildings for purpose of economic development if overall design of site is context sensitive, etc.
- Standard Deduction Credit

*** The credits shown are in draft for**

- F. **Replacement of Protected Trees** - Establishes standards for timing of replacement, pay of fees (if applicable), location, etc.
- G. **Tree Protection Measures at Time of Construction** – Clearly defines how to identify and protect the tree to be saved during construction, disposal of trees removed, and final inspection



- H. **Protected Tree Replacement and Maintenance AFTER Development** – Establishes requirements/timeframe for replacement should a preserved tree die after construction is complete.
- I. **Administration of the Tree Fund** - Defines what the “funds” can be used for and timing for payment of funds collected as “fee-in-lieu” of the planting of replacement trees.

NEXT STEPS:

1. **Incorporate City Council comments into draft ordinance**
2. **Test Replacement Rates/Credits against an example Subdivision** (*e.g., Ashford Park to see how impacts the mitigation numbers*)
3. **Review draft ordinance in detail with Key Staff Members**
4. **Request review by a “neutral” Registered Landscape Architect** (*offer feedback and advise on gaps, etc.*)
5. **Hold Public Hearings** (*Planning and Zoning Commission and City Council*) **and Amend UDC**

TREE PRESERVATION REGULATIONS DISCUSSION



Section C, Item 1.

QUESTIONS:



2. Credits - Sliding Scale Credits offered for Protected Tree Preservation Efforts

Table 16-B – CREDITS FOR PROTECTED TREE PRESERVATION EFFORTS

- a. **Saved Protected Tree Base Credit (Fixed rate up to 10%):** Offered at a rate of 1:1 (1 CI credit for every 1 CI preserved) when up to 10% the total Protected Tree CI on site.
- b. **Saved Tree Base Credit (Fixed rate 10.1% to 15%):** Offered at a rate of 1.5:1 (1.5 CI credit for every 1 caliper inch preserved) when a minimum of 10.1% to 15% of the total Protected Tree CI on site.

c. **Saved Tree Base Credit (Sliding Scale):** When 15.1% or more total Protected Tree CI on site a sliding scale credit may be applied to reward context sensitive design that effectively incorporates Protected Tree and habitat preservation.

Sliding Scale Credit Categories

Protected Tree CI Categories:	Credit offered to off-set CI Replacement Required:
6" – 12"	2:1
12.1" – 20"	2.5:1
20.1" – 36"	3:1
36.1" – 48"	3.5:1
48.1"+	4:1

***Bonus Credit:** Where groves and habitat pockets and/or corridors of Protected Trees are preserved, an additional 0.5:1 credit may be considered at the discretion of the Planning and Development Director (and added to each Protected Tree CI Category) where innovative and environmentally sensitive design demonstrated though the preservation of stands of trees and environmentally sensitive habitat an incorporate into the overall project design.

- d. **Sliding Scale Credit for Protected Tree “species/types” less than 6 CI:** When 20% or more total Protected Tree CI are saved on site within deed common open space lots, a credit of 1:1 may be offered for trees that are preserved within a stand though less than the 6 CI Protected Tree threshold.
- e. **Landscaping Requirements Credits:** Where 20% or more of total Protected Tree CI are preserved on a site, and where Shade Trees as required to be planted within Landscape Edge Buffers, Residential Adjacency buffers, or as part of a landscape plan for detention/retention basins (that have been approved to satisfy “park and/or trail” land and located within deeded common open space), landscape credits for Shade and Ornamental Trees planted (at least 3” CI) may be offered to off-set mitigation requirements.
- f. **Public Right-of-Way Credits:** When 20% or more of total Protected Tree CI are preserved, the same percentage of Protected Trees preserved may be credited against the CI removed within the public right-of-way.
- g. **Building Footprint:** At the discretion of the Planning and Development Director and in consideration of furthering economic development, when 20% or more of total Protected Tree CI are preserved on site and effectively incorporated into overall site design as a feature such as common open space green, and demonstrate exemplary context sensitive design, the CI of Protected Trees located within the building footprint of a commercial building may be excluded from the overall mitigate requirements.
- h. **Standard Deduction Credit:** If at least 20% of existing Protected Tree CI on site have been saved on site, a ___% reduction of any remaining mitigation requirements may be offered to after credits

KEY DEFINITIONS:

- **Building Footprint** – The actual foundation area of a building including all parts of a main building that rest, directly or indirectly on the ground, including, attached garages, bay windows with floor space, chimneys, and porches.
- **Caliper Inch (CI)** – Measurement around a tree’s circumference to determine the diameter of the tree trunk, typically used to measure the trunk diameter of a nursery grown tree [replacement tree] with the point of measurement being approximately six (6) inches above the top of the root ball (also see diameter at breast height (DBH)).
- **Critical root zone** – The area of undisturbed natural soil around a tree defined by a concentric circle with a radius equal to the distance from the trunk to the outermost portion of the drip line.

KEY DEFINITIONS:

- **Diameter at Breast Height (DBH)** – Measurement around a tree’s circumference to determine the diameter of the tree trunk, typically used to measure the trunk diameter of an existing tree located in a natural setting, with the point of measurement being 4’ 6” above the natural grade (also see caliper inch (CI)).
- **Incident** – Each Protected Tree, with at least a 6” DBH that was removed from a site or tract or severely damaged in violation of this section. Note that each Protected Tree affected would represent on incident.
- **Mitigation** – The method by which trees are replaced whether through replanting on the subject property, transplanting to another location or same property, or offer of fee-in-lieu-of replanting.
- **Owner** – The person who has legal title to the property or a lessee, agent, employee, or other person acting on behalf of the titleholder with authorization to do so.

KEY DEFINITIONS:

- **Tree.** A self-supporting, woody, perennial plant which may have one or more stems or trunks, in which case the cumulative total diameters of those trunks shall be calculated in determining whether the trunk of the tree is six inches (6") in diameter or larger at DBH.
- **Tree, Protected** - Any tree having a trunk caliper of six inches (6") or more, measured 4' 6" above natural grade level (*also referred to as measured at DBH*).
- **Tree, Removal** – Uprooting, severing the main trunk of the tree, or any act which causes, or may reasonably cause, the tree to die, including but not limited to:
 - Damage inflicted upon the root system by machinery, storage of materials, or soil compaction,
 - Substantially changing the natural grade above the root system or around the trunk,
 - Excessive pruning, or
 - Paving with concrete, asphalt, or other impervious materials in a manner which may reasonably be expected to kill the tree.

KEY DEFINITIONS:

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 - Excessive pruning, or
 - Paving with concrete, asphalt, or other impervious materials in a manner which may reasonably be expected to kill the tree.



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title: Policy Governance
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Hold a discussion on the establishment of governance policies for City Council and City Boards and Commissions.

Staff Recommendation/Motion

N/A



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Proclamation Law Enforcement Appreciation Month - January
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Proclamation recognizing Law Enforcement Appreciation Month - January.

Item Summary/Background/Prior Action

National Law Enforcement Appreciation Day is commemorated annually on January 9. It is a day to thank the police officers for their work to protect the community. Police personnel put their lives on the line every day in an underappreciated profession.

Background

Law Enforcement Appreciation Day (L.E.A.D) was founded in 2015 by various law enforcement-related organizations, such as the Officer Down Memorial Page, and Law Enforcement United. They aimed to have a day dedicated to thanking police officers across the country for their work and sacrifices. Since its creation, the day has been successful with local police departments and other law enforcement organizations.

Organized police departments are relatively recent in the United States. Until the 1800’s, law enforcement was carried by an appointed Sheriff and a group of volunteers. In the 20th century, larger cities established centralized police departments, which resulted in a tamer and more lawful America. Since then, police have been an essential part of American life, although they are often not appreciated for their good deeds.

It is important to remember that many police officers choose this career because they desire to serve and protect communities. Police officers not only risk their lives daily, but they also sacrifice time with their family and friends to help others. Law enforcement officers also work with other organizations and other public safety departments.



PROCLAMATION

Law Enforcement Appreciation Month

WHEREAS, the safety and wellbeing of all residents is the first priority and highest calling of the City of Corinth. It is important that all residents know and understand the duties and responsibilities of their law enforcement officers and agencies; and

WHEREAS, we recognize the sacrifices made by our law enforcement officers who put their lives on the line every day to protect our families and communities, uphold the values we hold dear, and enforce the rule of law; and

WHEREAS, the mission of law enforcement requires the ability to act courageously and quickly; to make the right call in the face of imminent danger; to run toward danger instead of away; and to act with empathy and compassion as one serves others in their time of greatest need; and

WHEREAS, the dedicated men and women of the City of Corinth Police Department rise daily to the trials at hand, selflessly serving residents during one of the most challenging times in world history; and

WHEREAS, the City of Corinth and its residents are honored to stand by our dedicated law enforcement professionals – our everyday heroes – and lend our wholehearted support to them as they continue to give of themselves for the benefit of all.

NOW, THEREFORE, I, Bill Heidemann, do hereby proclaim January, as Law Enforcement Appreciation Month and I encourage all residents to honor and show appreciation for Law Enforcement Personnel and the role they play in the health and safety of our homes and communities in Corinth.

Signed this 20th day of January 2022.

Bill Heidemann, Mayor
City of Corinth, Texas



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Presentation American Planning Association Excellence Award
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Presentation of the 2021 Richard R. Lillie Texas Chapter of the American Planning Association Excellence Award.

Item Summary/Background/Prior Action

For the third consecutive year, the City of Corinth has received the Richard R. Lillie Planning Excellence Award from the Texas Chapter of the American Planning Association. The award recognizes planning excellence in municipalities throughout the State. Evaluation criteria include the level of training of Planning Commissioners and professional staff, professional qualifications of the planning staff, breadth and currency of master plan components and completion of other planning related projects. The goals of the program include:

- Increasing community awareness of the importance of planning,
- Recognizing planning departments which meet certain professional requirements,
- Recognizing planning efforts that have achieved community support,
- Encouraging the funding of professional training for Planning Commissioners and staff, and
- Aiding economic development and community image.

The City of Corinth first earned this award in 2019.



American Planning Association
Texas Chapter

Creating Great Communities for All

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APA Texas Chapter
www.txplanning.org

November 12, 2021

The Honorable Bill Heidemann, Mayor
City of Corinth
3300 Corinth Parkway
Corinth, Texas 76208

Dear Mayor Heidemann,

It is with great pleasure that the Texas Chapter of the American Planning Association presents a 2021 Certificate of Achievement for the Richard R. Lillie, FAICP Planning Excellence Program to the to the City of Corinth and its Planning Department. Corinth is one of only of 34 Texas cities to receive such recognition this year.

This Certificate is in recognition of the professional planning standards demonstrated by your planning staff and the support provided by your City Council and Planning Commission. More specifically, the City of Corinth meets the Chapter's goals for increasing awareness of professional planning in meeting a variety of professional requirements. Please share this award with your City Council, Planning Commission, and staff.

The Board of Directors and members of the APA Texas Chapter thank you for your continued support of your community's planning program.

With warmest regards,

Chance Sparks, AICP, CNU-A
Chapter President, APA Texas Chapter

cc: Mike McAnelly, FAICP, Executive Administrator
administrator@apatexas.org

The Texas Chapter of the American Planning Association is a 501(c)3 organization (23-7431522) as determined by the Internal Revenue Service. Gifts are tax deductible as allowed by law. Please consult your tax advisor for more information.



American Planning Association
Texas Chapter

2021

Section F, Item 2.

Creating Great Communities for All

CERTIFICATE OF ACHIEVEMENT
Richard R. Lillie, FAICP Program for
PLANNING EXCELLENCE

Presented to the

City of Corinth

*Recognizing a commitment to professional planning by City Administration, Elected and Appointed Officials,
and exemplary professional standards demonstrated by the Planning Staff*

Awarded by
Texas Chapter of the American Planning Association

A handwritten signature in blue ink, appearing to read 'Chance Sparks'.

Chance Sparks, AICP, CNU-A
Chapter President



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title: Minutes Approval of Meeting Minutes
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Consider and act on minutes from the January 13, 2022, City Council Meeting.

Item Summary/Background/Prior Action

Attached are the minutes, in draft form, and are not considered official until formally approved by the City Council.

Staff Recommendation/Motion

Staff recommends approval of the minutes.



CITY COUNCIL WORKSHOP AND REGULAR SESSION - MINUTES

Thursday, January 13, 2022 at 5:45 PM

City Hall | 3300 Corinth Parkway

**STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH**

On this, the 13th day of January 2022, the City Council of the City of Corinth, Texas, met in Workshop & Regular Session at the Corinth City Hall at 5:45 P.M., located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place, and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members to wit:

Council Members Present:

Bill Heidemann, Mayor
Sam Burke, Mayor Pro Tem
Scott Garber, Council Member
Steve Holzwarth, Council Member
Tina Henderson, Council Member
Kelly Pickens, Council Member

Staff Members Present:

Bob Hart, City Manager
Lana Wylie, City Secretary
Patricia Adams, City Attorney
Jerry Garner, Police Chief
Michael Ross, Fire Chief
Chad Thiessen, Assistant Fire Chief
Greg Ward, Fire Division Chief
Guadalupe Ruiz, Human Resources Director
Glenn Barker, Public Works Director
Michelle Mixell, Planning and Development Manager
James Trussell, Multi-Media Video Production Intern
Lance Stacy, City Marshal

CALL TO ORDER

Mayor Heidemann called the meeting to order at 5:45 P.M.

WORKSHOP AGENDA

1. Review and receive direction on the Home Rule Charter amendments previously discussed during the Workshop Sessions held on November 18, 2021, and December 16, 2021.

The item was presented and discussed.

2. Receive a report and hold a discussion regarding iChoosr, LLC's solar power program for the homeowners of Corinth.

The item was presented and discussed.

3. Receive a report regarding the Lake Cities Fire Department's (LCFD) 48/96 work schedule and a tractor drawn aerial truck.

The item was presented and discussed.

4. Review and discuss the Fire Station Location Study performed by the UTA Capstone class.

The item was presented and discussed.

5. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

No items for the Regular Session Meeting were discussed.

ADJOURN WORKSHOP

Mayor Heidemann adjourned the Workshop Session at 7:21 P.M.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE

Mayor Heidemann called the Regular Session Meeting to order at 7:25 P.M.

PROCLAMATIONS AND PRESENTATIONS

1. Presentation of the 2021 Richard R. Lillie Texas Chapter of the American Planning Association Excellence Award.

The item was not presented.

CITIZENS COMMENTS

Please limit your comments to three minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Council is prohibited from acting on or discussing items brought before them at this time.

Charles Locke and Kevin Lively of 1400 North Corinth Street, Mrs. Lively's Cajun Kitchen, addressed the City Council regarding the lack of business since moving to Corinth. They would like to keep their business at this location, they like the area. They requested assistance from the City and City Council with promoting their business.

CONSENT AGENDA

All matters listed under the consent agenda are considered to be routine and will be enacted in one motion. Should the Mayor or a Councilmember desire discussion of any item, that item will be removed from the Consent Agenda and will be considered separately.

2. Consider and act on minutes from the December 16, 2021, City Council Meeting.

Motion made by Council Member Garber to approve the consent agenda as presented. Seconded by Mayor Pro Tem Burke.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

PUBLIC HEARING

3. Conduct a public hearing to consider testimony and take action on a proposed amendment to the City’s Unified Development Code (UDC), Section 4: Sign and Fence/Screening Regulations, Subsection 4.02.11. Screening Requirements for Residential and Nonresidential Properties, Subsection 4.02.11.C.1. Nonresidential Construction Abuts Residential Zoning Classifications (ZTA21-0001).

The item was presented.

Mayor Heidemann opened the Public Hearing at 7:45 P.M.

No comments were made.

Mayor Heidemann closed the Public Hearing at 7:45 P.M. and noted an additional Public Hearing and City Council action will take place at a future meeting.

BUSINESS AGENDA

4. Consider and act on a Memorandum of Understanding between the City of Corinth and iChoosr, LLC for the purpose of providing homeowners of Corinth with group purchasing power in the procurement of a high quality residential solar PV system installation, including financing options, and authorizing the City Manager to execute the necessary documents.

Motion made by Mayor Pro Tem Burke to approve the Memorandum of Understanding with iChoosr as presented. Seconded by Council Member Garber.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

5. Consider and act on an Interlocal Agreement (ILA) with Lake Dallas, Hickory Creek, and Shady Shores for legal services to prepare a contract and franchise agreement for the broadband initiative, with Corinth managing the legal services agreement in an amount not to exceed \$27,000.

Motion made by Council Member Garber to approve the ILA between the Lake Cities and Kandutsch Law Firm for broadband negotiations, contract documents, and franchise agreements. Seconded by Council Member Pickens.

Voting Yea: Mayor Pro Tem Burke, Council Member Garber, Council Member Holzwarth, Council Member Henderson, Council Member Pickens

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each Council Member the opportunity to provide general updates and/or comments to fellow Council Members, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Council Member may direct that an item be added as a business item to any future agenda.

Council Member Henderson shared her conversation with Mrs. Lively's Kitchen owner, Kevin Lively, and requested that staff see what they can do to assist with promoting their business.

City Manager Hart responded, Elise Back, CEDC Director, visited Bella Maca and Mrs. Lively's Kitchen today and neither owner was present; and that Elise will continue to connect with the owners.

Mayor Heidemann shared his thoughts on the Broadband Committee Meeting from January 12th, he is excited for the development and for the Joint Meeting on January 26th.

ADJOURN

Mayor Heidemann adjourned the Regular Session Meeting at 7:59 P.M.

Approved by Council on the ____ day of _____ 2022.

Lana Wylie, City Secretary
City of Corinth, Texas

DRAFT



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Resolution Corinth Investment Policy
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input checked="" type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission The Finance Audit Committee reviewed the Corinth Investment Policy on December 16, 2021, and recommends approval.		

Item/Caption

Consider and act on Resolution No. 22-01-20-01 reviewing and adopting the investment policy for funds for the City of Corinth and providing an effective date.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the investment policies is listed below.

1. City of Corinth Investment Policy
 - a. *Section X. D. Authorized Financial Dealers and Institutions:* Recommend removal of procedural requirements. Requirements have been removed from the Public Funds Investment Act.
 - b. *Section XI. B.1.b. Collateralization:* Recommend clarifying the authorization of FHLB Letters of Credit. Letters of credit are not securities and are not subject to market risk.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the City of Corinth Investment Policy.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-01-20-01**

**A RESOLUTION REVIEWING AND APPROVING
INVESTMENT POLICY FOR FUNDS FOR THE CITY OF
CORINTH; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the City Council has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("Chapter 2256") and

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 20th day of January 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

CITY OF CORINTH, TEXAS INVESTMENT POLICY

PREFACE

It is the policy of the City of Corinth (the "City") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for City funds. The City's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The City will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the City.

The City is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the City in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the City and includes the following separately invested funds or fund types: Operating, Reserve, Bond, Special and Capital Project Funds and any other funds which have been contractually delegated to the City for management purposes. The City may add or delete funds as may be required by law, or for proper accounting procedures. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the City by outside agencies under retirement or deferred compensation programs. In addition to this policy, bond funds (including debt service and reserve funds) are governed by bond ordinances and are subject to the provisions of the Internal Revenue Code and applicable federal regulations governing the investment of bond proceeds. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the City shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the City’s investment activities shall be as follows (in the order of priority):

- A. Safety - Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the City. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the City will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the City’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the City’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the City’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The City’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The City will not attempt to consistently attain an unrealistic above

market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the City's rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust** - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all City funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the City's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the City's investment activities shall be as follows:

Strategy No. 1

Diversifying the City's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the City. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the City calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the City that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, as well as, with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The City will utilize five general investment strategies designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date(s).
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund.
- D. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- E. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The City generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the City will be concentrated with one central depository. The City's depository procedure will maximize the City's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the City may be eligible to bid on City investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the City, while allowing the City to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer(s). However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the City.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members** - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures** - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit

Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the City's investments shall be outlined within this section.
1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
 3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. 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 prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the City.

C. Due Diligence - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and 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 in a timely manner and that appropriate action is taken to control adverse developments.

D. Ethical Standards and Conflicts of Interest

1. All City Investment Officials having a direct or indirect role in the investment of City funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the City shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officers gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officers and the Finance Audit Committee

members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally** - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the City's primary objective, only certain investments are authorized as acceptable investments for the City. The following list of authorized investments for the City intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to City funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the City is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments** - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit** - A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions,

wherever located, for the account of the City.

3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools** - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements** - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the City and held in safekeeping with a third-party custodian approved by the City of Corinth. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE)** - These investments are authorized for the City to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the City invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds** - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the City with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) or the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities** - State law specifically prohibits investment in the following securities:

1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally** - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities** - The longer the maturity of investments, the greater their price volatility. Therefore, it is the City's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The City 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.

The entire City portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the City. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and to improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City's approved list. A horizon analysis is required for each swap proving benefit to the City before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the City's investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
 - 1. Financial conditions, strength and capability to fulfill commitments;
 - 2. Overall reputation with other dealers or investors;

3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the City's investment policy, ~~and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the City, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.~~
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the City's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the City's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the City. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the City. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the City's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the City. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the City shall be conducted on a “Delivery-versus-Payment” basis through the Federal Reserve System. By doing this, City funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City 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 City. The notification may be oral but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the City shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City’s name in the bank’s trust department, in a Federal Reserve Bank account in the City’s name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City 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 City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies, **including FHLB letters of credit (LOCs) in an amount not less than the value of the deposits, plus accrued interest.**
 - c. Other securities as approved by the Finance Audit Committee
 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
 3. Financial institutions with which the City invests or maintains other deposits shall

provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, 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 City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. Agreement must be in writing;
2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. 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. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the City's established investment policy.

XIII. PERFORMANCE

The City's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the City. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and

describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will be provided to the City Council. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 3. Additions and changes to the market value during the period;
 4. Fully accrued interest for the reporting period;
 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 6. Listing of investments by maturity date;
 7. The percentage of the total portfolio which each type of investment represents; and
 8. Statement of compliance of the City's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.

10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The City's investment policy shall be adopted and amended by resolution of the City Council only. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to three years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the City's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or three years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the

attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the City at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the City is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Special Project and Capital Project Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Special Project and Capital Project Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market fluctuations will however occur, by restricting the maximum maturity to three years, managing the weighted average days to less than 270 days, restricting the maximum allowable maturity to two years, and by managing Special Project and Capital Project Funds to balance the short term and long term anticipated cash flow requirements of the plant or equipment being depreciated, replaced or repaired, the market risk of the Fund portfolio will be minimized.
3. Marketability - The balancing of short-term and long-term cash flow needs requires the short-term portion of the Special Project and Capital Project Funds portfolio to have securities with active and efficient secondary markets. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market. Securities with less active and efficient secondary markets are acceptable for the long-term portion of the portfolio.
4. Liquidity - Special Project and Capital Project Funds used as part of a CIP plan or scheduled repair and replacement program are reasonably predictable. However unanticipated needs or emergencies may arise. Selecting Investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures.

5. Diversification - Investment maturities should blend the short-term and long-term cash flow needs to provide adequate liquidity and yield enhancement and stability. A “barbell” maturity ladder may be appropriate.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio structures is the desired objective. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of three years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month’s anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy’s risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

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

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

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

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Resolution EDC Investment Policy								
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development										
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder										
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function										
Owner Support:	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><input type="checkbox"/> Planning & Zoning Commission</td> <td style="width: 50%;"><input checked="" type="checkbox"/> Economic Development Corporation</td> </tr> <tr> <td><input type="checkbox"/> Parks & Recreation Board</td> <td><input type="checkbox"/> TIRZ Board #2</td> </tr> <tr> <td><input checked="" type="checkbox"/> Finance Audit Committee</td> <td><input type="checkbox"/> TIRZ Board #3</td> </tr> <tr> <td><input type="checkbox"/> Keep Corinth Beautiful</td> <td><input type="checkbox"/> Ethics Commission</td> </tr> </table> <p>The Finance Audit Committee reviewed the Investment Policy on December 16, 2021 and recommends approval. Economic Development Corporation reviewed the Investment Policy on December 13, 2021, and recommends approval.</p>			<input type="checkbox"/> Planning & Zoning Commission	<input checked="" type="checkbox"/> Economic Development Corporation	<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2	<input checked="" type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3	<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission
<input type="checkbox"/> Planning & Zoning Commission	<input checked="" type="checkbox"/> Economic Development Corporation										
<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2										
<input checked="" type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3										
<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission										

Item/Caption

Consider and act on Resolution 22-01-20-02 reviewing and adopting the investment policy for funds for the Economic Development Corporation Investment Policy and providing an effective date.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policies is listed below.

1. Economic Development Corporation Investment Policy
 - a. *Section X. D. - Authorized Financial Dealers and Institutions:* Recommend removal of procedural requirements. Requirements have been removed from the Public Funds Investment Act.
 - b. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for Fully Collateralized Certificates of Deposit from 75% to 50% to be consistent with City of Corinth policy.
 - c. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for SEC Regulated No-Load Money Market Mutual Fund from 100% to 50% to be consistent with City of Corinth policy.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the Economic Development Corporation Investment Policy.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-01-20-02**

**A RESOLUTION REVIEWING AND APPROVING THE INVESTMENT
POLICY FOR FUNDS FOR THE CORINTH ECONOMIC DEVELOPMENT
CORPORATION.**

WHEREAS, in accordance with Section 2256.005(e) of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Economic Development Corporation has reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, ("chapter 2256"); and

WHEREAS, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE Ch. 2256;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Corinth Economic Development Corporation Investment Policy, which contain the investment strategies and policies, and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City's and the Corinth Economic Development Corporation's primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 20th day of January 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

**CITY OF CORINTH, TEXAS
ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth the “City” and the Corinth Economic Development Corporation (the "EDC") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate of return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for EDC funds. The EDC’s portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The EDC will invest public funds in a manner which will provide the maximum security and a market rate of return while meeting the daily cash flow demands of the EDC.

The EDC is required under the Public Funds Investment Act (Chapter 2256 of the Texas Government Code) to adopt a formal written investment policy for the investment of public funds. These policies serve to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256 of the Texas Government Code [the Act]) to define, adopt and review a formal investment strategy and policy.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the EDC in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the EDC and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the EDC has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the EDC by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the EDC shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the EDC’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the EDC. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the EDC will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the EDC’s investments.
- B. Liquidity - The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the EDC’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the EDC’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the EDC. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The EDC’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The EDC will not attempt to consistently attain an unrealistic above market rate-of-return, as this objective will subject the overall portfolio to greater risk. Therefore, the EDC’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.
- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the EDC’s ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market

volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all EDC funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all of the EDC's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the EDC's investment activities shall be as follows:

Strategy No. 1

Diversifying the EDC's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the EDC Board, and the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the EDC. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the EDC calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the EDC that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance,

security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The EDC will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The EDC generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the EDC Executive Director, or the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the EDC will be concentrated with one central depository, so long as, the FDIC insurance limits are not exceeded. The City's depository procedure will maximize the EDC's ability to pool cash for investment purposes, and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the EDC may be eligible to bid on EDC investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the EDC, while allowing the EDC to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group of EDC funds, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the EDC.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members** – There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the Committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** – The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the EDC's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures** – The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A.** The responsibility for the daily operation and management of the EDC's investments shall be outlined within this section.
- 1. Delegation of Authority** - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the City and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
 - 2.** The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officials. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the City are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:

- a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
3. The Director of Finance shall be designated as the primary Investment Officer for the City and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. 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 prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the EDC.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and the citizen committee members acting in accordance with written policies and 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 in a timely manner and that appropriate action is taken to control adverse developments.
- D. Ethical Standards and Conflicts of Interest**
1. All EDC Investment Officers having a direct or indirect role in the investment of EDC funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
 2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the EDC shall file a statement disclosing that personal business interest.
 3. An Investment Officer has a personal business relationship with a business organization if:

- a. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or person related to the investment officer by the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Officer's gross income for the prior year; or
 - c. The Investment Officer or person related to the Investment Officer by the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the EDC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.
- E. Training - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the EDC's investment personnel making investment decisions in compliance with Public Funds Investment Act (PFIA). The Investment Officers and Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the EDC's primary objective, only certain investments are authorized as acceptable investments for the EDC. The following list of authorized investments for the EDC intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to EDC funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the EDC is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments - The authorized list of investment instruments is as follows:

1. Obligations of the United States or its agencies and instrumentalities, or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities, other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit – A certificate of deposit issued by a depository institution that has its main office or branch office in this state, and is secured in accordance with the specific collateralization requirements contained in section XI, B of this policy. –In addition, an investment in "bundled" or "shared" CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States;
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools - AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined in Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements - Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the EDC and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorized under this section includes flexible repurchase agreements which may be

used for specific investment of bond proceeds but *shall not include reverse purchase agreements*.

- F. Bankers' Acceptances, and Commercial Paper (LIMITED USE) - These investments are authorized for the EDC to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the EDC invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds - An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the EDC with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the EDC with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC. Section 78a et. Seq.) & the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities - State law specifically prohibits investment in the following securities:
 1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the EDC's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The EDC will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the EDC will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be

collateralized using longer date instruments. The EDC 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.

The entire EDC portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Insured Certificates of Deposit	75% 50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100% 50%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the EDC. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City’s approved list. A horizon analysis is required for each swap proving benefit to the EDC before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.
- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the EDC’s investment policy.
- C. The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary

government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:

1. Financial conditions, strength and capability to fulfill commitments;
 2. Overall reputation with other dealers or investors;
 3. Regulatory status of the dealer;
 4. Background and expertise of the individual representatives.
- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the EDC's investment policy ~~and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the EDC, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC's entire portfolio or requires an interpretation of subjective investment standards.~~
- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the EDC's ability to meet payroll or other expenses.
- F.** All investments (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the EDC's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the EDC. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registrations of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the EDC invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the EDC. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the City for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the EDC's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the EDC. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.

- J. It is the policy of the City that all security transactions entered into with the EDC shall be conducted on a “Delivery-versus-Payment” basis through the Federal Reserve System. By doing this, EDC funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City 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 EDC. The notification may be oral, but shall be confirmed in writing.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the EDC shall be held by a third-party safekeeping agent selected by the EDC’s Investment Officer. Bank deposits will be held in the EDC’s name in the bank’s trust department, in a Federal Reserve Bank account in the EDC’s name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City and the EDC. The City and the EDC shall contract with a bank or banks for the safekeeping of securities either owned by the EDC as part of its investment portfolio or held as collateral to secure time deposits, if collateralized time deposits are specifically authorized by the board.
- B. Collateralized Deposits - Consistent with the requirements of State law, the EDC requires all bank deposits to be federally insured. If the board and the City do agree that collateralized accounts are acceptable in specific situations the provisions above may be amended for EDC accounts.

XII. 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. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the EDC’s established investment policy.

XIII. PERFORMANCE

The EDC’s investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the EDC. This investment policy establishes “weighted average yield to maturity” as the standard portfolio performance measurement.

XIV. REPORTING

- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Economic Development Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the

assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Economic Development Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the EDC to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 3. Additions and changes to the market value during the period;
 4. Fully accrued interest for the reporting period;
 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 6. Listing of investments by maturity date;
 7. The percentage of the total portfolio which each type of investment represents; and
 8. Statement of compliance of the EDC's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
 10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The EDC's investment policy shall be reviewed by the Economic Development Board and formally adopted and amended by resolution by the City Council. The City's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the City. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS
Economic Development Corporation
Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the EDC's debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity - Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the City's debt holders. The funds are "returned" to the EDC at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the EDC is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of a bond issue, if any, be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Bond Funds

1. Suitability - Any investment eligible in the Investment Policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.
5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the EDC is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts.

At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

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

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

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

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Resolution Fire Control, Prevention, and Emergency Medical Services District Investment Policy
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input checked="" type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission The Finance Audit Committee reviewed the Investment Policy on December 16, 2021, and recommends approval.		

Item/Caption

Consider and act on Resolution No. 22-01-20-04 reviewing and adopting the investment policy for funds for the Fire Control, Prevention, and Emergency Medical Services District and providing an effective date.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policies is listed below.

1. Fire Control, Prevention and Emergency Service District Investment Policy
 - a. *Section X. D. Authorized Financial Dealers and Institutions:* Recommend removal of procedural requirements. Requirements have been removed from the Public Funds Investment Act.
 - b. *Section XI. B.1.b. Collateralization:* Recommend clarifying the authorization of FHLB Letters of Credit. Letters of credit are not securities and are not subject to market risk.
 - c. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for Fully Collateralized Certificates of Deposit from 75% to 50% to be consistent with City of Corinth policy.
 - d. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for SEC Regulated No-Load Money Market Mutual Fund from 100% to 50% to be consistent with City of Corinth policy.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the Fire Control, Prevention, and Emergency Services District Investment Policy.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-01-20-04**

**A RESOLUTION REVIEWING AND ADOPTING THE INVESTMENT
POLICY FOR FUNDS FOR THE CORINTH FIRE CONTROL,
PREVENTION AND EMERGENCY SERVICES DISTRICT.**

WHEREAS, in accordance with Section 2256.005€ of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Fire Control, Prevention and Emergency Services District have reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, (“Chapter 2256”); and

WHEREAS, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Corinth Fire Control, Prevention and Emergency Services District Investment Policy, which contain the investment strategies and policies and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City’s and the Corinth Fire Control, Prevention and Emergency Services District’s primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 20th day of January, 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

**CORINTH, TEXAS
CORINTH FIRE CONTROL, PREVENTION AND
EMERGENCY SERVICE DISTRICT
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth (the "City") and the Corinth Fire Control, Prevention and Emergency Services District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest its funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the DISTRICT and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the DISTRICT shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the DISTRICT’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the DISTRICT. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the DISTRICT will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the DISTRICT’s investments
- B. Liquidity -The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the DISTRICT’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the DISTRICT’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DISTRICT. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The DISTRICT’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The DISTRICT will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the DISTRICT’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the DISTRICT's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all DISTRICT funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the DISTRICT's investment activities shall be as follows:

Strategy No. 1

Diversifying the DISTRICT's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the DISTRICT. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the DISTRICT calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the DISTRICT that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The DISTRICT will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The DISTRICT generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the DISTRICT will be concentrated with one central depository. The City's depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the DISTRICT's

investments shall be outlined within this section.

1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
 3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence** - The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.
- C. Due Diligence** - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee members acting in accordance with written policies and 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 in a timely

manner and that appropriate action is taken to control adverse developments.

D. Ethical Standards and Conflicts of Interest

1. All DISTRICT Investment Officers having a direct or indirect role in the investment of DISTRICT funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the DISTRICT shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Official's gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the DISTRICT shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the DISTRICT'S investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officials and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12 months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The

Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally** - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the DISTRICT's primary objective, only certain investments are authorized as acceptable investments for the DISTRICT. The following list of authorized investments for the DISTRICT intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to DISTRICT funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the DISTRICT is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments** - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit** – A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in “bundled” or “shared” CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.
 3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and

4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools – AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined by Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value.
- E. Repurchase Agreements – Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the DISTRICT and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances and Commercial Paper (LIMITED USE) – These investments are authorized for the DISTRICT to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the DISTRICT invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds – An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share; furthermore, it provides the DISTRICT with a prospectus and other information required by the SEC act of 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities – State law specifically prohibits investment in the following securities:
1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.

- 2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
- 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
- 4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the DISTRICT’s policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The DISTRICT will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the DISTRICT will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The DISTRICT 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.

The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%

Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	75% 50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100% 50%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City’s approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT’s investment policy.

- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
 - 1. Financial conditions, strength and capability to fulfill commitments;
 - 2. Overall reputation with other dealers or investors;
 - 3. Regulatory status of the dealer;
 - 4. Background and expertise of the individual representatives.

- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial organization until the organization’s registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT’s investment

~~policy. And acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.~~

- E.** To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.
- F.** All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G.** An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.
- H.** A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.
- I.** If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J.** It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City 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 DISTRICT. The notification may be oral, but shall be confirmed in writing.

1. Financial conditions, strength and capability to fulfill commitments;
2. Overall reputation with other dealers or investors;
3. Regulatory status of the dealer;
4. Background and expertise of the individual representatives.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping - All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City 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 City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies, including FHLB letters of credit (LOCs) in an amount not less than the value of the deposits, plus accrued interest.
 - c. Other securities as approved by the Finance Audit Committee
 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.

3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, 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 City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.
- C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:
1. Agreement must be in writing;
 2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
 3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
 4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. 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. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

XIII. PERFORMANCE

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

- A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Corinth Fire Control, Prevention and Emergency Services

District Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Corinth Fire Control, Prevention and Emergency Services District Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the DISTRICT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 3. Additions and changes to the market value during the period;
 4. Fully accrued interest for the reporting period;
 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 6. Listing of investments by maturity date;
 7. The percentage of the total portfolio which each type of investment represents; and
 8. Statement of compliance of the DISTRICT's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.

10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The DISTRICT's investment policy shall be reviewed by the Corinth Fire Control, Prevention and Emergency Services District and formally adopted and amended by resolution by the City Council. The CITY's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS
 Corinth Fire Control, Prevention and Emergency Services District
 Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the DISTRICT debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the

borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the DISTRICT is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity – Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

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

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

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

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Resolution Crime Control and Prevention District Investment Policy								
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development										
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder										
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function										
Owner Support:	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"><input type="checkbox"/> Planning & Zoning Commission</td> <td style="width: 50%; border: none;"><input type="checkbox"/> Economic Development Corporation</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Parks & Recreation Board</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #2</td> </tr> <tr> <td style="border: none;"><input checked="" type="checkbox"/> Finance Audit Committee</td> <td style="border: none;"><input type="checkbox"/> TIRZ Board #3</td> </tr> <tr> <td style="border: none;"><input type="checkbox"/> Keep Corinth Beautiful</td> <td style="border: none;"><input type="checkbox"/> Ethics Commission</td> </tr> </table> <p>The Finance Audit Committee reviewed the Investment Policy on December 16, 2021, and recommends approval.</p>			<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation	<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2	<input checked="" type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3	<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission
<input type="checkbox"/> Planning & Zoning Commission	<input type="checkbox"/> Economic Development Corporation										
<input type="checkbox"/> Parks & Recreation Board	<input type="checkbox"/> TIRZ Board #2										
<input checked="" type="checkbox"/> Finance Audit Committee	<input type="checkbox"/> TIRZ Board #3										
<input type="checkbox"/> Keep Corinth Beautiful	<input type="checkbox"/> Ethics Commission										

Item/Caption

Consider and act on Resolution No. 22-01-20-03 reviewing and adopting the investment policy for funds for the Crime Control and Prevention District and providing an effective date.

Item Summary/Background/Prior Action

The policy establishes investment parameters and guidelines for the investment program in order to achieve the goals of safety, liquidity, diversification, rate-of-return, and public trust, and designates the authorized investment officer responsible for the daily investment activity by the City.

As part of the annual review process, staff reviews the policy and may recommend revisions to the existing policy, if needed. Recommended revision to the Investment policies is listed below.

1. Corinth Crime Control and Prevention District Investment Policy

- a. *Section X. D. Authorized Financial Dealers and Institutions:* Recommend removal of procedural requirements. Requirements have been removed from the Public Funds Investment Act.
- b. *Section XI. B.1.b. Collateralization:* Recommend clarifying the authorization of FHLB Letters of Credit. Letters of credit are not securities and are not subject to market risk.
- c. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for Fully Collateralized Certificates of Deposit from 75% to 50% to be consistent with City of Corinth policy.
- d. *Section VIII. C. Diversification:* Reduce investment instrument portfolio maximum for SEC Regulated No-Load Money Market Mutual Fund from 100% to 50% to be consistent with City of Corinth policy.

Applicable Owner/Stakeholder Policy

In accordance with Public Funds Investment Act, Chapter 2256 of the Texas Government Code, the city is required to annually adopt a formal written Investment Policy for the investment of public funds.

Staff Recommendation/Motion

Staff recommends approval of the Corinth Crime Control and Prevention District Investment Policy.

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 22-01-20-03**

**A RESOLUTION REVIEWING AND ADOPTING THE INVESTMENT
POLICY FOR FUNDS FOR THE CORINTH CRIME CONTROL AND
PREVENTION DISTRICT.**

WHEREAS, in accordance with Section 2256.005€ of Chapter 2256 of the Texas Government Code, the Board of Directors of the Corinth Crime Control and Prevention District have reviewed and approved the Investment Policy attached hereto as Exhibit A, which contain proposed changes, for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256, (“Chapter 2256”); and

WHEREAS, the City Council has reviewed the Investment Policy and proposed changes for compliance with the Public Funds Investment Act, TEX. GOV'T CODE ch. 2256;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CORINTH HEREBY RESOLVES:

SECTION 1. That the City Council has reviewed the attached Corinth Crime Control and Prevention District Investment Policy, which contain the investment strategies and policies and hereby approves the Investment Policy.

SECTION 2. That the Director of Finance is hereby designated as the City’s and the Corinth Crime Control and Prevention District’s primary investment officer and is hereby authorized to perform the functions required of the primary investment officer under the Investment Policy and Chapter 2256.

SECTION 3. That all resolutions or parts of resolutions in force when the provisions of this resolution became effective which are inconsistent or in conflict with the terms or provisions contained in this resolution are hereby repealed to the extent of any such conflict only.

SECTION 4. That this resolution shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this the 20th day of January, 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

**CORINTH, TEXAS
CORINTH CRIME CONTROL AND PREVENTION DISTRICT
INVESTMENT POLICY**

PREFACE

It is the policy of the City of Corinth (the "City") and the Corinth Crime Control and Prevention District (the "DISTRICT") that after allowing for the anticipated cash flow requirements and giving due consideration to the safety and risks of investments, all available funds shall be invested in conformance with these legal and administrative guidelines to obtain a market rate-of-return.

Effective cash management is recognized as essential to good fiscal management. An active cash management and investment policy will be pursued to take advantage of investment interest as a viable and material source of revenue for DISTRICT funds. The DISTRICT's portfolio shall be designed and managed in a manner responsive to the public trust and shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, and adopted investment policy. The DISTRICT will invest public funds in a manner which will provide the maximum security and a market rate-of-return while meeting the daily cash flow demands of the DISTRICT.

Pursuant to Subchapter E of Chapter 363 of the Local Government Code, the DISTRICT designates the City of Corinth to invest its funds in accordance with the provisions and requirements of this policy and § 363.206(c) of the Texas Local Gov't Code.

I. PURPOSE

The purpose of this investment policy (the “policy”) is to set forth specific investment policy and strategy guidelines for the DISTRICT in order to achieve the goals of safety, liquidity, rate-of-return, and public trust for all investment activities.

II. SCOPE

The investment policy shall govern the investment of all financial assets considered to be part of the DISTRICT and includes the following separately invested funds or fund types: Operating, Reserve, and Bond Funds, although the DISTRICT has only operating funds. This policy does not include funds governed by approved trust agreements, or assets administered for the benefit of the DISTRICT by outside agencies under retirement or deferred compensation programs. The City shall and will maintain responsibility for these funds to the extent required by: Federal and State law; the City Charter; and donor stipulations.

III. INVESTMENT OBJECTIVES

Funds of the DISTRICT shall be invested in accordance with all applicable Texas statutes, this policy and any other approved, written administrative procedures. The five objectives of the DISTRICT’s investment activities shall be as follows (in the order of priority):

- A. Safety – Preservation and safety of Principal. Safety of principal invested is the foremost objective in the investment decisions of the DISTRICT. Each investment transaction shall seek to ensure the preservation of capital in the overall portfolio. The risk of loss shall be controlled by investing only in authorized securities as defined in this policy, by qualifying the financial institutions with which the DISTRICT will transact, and by portfolio diversification. Safety is defined as the undiminished return of the principal on the DISTRICT’s investments
- B. Liquidity -The investment portfolio shall be managed to maintain liquidity to ensure that funds will be available to meet the DISTRICT’s cash flow requirements and by investing in securities with active secondary markets. Investments shall be structured in such a manner as to provide liquidity necessary to pay obligations as they become due. A security may be liquidated prior to its stated maturity to meet unanticipated cash requirements or to otherwise favorably adjust the DISTRICT’s portfolio.
- C. Diversification - Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DISTRICT. Diversifying the appropriate maturity structure will reduce market cycle risk.
- D. Market Rate-of-Return (Yield) - The DISTRICT’s investment portfolio shall be designed to optimize a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the portfolio. The investment portfolio shall be managed in a manner which seeks to attain a market rate-of-return throughout budgetary and economic cycles. The DISTRICT will not attempt to consistently attain an unrealistic above market rate-of-return as this objective will subject the overall portfolio to greater risk. Therefore, the DISTRICT’s rate-of-return objective is secondary to those of safety and liquidity. Rate-of-return (yield) is defined as the annual income returned on an investment, expressed as a percentage.

- E. Public Trust - The Investment Officer(s) shall avoid any transactions that might impair public confidence in the DISTRICT's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY

The City maintains a comprehensive and proactive cash management program which is designed to monitor and control all DISTRICT funds to ensure maximum utilization and yield a market rate-of-return. The basic and underlying strategy of this program is that all of the DISTRICT's funds are earning interest. It is the responsibility and obligation of the City to maintain a flexible approach and be prepared to modify the investment strategy as market conditions dictate. The investment strategy described is predicated on conditions as they now exist and are subject to change. The investment strategy emphasizes low credit risk, diversification, and the management of maturities. The strategy also considers the expertise and time constraints of the Investment Officers. The allowable investments as defined in Section VII of this policy reflect the avoidance of credit risk. Diversification refers to dividing investments among a variety of securities offering independent returns. This strategy uses local government investment pools to achieve diversification. The active management of maturities refers to structuring the maturity dates of the direct investments so that, while funds are initially invested for a longer period of time, some investments mature as cash needs require. The strategies for the DISTRICT's investment activities shall be as follows:

Strategy No. 1

Diversifying the DISTRICT's investment opportunities through the use of local government investment pools and money market mutual funds as authorized by the City Council. An investment pool is a professionally managed portfolio of shared assets created to invest public funds jointly on behalf of the governmental entities that participate in the pool and whose investment objectives in order of priority match those objectives of the DISTRICT. Fund withdrawals are usually available from investment pools on a same-day basis, meaning the pools have a high degree of liquidity. Because of the size and expertise of their staff, investment pools are able to prudently invest in a variety of the investment types allowed by state law. In this manner, investment pools achieve desired diversification. The strategy of the DISTRICT calls for the use of investment pools as a primary source of diversification and a supplemental source of liquidity. Funds that may be needed on a short-term basis but are in excess of the amount maintained at the depository bank are available for deposit in investment pools.

Strategy No. 2

Building a ladder of authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include the following:

- A. It is straight-forward and easily understood;
- B. It will assure the DISTRICT that it will capture a reasonable portion of the yield curve; and,
- C. It provides predictable cash flow with scheduled maturities and reinvestment opportunities.

Strategy No. 3

Utilizing the services of a Professional Investment Advisor in order to maximize investment earnings and realize market opportunities when they become available. Other responsibilities of the Investment Advisor include, but are not limited to broker compliance, security selection, competitive bidding, investment reporting, and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board and shall adhere to the spirit and philosophy of this policy and avoid recommending or suggesting transactions outside the "Standard of Care" under this policy.

Strategy No. 4

The DISTRICT will utilize a general investment strategy designed to address the unique characteristics of specific fund-types (detailed strategies are presented in Attachment A):

- A. Investment strategies for operating funds and pooled funds containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio which will experience minimal volatility during economic cycles.
- B. Investment strategies for reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund.
- C. Investment strategies for special projects and capital projects funds will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity.
- D. The investment maturity of bond proceeds (excluding reserve and debt service funds) shall generally be limited to the anticipated cash flow requirement or the "temporary period," as defined by Federal tax law. During the temporary period, bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds and market conditions to achieve compliance with the applicable regulations.

Strategy No. 5

The DISTRICT generally intends to hold all of its securities until they mature and will accomplish this by maintaining sufficient liquidity in its portfolio so that it does not need to sell a security early. Should it become necessary to sell a security prior to maturity, where the sale proceeds are less than the current book value, the prior written consent of the City Manager must be obtained. Securities may be sold prior to maturity by the Director of Finance at or above their book value at any time, without the consent of the City Manager.

Strategy No. 6

All demand deposits of the DISTRICT will be concentrated with one central depository. The City's depository procedure will maximize the DISTRICT's ability to pool cash for investment purposes and provide more manageable banking relationships. In addition, depositories not holding demand deposits of the DISTRICT may be eligible to bid on DISTRICT investments.

Strategy No. 7

This policy shall further seek to maintain good depository bank relationships while minimizing the cost of banking services. The City will seek to maintain a depository contract which will be managed to a level that minimizes the cost of the banking relationship to the DISTRICT, while allowing the DISTRICT to earn an appropriate return on idle demand deposits.

Strategy No. 8

A single pooled fund group, as defined in this policy, may be utilized at the discretion of the Investment Officer. However, earnings from investments will be allocated on a pro-rata cash basis to the individual funds and used in a manner that will best service the interests of the DISTRICT.

Strategy No. 9

Procedures shall be established and implemented in order to maximize investable cash by decreasing the time between the actual collection and the deposit of receipts, and by the controlling of disbursements.

V. FINANCE AUDIT COMMITTEE

- A. Members** - There is hereby created a Finance Audit Committee consisting of the Mayor, two members of the City Council and two citizens appointed by the City Council. The Mayor will be a permanent member of the Committee. The other four members of the Committee will be appointed by the City Council to serve a two-year term and shall not exceed two successive terms. The Mayor and the two members of the City Council shall be voting members of the committee. The Community Representative members shall be non-voting members of the Committee.
- B. Scope** - The Finance Audit Committee shall meet at least once per calendar quarter to determine general strategies and to monitor results. Included in its deliberations will be such topics as: economic outlook, portfolio diversification, maturity structure, potential risk to the DISTRICT's funds, authorized brokers and dealers, and the target rate-of-return on the investment portfolio.
- C. Procedures** - The Finance Audit Committee shall provide minutes of its meetings. Any two members of the Finance Audit Committee may request a special meeting, and a majority of the voting members shall constitute a quorum. The Finance Audit Committee shall abide by the Rules of Procedure and Policies as set forth in Resolution 09-05-01-11, as amended, and the Charter of the City of Corinth.

VI. RESPONSIBILITY AND STANDARD OF CARE

- A. The responsibility for the daily operation and management of the DISTRICT's investments shall be outlined within this section.
1. Delegation of Authority - Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall be authorized to deposit, withdraw, invest, transfer or manage the funds of the DISTRICT and shall establish written procedures for the operation of the investment program, consistent with this policy. Such procedures shall include explicit delegation of authority to other persons responsible for investment transactions. All persons involved in investment activities will be referred to in this policy as "Investment Officers." No persons may engage in investment transactions, except as provided under the terms of this policy and the procedures established by the Director of Finance.
 2. The Director of Finance shall assume responsibility for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate Investment Officers. The system of controls shall be designed to provide reasonable assurance that ensures the assets of the DISTRICT are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that:
 - a. The cost of control should not exceed the benefits likely to be derived; and,
 - b. The valuation of costs and benefits requires estimates and judgments by management.
 3. The Director of Finance shall be designated as the primary Investment Officer for the DISTRICT and shall be responsible for investment decisions and activities under the direction of the City Manager. The Director of Finance may delegate any phase of the investment program to a secondary Investment Officer. Both the Director of Finance and the designated secondary Investment Officer are responsible for daily investment decisions and activities. However, ultimate responsibility for investment decisions will rest with the Director of Finance.
- B. Prudence - The standard of prudence to be applied by the Investment Official shall be the "prudent investor" rule, which states, "investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." In determining whether the Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the following:
1. The investment of all funds over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
 2. The investment decision was consistent with the written investment policy and procedures of the DISTRICT.
- C. Due Diligence - The Director of Finance, designated secondary Investment Officer, Mayor, City Council, City Manager, other Finance employees and citizen committee

members acting in accordance with written policies and 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 in a timely manner and that appropriate action is taken to control adverse developments.

D. Ethical Standards and Conflicts of Interest

1. All DISTRICT Investment Officers having a direct or indirect role in the investment of DISTRICT funds shall act as custodians of the public trust avoiding any transaction which might involve a conflict of interest, the appearance of a conflict of interest, or any activity which might otherwise discourage public confidence. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.
2. An Investment Officer who has a personal business relationship with the depository bank or with any entity seeking to sell an investment to the DISTRICT shall file a statement disclosing that personal business interest.
3. An Investment Officer has a personal business relationship with a business organization if:
 - a. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 - b. Funds received by the Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity from the business organization exceed 10% of the Investment Official's gross income for the prior year; or
 - c. The Investment Officer or one related to the Investment Officer within the second degree of affinity or consanguinity has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
 - d. An Investment Officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the DISTRICT shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the City Council.

- E. Training** - The City shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the DISTRICT'S investment personnel making investment decisions in compliance with the Public Funds Investment Act (PFIA). The Investment Officials and the Finance Audit Committee members shall attend at least one training session containing at least 10 hours of instruction relating to the officer's responsibility under the PFIA within 12

months after assuming duties, and thereafter shall attend at least 8 hours of additional investment training in subsequent two-year periods which begin on the first day of the fiscal year and consist of the two consecutive fiscal years after that date. The Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments are approved as independent training sources by the City Council.

VII. AUTHORIZED INVESTMENTS

- A. Generally** - Safety of principal is the primary objective in investing public funds and can be accomplished by limiting credit risk and interest rate risk. Credit risk is the risk associated with the failure of a security issuer or backer to pay back principal and interest on a timely basis. Interest rate risk is the risk that the value of a portfolio will decline due to an increase in the general level of interest rates. In order to provide for safety of principal as the DISTRICT's primary objective, only certain investments are authorized as acceptable investments for the DISTRICT. The following list of authorized investments for the DISTRICT intentionally excludes some investments authorized by state law. These restrictions are intended to limit possible risk and provide the maximum measure of safety to DISTRICT funds. In the event an authorized investment loses its required minimum credit rating, all prudent measures will be taken to liquidate said investment. Additionally, the DISTRICT is not required to liquidate investments that were authorized at the time of purchase.
- B. Authorized and Acceptable Investments** - The authorized list of investment instruments is as follows:
1. Obligations of the United States or its agencies and instrumentalities or any obligation fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), *excluding mortgage-backed securities*.
 2. Direct obligations of the State of Texas, or its agencies and instrumentalities Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-related securities.
- C. Certificates of Deposit** – A certificate of deposit issued by a depository institution that has its main office or branch office in this state and is secured in accordance with the specific collateralization requirements contained in section XI.B of this policy. In addition, an investment in “bundled” or “shared” CDs made in accordance with the following conditions is permitted:
1. The funds are invested through a broker that has its main office or a branch office in this state selected from a list adopted by the City as required by Section 2256.025; or through a depository institution that has its main office or a branch office in this state and that is selected by the City;
 2. The selected broker or depository institution arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City.

3. The full amount of the principal and accrued interest of each of the CD is insured by the United States or an instrumentality of the United States; and
 4. The City appoints the depository institution, a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to SEC Rule 15c3-3, or an entity described in the Public Funds Collateral Act, Section 2257.041(d), as custodian for the City with respect to those CDs issued for the City's account.
- D. Eligible Local Government Investment Pools – AAA-rated public funds investment pools, with a weighted average maturity of 60 days or less, individually approved by formal Council resolution, which invest in instruments and follow practices allowed by the current law as defined by Section 2256.016 of the Texas Government Code. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and stabilize at a \$1 net asset value.
- E. Repurchase Agreements – Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer or a financial institution doing business in the State of Texas, and fully secured by cash and obligations of the United States or its agencies and instrumentalities. This collateral must be pledged to the DISTRICT and held in safekeeping with a third-party custodian approved by the City. All collateral must be maintained at a market value of no less than the principal amount of the outstanding funds disbursed. All transactions shall be governed by signed Security Industry and Financial Markets Association, (SIFMA) Master Repurchase Agreement. Repurchase agreements must also be collateralized in accordance with State law as described in Section XI of this policy. Authorization under this section includes flexible repurchase agreements which may be used for specific investment of bond proceeds *but shall not include reverse repurchase agreements*.
- F. Bankers' Acceptances and Commercial Paper (LIMITED USE) – These investments are authorized for the DISTRICT to the extent that they are contained in the portfolios of approved public funds investment pools or money market funds in which the DISTRICT invests.
- G. AAA-rated SEC-Regulated 2a7 No-Load Money Market Mutual Funds – An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 60 days or less whose assets consist exclusively of the assets described in section VII.A and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the DISTRICT with a prospectus and other information required by the SEC act of 1934 or the Investment Advisor Act of 1940 and which provides the DISTRICT with a prospectus and other information required by the Securities Exchange Act of 1934 (15 USC Section 78a et. Seq.) of the Investment Company Act of 1990 (15 USC Section 80a-1 et. Seq.).
- H. Unauthorized Securities – State law specifically prohibits investment in the following securities:

1. An obligation whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security and pays no principal.
2. An obligation whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years.
4. Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

VIII. DIVERSIFICATION

- A. Generally - Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue, or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U. S. Government, its agencies, or instrumentalities) as authorized in this policy, and authorized local government investment pools, no more than forty percent (40%) of the total investment portfolio will be invested in any one security type or with a single financial institution. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.
- B. Diversification by Maturities - The longer the maturity of investments, the greater their price volatility. Therefore, it is the DISTRICT's policy to concentrate its investment portfolio in shorter-term securities in order to limit principal risks caused by change in interest rates. The DISTRICT will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow (including the anticipated cash flow requirements of bond proceeds within the temporary period), the DISTRICT will not directly invest in securities maturing more than two (2) years from the date of purchase. However, the above described obligations, certificates, or agreements may be collateralized using longer date instruments. The DISTRICT 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.

The entire DISTRICT portfolio, or single pooled fund group if utilized, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than two hundred seventy (270) days. Investment maturities for debt service interest and sinking funds and/or other types of reserve funds, whose use is never anticipated, shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days.

- C. Diversification by Investment Instrument - Diversification by investment instrument shall not exceed the following guidelines for each type of instrument:

Maximum %
of Portfolio

U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	75%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	75% 50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	100% 50%
U.S. Treasury & Agency Callables	30%

IX. SECURITY SWAPS

Security swaps may be considered as an investment option for the DISTRICT. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the City’s approved list. A horizon analysis is required for each swap proving benefit to the DISTRICT before the trade decision is made, which will accompany the investment file for record keeping.

X. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS.

- A.** The Director of Finance will maintain a list of financial institutions authorized to provide investment services to the City. In addition, a list will also be maintained of approved broker/dealers authorized to provide investment services in the State of Texas. These will include financial institutions that qualify under Securities & Exchange Commission Rule 15-C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state laws.

- B.** All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Director of Finance with the following, as appropriate: audited financial statements, proof of Financial Industry Regulatory Authority certification, trading resolution, proof of State registration, completed broker/dealer questionnaire and certification of having read the DISTRICT’s investment policy.

- C.** The Finance Audit Committee shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The Finance Audit Committee shall base its evaluation of security dealers and financial institutions upon:
 - 1. Financial conditions, strength and capability to fulfill commitments;
 - 2. Overall reputation with other dealers or investors;
 - 3. Regulatory status of the dealer;
 - 4. Background and expertise of the individual representatives.

- D.** Investment Officers shall only conduct business with securities dealers approved by the Finance Audit Committee and will not purchase investments from any financial

organization until the organization's registered principal has executed a written instrument stating that he or she has thoroughly reviewed the DISTRICT's investment policy. ~~and acknowledges that reasonable procedures and controls have been implemented to preclude imprudent investment activities arising out of transactions between the organization and the DISTRICT, except to the extent that this authorization is dependent on an analysis of the makeup of the DISTRICT's entire portfolio or requires an interpretation of subjective investment standards.~~

- E. To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to forty percent (40%) of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DISTRICT's ability to meet payroll or other expenses.
- F. All investment (governments or bank C.D.'s) will be solicited on a competitive basis with at least three (3) institutions. The Finance Audit Committee can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DISTRICT's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DISTRICT. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.
- G. An annual review of the financial condition and registration of qualified financial organizations will be conducted by the Director of Finance.
- H. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the DISTRICT invests.
- I. If the City has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of the DISTRICT. The advisor shall determine selection criteria and shall annually present a list of its authorized broker/dealers to the CITY for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DISTRICT's investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities with the DISTRICT. The advisor shall obtain and document competitive bids and offers on all transactions and present these to the City as part of its standard trade documentation.
- J. It is the policy of the City that all security transactions entered into with the DISTRICT shall be conducted on a "Delivery-versus-Payment basis through the Federal Reserve System. By doing this, DISTRICT funds are not released until the City has received, through the Federal Reserve wire, the securities purchased. The City 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 DISTRICT. The notification may be oral, but shall be confirmed in writing.
 - 1. Financial conditions, strength and capability to fulfill commitments;
 - 2. Overall reputation with other dealers or investors;

3. Regulatory status of the dealer;
4. Background and expertise of the individual representatives.

XI. SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping** - All securities owned by the DISTRICT shall be held by a third-party safekeeping agent selected by the City. The collateral for bank deposits will be held in the City's name in the bank's trust department, in a Federal Reserve Bank account in the City's name, or third-party financial institutions doing business in the state of Texas, in accordance with state law. Original safekeeping receipts shall be obtained and held by the City. The City shall contract with a bank or banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure time deposits.
- B. Collateralization** - Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the City to require full collateralization of all City funds on deposit with a depository bank. The market value of the investments securing the deposit of funds shall be at least equal to 102% of the amount of the deposits of funds reduced to the extent that the deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Securities pledged as collateral shall be held by an independent third party with whom the City has a current custodial agreement. The agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. The safekeeping agreement must clearly state that the safekeeping bank is instructed to release purchased and collateral securities to the City in the event the City 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 City are in jeopardy for whatever reason, including involuntary closure or change of ownership. A clearly marked evidence of ownership, e.g., safekeeping receipt, must be supplied to the City and retained by the City.
1. The City may accept the following to insure or collateralize bank deposits:
 - a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
 - b. United States Treasuries & Agencies, **including FHLB letters of credit (LOCs) in an amount not less than the value of the deposits, plus accrued interest.**
 - c. Other securities as approved by the Finance Audit Committee
 2. For certificates of deposit and other evidences of deposit, collateral shall be at 102% of market value. The market value of collateral will always equal or exceed 102% of the principal plus accrued interest of deposits at financial institutions.
 3. Financial institutions with which the City invests or maintains other deposits shall provide monthly, and as requested by the Investment Officer, a listing of the collateral pledged to the City, 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 City and the financial institution shall jointly assume the responsibility for ensuring that the collateral is sufficient.

C. Collateralized Deposits - Consistent with the requirements of State law, the City requires all bank deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as City depositories will be required to sign a "Depository Agreement" with the City and the City's safekeeping agent. The collateralized deposit portion of the Agreement shall define the City's rights to the collateral in the event of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

1. Agreement must be in writing;
2. Agreement has to be executed by the Depository and the City contemporaneously with the acquisition of the asset;
3. Agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
4. Agreement must be part of the Depository's "official record" continuously since its execution.

XII. 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. The internal controls are to be reviewed annually in conjunction with an external independent audit. This review will provide assurance of compliance with policies and procedures as specified by this policy. The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls and adherence to the DISTRICT's established investment policy.

XIII. PERFORMANCE

The DISTRICT's investment portfolio shall be designed to obtain a market rate-of-return on investments consistent with risk constraints and cash flow requirements of the DISTRICT. This investment policy establishes "weighted average yield to maturity" as the standard portfolio performance measurement.

XIV. REPORTING

A. Quarterly - The Director of Finance shall prepare and submit a signed quarterly investment report to the Corinth Crime Control and Prevention District Board and the Finance Audit Committee that summarizes current market conditions, economic developments, and anticipated investment conditions. The report shall summarize investment strategies employed in the most recent quarter and describe the portfolio in terms of investment securities, maturities, risk characteristics, and shall explain the total investment return for the quarter. The City shall also monitor the credit ratings

on securities that require minimum ratings. This may be accomplished through staff research, or with the assistance of broker-dealers, investment advisors, banks or safekeeping agents.

- B. Annual Report** - Within 180 days of the end of the fiscal year, the Director of Finance shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the Corinth Crime Control and Prevention District Board, City Manager and the City Council. The quarterly reports prepared by the Director of Finance shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the City Council by that auditor.
- C. Methods** - The quarterly and annual investment reports shall include a succinct management summary that provides a clear picture of the status of the current investment portfolio and transactions made over the past quarter. This management summary will be prepared in a manner which will allow the DISTRICT to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will be prepared in compliance with generally accepted accounting principles. The report will include the following:
1. A listing of individual securities held at the end of the reporting period. This list will include the name of the fund or pooled group fund for which each individual investment was acquired;
 2. Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period. Market values shall be obtained from financial institutions or portfolio reporting services independent from the broker/dealer from which the security was purchased;
 3. Additions and changes to the market value during the period;
 4. Fully accrued interest for the reporting period;
 5. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks;
 6. Listing of investments by maturity date;
 7. The percentage of the total portfolio which each type of investment represents; and
 8. Statement of compliance of the DISTRICT's investment portfolio with State Law and the investment strategy and policy approved by the City Council.
 9. Market yield benchmark comparison of the average 90-day U. S. Treasury Bill auction yield during the reporting period.
 10. The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The Director of Finance shall oversee the filing and/or storing of investment records.

XV. INVESTMENT POLICY ADOPTION AND AMENDMENT

The DISTRICT's investment policy shall be reviewed by the Corinth Crime Control and Prevention District and formally adopted and amended by resolution by the City Council. The CITY's written policies and procedures for investments are subject to review not less than annually to stay current with changing laws, regulations and needs of the CITY. The City Council, not less than annually, shall adopt a written instrument stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the policy or strategies.

Attachment A

CITY OF CORINTH, TEXAS
 Corinth Crime Control and Prevention District
 Investment Strategy Statement

Operating Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Operating Funds.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing the weighted average days to maturity for the Operating Fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the Fund types. Short-term investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.
5. Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the DISTRICT. Market cycle risk will be reduced by diversifying the appropriate maturity structure out through two years.
6. Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling three-month treasury-bill portfolio will be the minimum yield objective.

Reserve Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Debt Service Reserve Funds. Bond resolution and loan documentation constraints and insurance company restrictions may create specific considerations in addition to the investment policy.
2. Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, managing Debt Service Reserve Fund maturities to not exceed the call provisions of the borrowing reduces the investment's market risk if the DISTRICT debt is redeemed and the Reserve Fund liquidated. The fund shall maintain a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days. No stated final investment maturity shall exceed the shorter of the final maturity of the

borrowing or two years. Annual mark-to-market requirements or specific maturity and average life limitations within the borrowing's documentation will influence the attractiveness of market risk and reduce the opportunity for maturity extension.

3. Marketability - Securities with less active and efficient secondary markets are acceptable for Debt Service Reserve Funds.
4. Liquidity – Debt Service Reserve Funds have no anticipated expenditures. The Funds are deposited to provide annual debt service payment protection to the DISTRICT's debt holders. The funds are "returned" to the DISTRICT at the final debt service payment. Market conditions and arbitrage regulation compliance determine the advantage of security diversification and liquidity. Generally, if investment rates exceed the cost of borrowing, the DISTRICT is best served by locking in investment maturities and reducing liquidity. If the borrowing cost cannot be exceeded, then concurrent market conditions will determine the attractiveness of locking in maturities or investing shorter and anticipating future increased yields.
5. Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for Debt Service Reserve Funds. At no time shall the final debt service payment date of the bond issue be exceeded in an attempt to bolster yield.
6. Yield - Achieving a positive spread to the applicable borrowing cost is the desired objective. Debt Service Reserve Fund portfolio management shall at all times operate within the limits of the investment policy's risk constraints.

Bond Funds

1. Suitability - Any investment eligible in the investment policy is suitable for Bond Funds.
2. Safety of Principal - All investments will be of high quality securities with no perceived default risk. Market price fluctuations will occur. However, by managing Bond Funds to not exceed the shorter of two years or the anticipated expenditure schedule and maintaining a maximum average dollar-weighted maturity, based on the stated maturity date, of less than three hundred sixty-five (365) days the market risk of the overall portfolio will be minimized.
3. Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.
4. Liquidity – Bond Funds used for capital improvements programs have reasonably predictable draw down schedules. Therefore investment maturities should generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds will provide readily available funds generally equal to one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

5. Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for construction, loan and bond proceeds. Generally, when investment rates exceed the applicable cost of borrowing, the DISTRICT is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

6. Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the investment policy's risk constraints. The yield of an equally weighted, rolling six-month treasury-bill portfolio will be the minimum yield objective for non-borrowed funds.

Attachment B

CITY OF CORINTH, TEXAS
Investment Policy

[SAMPLE]
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

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

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

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

Qualified Representative of Business Organization

Firm: _____

Signature _____

Name: _____

Title: _____

Date: _____



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Purchase Cisco Call Center Software Purchase and Installation
Ends:	<input checked="" type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on the purchase and installation of Cisco Call Center software in an amount not to exceed \$82,950 utilizing American Rescue Plan Act funding and authorizing the City Manager to execute the necessary documents.

Item Summary/Background/Prior Action

The City of Corinth updated its phone system last in 2018 to a more flexible Voice over Internet Protocol (VoIP) system provided by Cisco. With this implementation, City Staff could set up rudimentary call trees and build reports on call times, dropped calls, etc., however, particularly highlighted by the prolonged snowstorm in February 2021, these solutions of the phone system no longer satisfy demands and Staff requirements.

Identifying that a key communication shortcoming during the 2021 snowstorm was an issue of dropped and improperly routed phone calls, City Staff researched options to remedy this. Technology Services, along with several Staff stakeholders received demonstrations of several solutions, and decided on Cisco Call Center software, due to its ease of use and full integration with the current phone system that the City has in place.

Of note, this new software, being completely cloud-based, allows for rapid expansion of service during events with significantly higher call volume, for example, during a disaster. Technology Services can quickly procure and expand lines, call trees, and voicemail boxes.

Additionally, Staff can pull and receive reports showing average wait times, number of dropped calls, number of calls each operator fields, etc. Wait times can be conveyed to those on hold, and an opportunity to leave callback information while holding the caller’s place in the queue can be given. This, combined with other data analytics, such as Quality Assurance (QA) monitoring and manager listening/coaching, means that customer service to those calling the City should improve.

The attached Proposal and Statement of Work are from the selected vendor of the software, ConvergeOne, the same company that installed and configured the City's existing phone system. Of the entire \$82,949.40 proposal, \$74,560.35 is offered under the Texas DIR contract #: DIR-TSO-4167, meaning for those components, no competitive bid was necessary. The remainder of services totaling \$8,389.05 are only available on the open market, resulting in an informal bidding process. Two other vendors, including a HUB vendor, were contacted and neither came in under ConvergeOne's proposal.

Financial Impact

Since telecommunications is considered to be critical infrastructure, this purchase is qualified to use American Rescue Plan Act funding, meaning there is no immediate financial impact to the City.

For the recurring maintenance of the software and cloud hosting, this proposal has the City paying the first three years up-front. The City can expect to see a fee of approximately \$22,000 per year beginning in 2025.

Staff Recommendation/Motion

Staff recommends that Council approve the item as presented and authorize the City Manager to execute the contract with ConvergeOne for the Cisco Call Center software purchase and installation in an amount not to exceed \$82,950.

Solution Summary

15 Agent CC Solution

<p>Customer: City of Corinth</p> <p>Ship To Address: 3300 CORINTH PKWY CORINTH, TX 76208</p> <p>Bill To Address: 3300 CORINTH PKWY CORINTH, TX 76208</p> <p>Customer ID: CITCOR0004</p> <p>Customer PO:</p>	<p>Primary Contact: Jim Norcross</p> <p>Email: jim.norcross@cityofcorinth.com</p> <p>Phone:</p> <p>National Account Manager: Manuel Tamez</p> <p>Email: MTamez@convergeone.com</p> <p>Phone: +19725461733</p>
--	---

Solution Summary	Current Due	Next Invoice	Due	Remaining	Total Project
Software	\$60,694.20		One-Time		\$60,694.20
Professional Services	\$17,138.95		One-Time		\$17,138.95
Managed Services	\$5,116.25		Prepaid		\$5,116.25
Maintenance					
CISCO Maintenance	\$0.00		Prepaid		\$0.00
Project Subtotal	\$82,949.40				\$82,949.40
Estimated Tax	NOT INCLUDED				
Estimated Freight	NOT INCLUDED				
Project Total	\$82,949.40				\$82,949.40

This Solution Summary summarizes the documents(s) that are attached hereto and such documents are incorporated herein by reference (collectively, this "Order"). Customer's signature on this Order (or Customer's issuance of a purchase order in connection with this Order) shall represent Customer's agreement with each document in this Order and acknowledgement that such attached document(s) are represented accurately by this Solution Summary.

Unless otherwise specified in this Order, this Order shall be subject to the following terms and conditions (the "Agreement"): (i) the Master Sales Agreement or other applicable master agreement in effect as of the date hereof between ConvergeOne, Inc. and/or its subsidiaries and affiliates (collectively, "C1" or "ConvergeOne" or "Seller") and Customer; or (ii) if no such master agreement is currently in place between C1 and Customer, the Online General Terms and Conditions currently found on the internet at: <https://www.convergeone.com/online-general-terms-and-conditions/> . If Customer's Agreement is a master agreement entered into with one of ConvergeOne, Inc.'s predecessors, affiliates and/or subsidiaries ("Legacy Master Agreement"), the terms and conditions of such Legacy Master Agreement shall apply to this Order, subject to any modifications, located at: <https://www.convergeone.com/online-general-terms-and-conditions/> . In the event of a conflict between the terms and conditions in the Agreement and this Order, the order of precedence shall be as follows: (i) this Order (with the most recent and specific document controlling if there are conflicts between the Solution Summary and any applicable supporting document(s) incorporated into this Order), (ii) Attachment A to the Agreement (if applicable), and (iii) the main body of the Agreement.

This Order may include the sale of any of the following to Customer: (a) any hardware, third party software, and/or Seller software (collectively, "Products"); (b) any installation services, professional services, and/or third party provided support services that are generally associated with the Products and sold to customers by Seller (collectively, "Professional Services"); (c) any Seller-provided vendor management services, software release management services, remote monitoring services and/or, troubleshooting services (collectively, "Managed Services"); and/or (d) any Seller-provided maintenance services ordered by Customer to maintain and service Supported Products or Supported Systems at Supported Sites to ensure that they operate in conformance with their respective documentation and specifications (collectively, "Maintenance Services"). For ease of reference only, Professional Services, Managed Services and Maintenance Services may be referred to collectively as "Services." Unless otherwise defined herein, capitalized terms used herein will have the same meanings as set forth in the Agreement.

Products and/or Services not specifically itemized are not provided hereunder. This Order will be valid for a period of thirty (30) days following the date hereof. Thereafter, this Order will no longer be of any force and effect.

This Order is a configured order and/or contains software.

ACCEPTED BY:

BUYER: _____ DATE: _____ SELLER: _____ DATE: _____
 TITLE: _____ TITLE: _____

Solution Quote

#	Item Number	Description	Public Sector Contract	Term	Qty	Unit List Price	Extended List	% Disc	Unit Price	Extended Price
A-FLEX-CC										
1	A-FLEX-RTS-O	Real Time Storage Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00

Solution Quote

#	Item Number	Description	Public Sector Contract	Term	Qty	Unit List Price	Extended List	% Disc	Unit Price	Extended Price
2	A-CC-RTS-M-ENT	A-CC-RTS-M-ENT - Real Time Storage Entitlement	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
3	A-CJP-CNPN-O	Webex Contact Center Premium Named Agent Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
4	A-CJP-ANS-AGT-ENT	Webex Contact Center Named Standard Agent Entitlement	DIR-TSO-4167	36	15	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
5	A-FLEX-RS	Additional Recording Storage - Months Committed	DIR-TSO-4167	36	35	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
6	A-CC-RS-ENT	Additional Recording Storage Entitlement	DIR-TSO-4167	36	35	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
7	A-CC-NQM-ENT	Quality Management Named Agent Entitlement	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
8	A-FLEX-RS-HR	Additional Recording Storage Hour Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
9	A-CJP-ANP-AGT-ENT	Webex Contact Center Named Premium Agent Entitlement	DIR-TSO-4167	36	5	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
10	A-FLEX-CJIVR-O	WxCC Additional IVR Ports Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
11	A-CJP-CNSN	Webex Contact Center Standard Named Agent	DIR-TSO-4167	36	15	\$100.00	\$54,000.00	21.92 %	\$78.08	\$42,163.20
12	A-FLEX-ARC	ARCHIVE STORAGE 50GB MONTHLY	DIR-TSO-4167	36	1	\$2.00	\$72.00	10.00 %	\$1.80	\$64.80
13	A-CJP-CNSN-O	Webex Contact Center Standard Named Agent Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
14	A-FLEX-CJIVR-ENT	WxCC Additional Cisco IVR Ports Entitlement	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
15	A-CC-ARC-M-ENT	A-CC-ARC-M-ENT - Archive Storage Entitlement	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
16	SVS-FLEX-SUPT-BAS	Basic Support for Flex Plan	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
17	A-FLEX-P-CC	On Prem to Webex Contact Center - Premises Ent	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
18	A-FLEX-NQM-O	Quality Management Named Agent Overage	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
19	A-FLEX-RTS	Real Time Storage per 50GB	DIR-TSO-4167	36	1	\$6.00	\$216.00	10.00 %	\$5.40	\$194.40
20	A-FLEX-ARC-O	A-FLEX-ARC-O - Archive Storage Overage per 50GB	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00
21	A-CJP-CNPN	Webex Contact Center Premium Named Agent	DIR-TSO-4167	36	5	\$130.00	\$23,400.00	21.92 %	\$101.51	\$18,271.80
22	A-FLEX-CC	Flex Contact Center	DIR-TSO-4167	36	1	\$0.00	\$0.00	0.00 %	\$0.00	\$0.00

A-FLEX-CC Subtotal: \$77,688.00 \$60,6

Solution Quote

#	Item Number	Description	Public Sector Contract	Term	Qty	Unit List Price	Extended List	% Disc	Unit Price	Extended Price
C1 ProServices										
23	TRAIN-CISCO CC	CC Training	DIR-TSO-4167		3	\$233.00	\$699.00	10.75 %	\$207.95	\$623.85
24	SUB-CISCO CC	GTS	Open Market		16	\$229.19	\$3,667.04	10.75 %	\$204.55	\$3,272.80
25	SERVICES-PROJECT MGMT	Cisco - Project Manager	DIR-TSO-4167		18	\$176.77	\$3,181.86	10.75 %	\$157.77	\$2,839.86
26	SERVICES-CISCO UC	Cisco UC - Tier 3 Senior	DIR-TSO-4167		35	\$226.46	\$7,926.10	10.76 %	\$202.10	\$7,073.50
27	SERVICES-CISCO CC	Cisco CC - Tier 3 Senior	DIR-TSO-4167		17	\$219.41	\$3,729.97	10.75 %	\$195.82	\$3,328.94
C1 ProServices Subtotal:							\$19,203.97			\$17,138.95
Total:							\$96,891.97		\$1,154.98	\$77,833.15

Summary Maintenance Services Order Form

Customer: City of Corinth	Quote #: SO-000706336
Bill To Address: 3300 CORINTH PKWY CORINTH, TX 76208	Quote Date: 1/10/2022
Customer ID: CITCOR0004	Quote Valid Until: 3/11/2022
Contact: Jim Norcross	Master Maintenance Agreement #:
Contact Phone:	Region: South
National Account Manager: Manuel Tamez	Customer PO:
Email: MTamez@convergeone.com	

Supported Sites Address, City, State, Zip	Sold To	Total Annual Price
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3300 CORINTH PKWY, , CORINTH, TX, 76208	5113839	\$1,357.32
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The term of this contract is for 36 months.	Total Annual Payment	\$1,357.32
	One Time Payment	\$1,044.29
	Total Value for this MSO	\$5,116.25
	Quarterly Payment	\$339.33
	Prepay	\$5,116.25

For the purchase of Maintenance Services, C1 will determine the start date for the Maintenance Services upon C1's acceptance of the applicable Order.

The pricing on this Order is based on the port and item counts provided to C1. If the actual quantities of ports that are maintained at the inception of this Order vary by more than five percent (5%) from the port count that had been provided to C1, and/or there is a discovery of additional items, C1 reserves the right to adjust the pricing for this Order to reflect the actual quantities being maintained.

In some cases, the Maintenance Services ordered hereunder (and the associated billing) may commence during the applicable Product warranty period. C1, at its discretion, may perform a true-up on a quarterly basis to reconcile future billing on any items that have been added (activated) or removed (deactivated) during the previous period.

Supported Site Details Appendix

Customer	City of Corinth	Quote #	SO-000706336
Customer ID	CITCOR0004	Quote Date	1/10/2022

This Supported Site Details Appendix provides an itemized list of the Products and Price for each Supported Site included in the Summary Maintenance Services Order Form. Each Supported Site detail below is considered a separate Order Form under the Agreement.

Site Detail					
Address, City, State, Zip			Sold To	Address Code	Total Annual Price
3300 CORINTH PKWY, , CORINTH, TX, 76208			5113839	PRIMARY	\$1,357.32
Qty	Product #	Description	Coverage	Annual Unit Price	Total Annual Price
1	MS-SERVICE-DESK	WBX - Service Desk		\$252.72	\$252.72
1	MS-PROBLEM-MGT	WBX - Problem Mgmt		\$81.96	\$81.96
1	MS-MAC	WBX - Simple MACD		\$180.00	\$180.00
1	MS-INCIDENT-MGT	WBX - Incident Mgmt		\$180.00	\$180.00
1	MS-CAP-MGMT	WBX - CAPACITY MGMT		\$601.08	\$601.08

Supported Site Details Appendix

Customer	City of Corinth	Quote #	SO-000706336
Customer ID	CITCOR0004	Quote Date	1/10/2022

This Supported Site Details Appendix provides an itemized list of the Products and Price for each Supported Site included in the Summary Maintenance Services Order Form. Each Supported Site detail below is considered a separate Order Form under the Agreement.

Site Detail					
Address, City, State, Zip		Sold To	Address Code	Total Annual Price	
3300 CORINTH PKWY, , CORINTH, TX, 76208		5113839	PRIMARY	\$1,357.32	
Qty	Product #	Description	Coverage	Annual Unit Price	Total Annual Price
1	MS-BUS-ANALYST	WBX - Business Analyst		\$61.56	\$61.56
				Total Annual Price	\$1,357.32
				One Time Payment (MS-TRANSITION, ,)	\$1,044.29
				Total Value for Site	\$5,116.25
				Quarterly Payment	\$339.33



Contact Center 15 Agent Solution

PREPARED FOR: City of Corinth

PREPARED BY: Manuel Tamez
National Account Manager
MTamez@convergeone.com

David Constantino
Product Sales Specialist
DConstantino@convergeone.com

REFERENCE: Opportunity: OP-000604686
Quote(s): QU-000386867

DATE: October 21, 2021

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1. CONFIDENTIALITY NOTICE

THE INFORMATION CONTAINED HEREIN IS CONSIDERED CONFIDENTIAL AND PROPRIETARY, PRODUCED SOLELY FOR THE CUSTOMER IDENTIFIED ABOVE.

This Statement of Work ("SOW") is proprietary to ConvergeOne, Inc. and contains ConvergeOne, Inc. Confidential Information. It may not be disclosed in whole or in part without the express written authorization of ConvergeOne. No portion of this SOW may be duplicated or used for any purpose other than to receive Services or deliverables from ConvergeOne described herein.

2. SCOPE OF WORK - TERMS AND CONDITIONS

This Statement of Work or Scope of Work ("SOW") and the applicable Solution Summary (and any documents attached thereto and incorporated therein by reference) (collectively, this "Order") is subject to the following terms and conditions (the "MSA" or the "Agreement"): (i) the Master Sales Agreement or other applicable master agreement in effect as of the date hereof between ConvergeOne, Inc. and/or its subsidiaries and affiliates (collectively, "ConvergeOne" or "Seller") and City of Corinth ("Customer"); or (ii) if no such master agreement is currently in place between ConvergeOne and Customer, the Online General Terms and Conditions currently found on the internet at: <https://www.convergeone.com/online-general-terms-and-conditions/>. If Customer's Agreement is a master agreement entered into with one of ConvergeOne, Inc.'s predecessors, affiliates and/or subsidiaries, ("Legacy Master Agreement"), the terms and conditions of such Legacy Master Agreement shall apply to this Order, subject to any modifications located at <https://www.convergeone.com/online-general-terms-and-conditions/>. In the event of a conflict between the terms and conditions in the Agreement and this Order, the order of precedence shall be as follows: (i) this Order (with the most recent and specific document controlling if there are conflicts between the Solution Summary, this SOW and any other applicable supporting document(s) incorporated into this Order), (ii) Attachment A to the Agreement (if applicable), and (iii) the main body of the Agreement.

Customer's signature on this Order (or Customer's issuance of a purchase order in connection with this Order) shall represent Customer's agreement with each document in this Order.

This Order may include the sales of any of the following to Customer: (a) any hardware, third party software, and/or Seller software (collectively, "Products"); any installation services, professional services, and/or third party provided support services that are generally associated with the Products and sold to customers by Seller ("Professional Services"); any Seller-provided vendor management services, software release management services, remote monitoring services and/or, troubleshooting services (collectively, "Managed Services"); and/or any Seller-provided maintenance services ordered by Customer to maintain and service Supported Products or Supported Systems at Supported Sites to ensure that they operate in conformance with their respective documentation and specifications

("Maintenance Services"). For ease of reference only, Professional Services, Managed Services and Maintenance Services may be referred to collectively as "Services." Unless otherwise defined herein, capitalized terms used herein will have the same meanings as set forth in the Agreement.

Any dates and/or time intervals listed in this Order are approximate and for planning purposes only. ConvergeOne will use commercially reasonable efforts to accommodate any requested dates; provided however, projects milestones will be fully discussed and mutually agreed upon between ConvergeOne and Customer after project kickoff.

Products and/or Services not specifically itemized are not provided herein. Any additional applications, technologies, integrations, or other Products and/or Services not specified herein, are not included in this SOW, and may result in additional charges at any time during the project.

Unless signed, this Order will be valid for a period of thirty (30) days following the date hereof. Thereafter, this Order will no longer be of any force and effect.

The outline of deliverables for this Order follows below.

3. PROJECT TIMELINE EXPECTATIONS

Approximately 5 business days after signed acceptance of this SOW, ConvergeOne will assign a project manager that will make contact and start planning a project kick-off meeting. The project kick-off may not take place immediately. Project start times depend on the availability of ConvergeOne and Customer resources.

The expected duration of this project has been budgeted at three (3) weeks from the time of kick-off to completion. If the project exceeds this timeframe, a project change order may be required to extend the engagement, resulting in additional fees.

3.1. Project Overview

Thank you for the opportunity to work with you on the City of Corinth 12 Agent CC Solution project.

This document describes the work to be performed during this engagement and covers the assumptions as the basis for this agreement, the responsibilities of ConvergeOne personnel, and the responsibilities of the Customer.

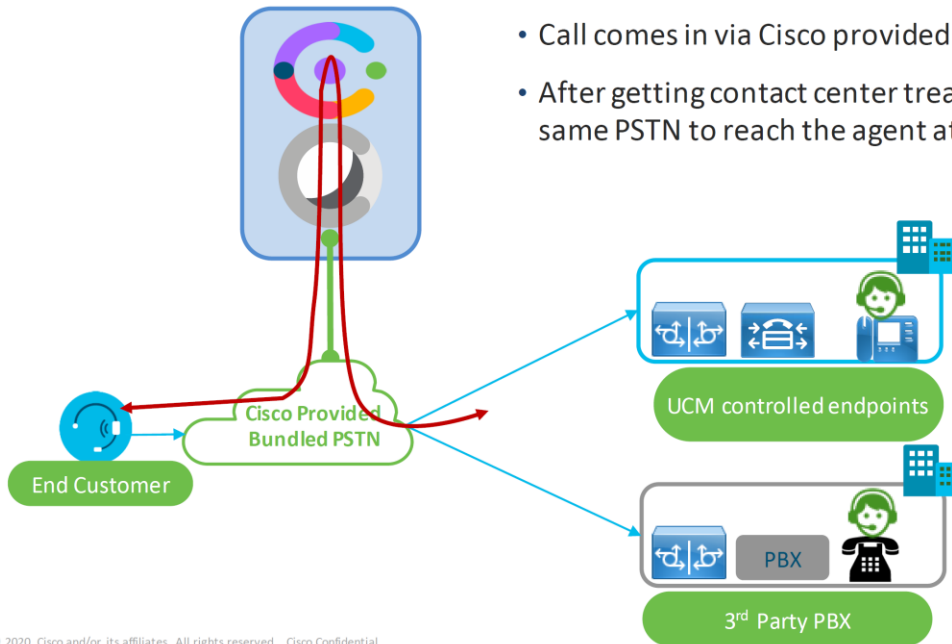
4. HIGH-LEVEL ARCHITECTURE

4.1. Proposed Architecture

Exhibit 4-1

**New WxCC with Webex Calling-
Cisco provided bundled PSTN**

control hub
Previous



- Call comes in via Cisco provided PSTN
- After getting contact center treatment, it goes out to the same PSTN to reach the agent at the customer premises

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5. PROJECT SCOPE OF SERVICES

This section identifies the work that will be performed as part of this project. Below is an initial, high-level list of tasks and assumptions for the project. This schedule may change depending on the Customer’s business requirements and other factors. Also, depending on the schedule finally agreed upon at the kickoff meeting, the days worked may not be contiguous. ConvergeOne will conduct a meeting with the Customer to review and finalize the technical approach, constraints and project schedule. This meeting is intended to ensure that all parties are working with consistent expectations for the project.

Custom Tasks

CUCM Audit

ConvergeOne will provide One (1) CUCM Administration audit and mentoring session:

- The audit will examine the following (but not limited to) items against Cisco and ConvergeOne best practices:

- Partitions
- Calling Search Spaces
- Conferencing
- NTP
- Route lists, groups

ConvergeOne will deliver a summary of the results found during the Audit process.

ConvergeOne strongly recommends that the City of Corinth attends a formal Cisco Administration on CUCM training course with a Cisco training partner before beginning CCX mentoring session.

ConvergeOne will provide One (1) CUCM Mentoring session

Up to four (4) hours

- Topics will include general system administration
- Best Practices on DRS
- Call routing (route lists, groups, etc)
- Device Pools

5.2. Cisco Contact Center

Webex Contact Center Business Groups

ConvergeOne will conduct requirements gathering and call flow design for the business group(s) defined below to achieve the desired outcomes of this project.

Webex CC Foundation Business Groups

Up to one (1) foundation business group. Each business group is defined as:

- Single Site
- Up to (25) Agents
- Up to (3) Queues
- Up to (3) DNIS / Entry Points

- Up to (3) Routing Scripts
 - Simple Complexity
 - DTMF Menu's up to 2 levels deep
 - Excludes Database dips
- Functionality for in/out of hours, meeting, holiday, and emergency treatment are included
- Functionality for Estimated Wait Time calculation and Position in Queue is included

Training

Training will consist of both On-Site and Remote training. On-Site training will be for end-users, and remote training will be for Administration Training.

On-Site training will take place over two days. Remote training will be a single day.

Note: Expenses for on-site training will be billed separately from this SOW.

Report Admin Training

Scope includes one (1) session.

- Session Time: up to 1.5 hours with a 30-minute break between each session.
- Number of students per session: up to 6
- Topics include:
 - System settings
 - Phone Books
 - Desktop Layout
 - Team Resources
 - Idle Codes
 - Workflows

Desktop Training

- Webex-CC Desktop Training Session Time: up to 1.5 hours
- Number of students per session: Up to 10

Webex-CC Supervisor Training:

- Supervisors must attend Desktop training first
- Session Time: up to 1 hour

- Number of students per session: up to 3

The web session may be recorded for future use by the customer, but may not be shared outside the company. ConvergeOne training is proprietary and constitutes intellectual property that is solely owned by ConvergeOne.

On-Site training requirements

- Customer will provide training room facilities as agreed upon by the project teams.
- Documentation provided will be Cisco Standard End-User Guides.

Launch

ConvergeOne will provide up to one (1) day of remote launch support as requested by the customer.

The production launch support of the solution is defined as follows:

Table 5-1

Cutover	Location	Business Group	# of C1 Resources	Onsite/Remote
1	Corinth		1 (PM), 1(VSE)	Remote

Launch support will be provided during normal business hours (Mon/Fri 8am-5pm local time) by onsite and/or remote resources. Should additional support be required, these services will be managed via the Change Management process defined within this document.

Contact Center Deliverables

ConvergeOne will provide the following deliverables as part of this project.

Plan & Design Phase

Business Design Document - Represents the final "to be built" document. The Business Design Document represents the final solution design.

Visio Call Flow - Delivered in PDF format, this document provides the detail on how the scripts will be built in the CC solution.

Agent Worksheet - Represent the Agents to be configured in the CC Solution along with Skill Group assignment, defines supervisors and teams.

6. PROJECT MANAGEMENT

ConvergeOne will provide Project Management Services to help you effectively manage the project and control risks in the deployment. ConvergeOne will designate a Project Manager who will act as the single point of accountability for all ConvergeOne contract deliverables for the duration of the

Project. ConvergeOne follows the Project Management Body of Knowledge (PMBOK) for project delivery. The PMBOK is an adaptable approach that enables technology project success by aligning business and technology goals. Key elements include an iterative delivery process, clear project metrics, proactive risk management, and effective response to change.

6.1. Project Manager

ConvergeOne will designate a Project Manager (PM) responsible for overseeing the project. Once the contract is signed and accepted by ConvergeOne, this individual will act as the Customer's single point of contact for all planning and issues related to solution delivery. The ConvergeOne PM will work closely with the Customer to guide the implementation and work on a mutually agreed-upon schedule. The ConvergeOne Project Manager is responsible for the following:

- Conduct internal (ConvergeOne) and joint ConvergeOne/Customer meetings.
- Develop a project plan, including activities, milestones, roles, and responsibilities.
- Schedule and manage required ConvergeOne resources and partners.
- Conduct Issue and Risk Management.
- Provide agenda and meeting notes.
- Track Customer and ConvergeOne project deliverables.
- Manage change orders and any associated billing with the Customer.
- Manage project closeout process, punch list, and Customer acceptance.

6.2. Project Coordinator

- [PC_HOURS > 0]

The ConvergeOne Project Coordinator (PC) shall work with the Customer to coordinate the project timeline and all ConvergeOne resources. The PC shall be the single point of contact for all non-technical communications including changes in project scope, timelines, and deliverables.

The Project Coordinator shall perform the following:

- Lead kickoff meeting with the Customer to determine logistics and project timelines.
- Schedule design sessions and other project meetings as requested.
- Facilitate project and deliverable acceptance.
- Manage the project change orders as required.
- Third-party vendor coordination.

7. CHANGE ORDER PROCESS

Despite good project planning, design, and review, project plans often require some degree of change at some point. These changes are handled using change order requests, which must be agreed upon by all parties to the contract before such work can be performed.

Either ConvergeOne or the Customer may initiate a change order for any deliverable, work requirement, assumption, or dependency that is part of the project. All requests must be in writing and handled by the ConvergeOne Project Manager. ConvergeOne will review the change and provide pricing as applicable before proceeding. The ConvergeOne Project Manager may also engage project team members to assess the impact of the change. Agreed changes must be approved in writing by an authorized representative of the Customer, via email, or modified purchase order.

8. MILESTONE AND/OR PROJECT ACCEPTANCE

Upon completion of the services described in this SOW, ConvergeOne shall provide Customer with an Acceptance Form. Upon delivery of the Acceptance Form, Customer has five (5) working days to review and accept. Failure to respond within the designated five (5) day period, signifies the completion of the milestone or project. To refuse acceptance, Customer must both indicate non-acceptance with written notification to ConvergeOne within the five (5) day period noted above and describe why it was not accepted. ConvergeOne shall have up to ten (10) days after the receipt of such notice to correct the error given it is within ConvergeOne scope and control to do so. The period to correct the error may be extended by mutual consent.

9. CUSTOMER RESPONSIBILITIES

9.1. Provide a single point of contact that will be responsible for:

- Understanding the business process impact and technical requirements and who has the authority to make binding decisions on Customer's behalf.
- Working with ConvergeOne Project Manager to develop mutually agreed project schedule, including outside of Normal Business Hours test and cutover windows (if applicable).
- Ensuring all Customer responsibilities are completed in accordance with the project schedule.
- Reasonable notification of schedule and changes for the installation work.
- Attending all project status meetings.

9.2. Site Preparation:

- Ensure equipment room is ready, including all electrical, wiring, grounding, lighting, racks, and HVAC required to maintain equipment within operating conditions specified by the equipment manufacturer.
- Provide required cable/patch panels that meet all requirements for Category 5e, racks, and network connectivity.
- Accept receipt of equipment and store in a secure area. Retain shipping documentation, inventory shipments by box count, and report any obvious external damage to the ConvergeOne Project Manager.
- Provide floor plans for equipment room configuration and related locations if applicable.
- Ensure that existing Customer network is configured, connected, and operating within the manufacturer's specifications.
- Customer will provide QOS on all their network equipment to the WAN-based upon Supplier's guidelines and requirements if carrying voice.

9.3. Ensure availability of appropriate Customer resources that will:

- Assist in the development and execution of applicable test plans.
- Provide accurate documentation for all existing systems and networks.
- Provide all necessary IP addresses, subnet masks, and default gateways.
- Provide a qualified Network Administrator with working knowledge of Customer requirements.
- Provide information on planned changes in the network.

10. PROFESSIONAL SERVICES ASSUMPTIONS

The following assumptions were made to create this Statement of Work. Should any of these assumptions prove to be incorrect or incomplete then ConvergeOne may modify the price, scope of work, or milestones. Any such modifications shall be managed by the Change Order Procedure.

10.1. General Assumptions

- All non-service impacting work described in this scope will be performed during U.S. normal business hours defined as 8:00 AM to 5:00 PM local time; Monday through Friday, excluding ConvergeOne designated holidays. "Cutover" for the sites will be completed during business hours unless otherwise stated in this scope of work.
- The Customer must identify any specific requirements for maintenance windows and change control. The Customer retains overall responsibility for any business process impact and any Customer-internal change management procedures and communications.

- ConvergeOne will install specific software versions agreed upon at the time of project kickoff. Upgrades to the software are not included in the SOW. ConvergeOne may choose to install an upgrade if required by the manufacturer or to resolve a problem.
- The Customer is responsible for the underlying data infrastructure including network and virtualization. Systems must be capable of supporting the proposed solution. ConvergeOne can supply consulting and remediation services to ensure successful implementation, if not included in this scope, through a change order and billed at an additional fee.
- The Customer is responsible for all communications and scheduling of any contractors or vendors not managed by the ConvergeOne Project Manager.
- Any product or service delivery dates communicated outside of this SOW or the Project Plan, are not to be considered valid or binding.
- If the project extends beyond the timeline specified in the Project Plan due to delays caused by parties other than ConvergeOne and its subcontractors, ConvergeOne may invoice for service performed to date.
- The Customer is responsible to verify and arrange the installation of all applicable network connections and provide a functional network for application deployment.
- Projects requiring multiple site visits and/or intervals of inactivity between events must be noted as such prior to acceptance of this SOW.
- The Customer is responsible for removal and disposal of any previously installed Customer-owned equipment or cabling unless specifically agreed otherwise herein.
- The Customer is responsible to notify ConvergeOne if the site requires any specialized access for personnel and/or Union trades for any tasks associated with this SOW. Notification of requirements must take place prior to the quote. Any and all additional costs for post-quote changes or additional site restrictions requiring specialized training or Union Labor shall be chargeable to the Customer.
- The Customer is responsible for managing all 3rd Parties not outlined in this SOW.
- Services not specifically called out in this SOW will be deemed out of scope.
- VPN access will be provided to ConvergeOne resources to allow for work to be accomplished remotely when applicable. If unfettered remote access to the Customer network cannot be provided additional charges will be required.

10.2. Technical Assumptions

- Unless specifically called out, above, no IP address changes are included in the SOW. If requested, additional charges may apply.

- The Customer is responsible to have current licensing, maintenance, and support on the components of the servers, database, storage, and network infrastructure including hardware, software (including operating systems), and any associated costs.
- The Customer is responsible for any operating system patches and anti-virus software installation and support.
- The Customer is responsible to ensure the existing network is free of layer 3 protocol and broadcast errors.
- The Customer is responsible for the cost and acquisition of any 3rd party security certificates necessary for successful deployment. ConvergeOne can provide services for Security Audits and Certificate deployment which can be billed at an additional fee.
- The Customer is responsible for resolving interoperability issues with other vendors not acting as a sub-contractor to ConvergeOne.
- The Customer is responsible for any firmware updates to re-used circuit packs, media modules, or cards not specifically identified within this SOW. ConvergeOne can provide services for the firmware updates through a change order and billed at an additional fee.

10.3. Design Assumptions

- Professional Services for this project took into account ConvergeOne's best practices. Any customer-driven deviations will delay the project and may require a Change of Scope.
- Professional Services for this project took into account a single delivery of prompts in the proper format as specified by ConvergeOne. If additional files are provided because of format or errors it will delay the project and may require a Change of Scope
- Final design and pricing is contingent on Cisco's A2Q approval.

11. CUSTOMER AUTHORIZATION TO PROCEED

The use of signatures on this SOW is to ensure agreement and understanding on project objectives and assumptions, and the work and deliverables to be performed by ConvergeOne. By signing below, the duly authorized Customer representative signifies their commitment to proceed with the project as described in this SOW.

Customer's Authorized Representative:

Signature

Printed Name

Title

Date

PO Number



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Contract N.G. Painting for Tank Rehab
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on a contract with N.G. Painting for the Woods Ground Storage Tank rehab Capital Improvement Project (CIP) WA 22-01 & 22-02 projects, in an amount not to exceed \$1,209,750, and authorizing the City Manager to execute the necessary documents.

Item Summary/Background/Prior Action

This project was approved as part of the CIP projects WA 22-01 & WA 22-02 for \$1.5M combined. These tanks were moved up to the top of the maintenance list due to significant structural issues with the rafters inside the tanks. This project is within budget.

Purchasing received sealed proposals on November 30, 2021 from the following contractors.

	Total	Price
N.G. Painting	94.3	\$ 1,213,116.67
Nova Paintings, LLC	77.3	\$ 1,813,603.00
TMI Coatings, Inc.	69.4	\$ 2,259,800.00
Viking Painting	94.1	\$ 1,345,385.00

Financial Impact

Budgeted for fiscal year 21-22 CIP.

Applicable Owner/Stakeholder Policy

N/A

Staff Recommendation/Motion

Recommend approval of the contract with N. G. Painting as presented.

CONTRACT AGREEMENT

STATE OF TEXAS §

COUNTY OF DENTON §

THIS AGREEMENT is made and entered into this 20th day of January 20 22 , by and between the City of Corinth, of the County of Denton and State of Texas, acting through its City Manager, there unto duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and _____
N.G. Painting, LP , of the City of Kerrville ,
County of Kerr , State of Texas Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and complete construction of certain improvements as follows:

GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) & NO. 2 (0.5 MG) REPAINT

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; which are attached hereto and incorporated herein by reference as if set forth in full as Exhibit A; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto and in accordance with the Advertisement for Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, and other drawings and printed or written explanatory matter thereof, and the Technical Specifications and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR's written Proposal and the General Provisions, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

The CONTRACTOR hereby agrees to commence work within ten (10) calendar days after the date of written notice to do so shall have been given to him, to complete the work within 145 calendar days after he commences work, subject to such extensions of time as are provided by the General Provisions, which are attached hereto and incorporated herein by reference as if set forth in full as Exhibit B.

The OWNER agrees to pay the CONTRACTOR One Million Two Hundred Nine Thousand
Seven Hundred Fifty Dollars and Zero Cents (\$ 1,209,750.00) in current funds for the performance of the Contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Provisions, and to make payments of account thereof as provided therein.

IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

CITY OF CORINTH
(Owner)

N.G. PAINTING, LP
(Contractor)

By: _____
Bob Hart, City Manager

By: _____

Nick Gramatikakis, Owner

ATTEST

ATTEST:

By: _____

By: _____


The following to be executed if the CONTRACTOR is a corporation:

I, Nick Gramatikakis certify that I am the secretary of the corporation named as CONTRACTOR herein; that Nick Gramatikakis, who signed this Contract on behalf of the CONTRACTOR is the President (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: _____


Corporate Seal

THE CITY OF CORINTH, TEXAS

CITY COUNCIL

Bill Heidemann, Mayor

Sam Burke, Mayor Pro Tem, Place 1

Scott Garber, Place 2

Steve Holzwarth, Place 3

Tina Henderson, Place 4

Kelly Pickens, Place 5

CITY MANAGER

Bob Hart

DIRECTOR OF PUBLIC WORKS

Glenn Barker

THE CITY OF CORINTH, TEXAS

CITY COUNCIL

Bill Heidemann, Mayor

Sam Burke, Mayor Pro Tem, Place 1

Scott Garber, Place 2

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Kelly Pickens, Place 5

CITY MANAGER

Bob Hart

DIRECTOR OF PUBLIC WORKS

Glenn Barker

CITY OF CORINTH
GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) AND NO. 2 (0.5 MG) REPAINT

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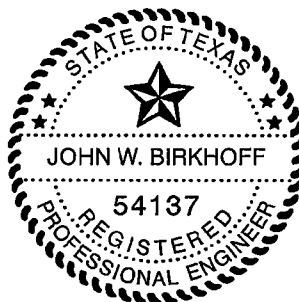
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John W. Birkhoff
10/5/21

THESE DOCUMENTS ARE FINAL AND ARE FOR CONSTRUCTION, BIDDING, AND PERMIT PURPOSES.

JOHN W. BIRKHOFF, P.E.
Texas Registration #54137

NOTICE TO BIDDERS
CITY OF CORINTH
GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) AND NO. 2 (0.5 MG) REPAINT

RFP #1148

Sealed proposals will be received by the City of Corinth, Texas for Ground Storage Reservoir No. 1 (1.5 MG and No. 2 (0.5 MG) at the office of the Purchasing Agent until 10:00 AM, CDT November 30, 2021.

Qualified prospective bidders may obtain copies of the bid invitation with information at the office of the Purchasing Agent, located at the City Hall Building, 3300 Corinth Parkway, 2nd Floor, Corinth, Texas, or at <https://cityofcorinth.bonfirehub.com>.

This project consists of furnishing all labor, material and equipment, and performing all work required for removal of existing coating interior and exterior and applying new paint interior and exterior to the one 1.5 MG and one .05 MG Ground Storage Reservoir, and all necessary appurtenances.

Plans may be obtained from the Bonfire portal at <https://cityofcorinth.bonfirehub.com> or at the office of Birkhoff, Hendricks & Carter, L.L.P., Professional Engineers, 11910 Greenville Ave., Suite 600, Dallas, Texas 75243, for the purchase price of Fifty Dollars (\$50.00) per set (**non-refundable**).

Bids will be received electronically through Bonfire, the City's e-procurement system at <https://cityofcorinth.bonfirehub.com>.

Bidders must submit a cashier's check, certified check, or acceptable bidder's bond with their proposal as a guarantee that the Bidder will enter into a contract for the project with the Owner within fifteen (15) days of Notice of Award of the contract. The security must be payable to City of Corinth in the amount of five (5%) percent of the bid submitted. Contractor must execute the contract, bonds and certificates of insurance on the forms provided in the Contract Documents.

Contractors for this Project must comply with prevailing wage rates as defined by the United States Department of Labor Davis and Bacon Wage Determination at <http://www.wdol.gov/dba.aspx>

Performance and Payment and Maintenance Bonds are required.

The bidder selected by the City shall furnish proof of insurance prior to bid award in the form of an insurance certificate to the Purchasing Department.

The City does not accept oral, telephone, or faxed bids. Bids submitted orally, by phone, or fax will be disqualified and will not be considered in the evaluation process. Bids will be accepted only if submitted online through Bonfire. The City will not be responsible for, or consider missing, lost, or late deliveries.

The City of Corinth reserves the right to reject any and all proposals and to waive defects in proposals. No officer or employee of the City of Corinth shall have a financial interest, direct or indirect, in this or any contract with the City of Corinth. Minority and small business vendors are encouraged to submit a proposal on any and all City of Corinth projects. Cindy Troyer, Purchasing Agent, 940-498-3286.

Publication Dates: November 9 & November 16, 2021

SECTION I

NOTICE TO OFFERORS

1.1 INTRODUCTION

Section I provides general information to potential proposers on subjects such as where to submit proposals, number of copies, amendments, proprietary information designation, and other similar administrative elements.

1.2 SUBMISSION OF PROPOSAL

REQUEST FOR PROPOSAL
GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) & NO. 2 (0.5 MG) REPAINT

RFP #1148

Proposals due 10:00 AM, November 30, 2021

Sealed bids for the materials or services specified will be received by the City of Corinth at the office of the Purchasing Agent until the date and time as indicated above.

Bids will be received electronically through Bonfire, the City's e-procurement system at <https://cityofcorinth.bonfirehub.com>.

Electronic submittals must include all required information and attachments; with required signatures. All response documents must be uploaded and included with your submittal in order to be considered.

Bid Contact:

Cindy Troyer
Purchasing Agent
purchasing@cityofcorinth.com
(940) 498-3286

Additional instructions for preparing a response are provided within. All bids must be submitted on the attached Bid Proposal Forms.

Requests for additional information should be made no later than the questions deadline above and shall be directed to <https://cityofcorinth.bonfirehub.com>. All requests must be made in writing. Oral explanations will not be binding.

Any interpretations, corrections, clarifications, or changes to this Invitation to Bid or specifications will be made by addenda. Addenda will be posted at <https://cityofcorinth.bonfirehub.com> It is the responsibility of the bidder to monitor the Bonfire website for addenda. Bidders shall acknowledge receipt of all addenda by submitting a signed copy with their bid.

The City of Corinth reserves the right to reject any and all bids and to waive defects in bids. No officer or employee of the City of Corinth shall have a financial interest, direct or indirect, in this or any contract with the City of Corinth. Minority and small business vendors are encouraged to submit a bid on any and all City of Corinth projects.

The City appreciates your time and effort in preparing a response. **Please note that bids must be received by the due date and time shown above.** Bids received later than the date and time above will not be considered. The City does not accept oral, telephone, or faxed bids. **Bids submitted orally, by phone, or fax will be disqualified**

and will not be considered in the evaluation process. Bids will be accepted only if submitted online through Bonfire. The City will not be responsible for, or consider missing, lost, or late submissions.

1.3 SCHEDULE OF EVENTS

The upcoming schedule of events is tentative scheduled as follows:

- Advertise RequirementNovember 9th and 16th, 2021
- Questions Deadline 10:00 AM November 18, 2021
- Proposal Submittal Due Date 10:00 AM November 30, 2021
- Anticipated Council Award December 16, 2021
- Notice to Proceed TBD
- Finish Construction TBD

1.4 PRE-PROPOSAL MEETING

No Pre-Proposal meeting will be held.

1.5 PROPOSAL INFORMATION

Costs for developing/producing proposal response and possible subsequent interview or presentation are entirely the obligation of the proposer and shall not be chargeable in any manner to the City of Corinth. All proposals will be reviewed and evaluated by City staff.

The City reserves the right to evaluate each proposal on a separate and individual basis, to invite selected firms to make personal presentations to staff. The City further reserves the right to reject any and all proposals submitted, or accept a proposal deemed most advantageous to the City.

1.6 CONFIDENTIAL OR PROPRIETARY INFORMATION

After a contract has been awarded, proposals are open for public viewing upon request. If the proposal contains trade secrets or confidential information, the Respondent must specifically list that portion as confidential. All other parts of the proposal are open for public viewing upon request. At no time will confidential information, as noted by the Company, be released, unless ordered by a court or the Attorney General.

1.7 ADDENDUMS/AMENDMENTS

Any interpretations, corrections, clarifications, or changes to this Request for Proposal or specifications will be made by addenda. Sole issuing authority of addenda shall be vest in the City of Corinth Purchasing Agent. Addenda will be posted at <https://cityofcorinth.bonfirehub.com>. It is the responsibility of the bidder to monitor the Bonfire website for addenda. Bidders shall acknowledge receipt of all addenda by submitting a signed copy with their proposal submittal.

1.8 PROPOSAL SUBMITTALS

Where applicable, lump sum and unit prices must be stated in both script and figures. Proposal may be rejected if they show any omissions, alterations in wording, conditional clauses, or irregularities of any kind.

1.9 SUBSTANTIVE PROPOSALS

By signing and returning the Bid Endorsement in Section V of this Request for Proposal, the respondent certifies (a) that their proposal submittal is genuine and is not made in the interest of, or on behalf of, any

undisclosed person, firm, or corporation; (b) that they have not directly or indirectly induced or solicited any other respondent to put in a false or sham bid; (c) that they have not solicited or induced any other person, firm, or corporation from proposing; and (d) that they have not sought by collusion to obtain for himself any advantage over any other respondents or over the City of Corinth.

Proposer shall sign and return a copy of the Standard Form of Agreement.

Proposers must submit a Cashier's or Certified Check, issued by a bank satisfactory to the City of Corinth, or a Bid Bond issued by a bonding company satisfactory to the City of Corinth, payable without recourse to the order of the City of Corinth in an amount not less than five percent (5%) of the largest possible bid submitted as a guaranty that Proposer will enter into a contract and execute Bond and Guaranty. Bids without required check or bid bond will be considered non-responsive.

Minimum standards for responsible prospective Proposers are as follows:

- Have adequate financial resources, or the ability to obtain such resources
- Be able to comply with the required or proposed schedules and project requirements
- Have a satisfactory record of performance for contracts of similar scope (complete attached reference sheet)
- Have a satisfactory record of integrity and ethics
- Completeness and thoroughness of bid submittal The City of Corinth may make such investigations as it deems necessary to determine the ability of the Proposer to provide satisfactory performance in accordance with bid requirements, and the respondent shall furnish to the City all such information and data for their purpose.

1.10 PREVAILING WAGE RATES

Contractors for this Project must comply with prevailing wage rates as defined by the United States Department of Labor Davis and Bacon Wage Determination at <http://www.wdol.gov/dba.aspx>

As stated in the *Texas Government Code*, Title 10, Subtitle F, Chapter 2258, and Subchapter B:

Sec. 2258.021. RIGHT TO BE PAID PREVAILING WAGE RATES.

- (a) A worker employed on a public work by or on behalf of the state or a political subdivision of the state shall be paid:
 - (1) not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed; and
 - (2) not less than the general prevailing rate of per diem wages for legal holiday and overtime work.
- (b) Subsection (a) does not apply to maintenance work.
- (c) A worker is employed as a public worker for the purposes of this section if the worker is employed by a contractor or subcontractor in the execution of a contract for the public work with the state, a political subdivision of the state, or any officer or public body of the state or a political subdivision of the state.

1.11 LIQUIDATED DAMAGES

Proposers should be aware that the city of Corinth expects timely completion of the contract within the timeframe indicated by the Proposer in their bid. Consequently, Proposers should be aware that the following schedule will be applied by the City as liquidated damages for each day the project is delayed in completion:

<u>Amount of Contract (\$)</u>	<u>Value of a Calendar Day (\$)</u>
Less than 25,000	100 per day
25,000 to 99,999.99	160 per day
100,000 to 999,999.99	240 per day
More than 1,000,000	500 per day

For projects with a requirement of CALENDAR DAYS TO COMPLETE PROJECT and/or TOTAL PROPOSAL AMOUNT, the City will use this schedule as the monetary value of a calendar day:

Note: The sum of money thus deducted for such delay, failure, or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the contractor shall be in default after the time stipulated in the contract for completing the work.

1.12 RETAINAGE

As security for the faithful completion of the work by the contractor, the owner shall retain ten percent (10%) of the total dollar amount of work done on all contracts less than \$400,000; five percent (5%) of the total dollar amount of work done on all contracts of \$400,000 or more. Retainage will be held from each progress payment/invoice through final project completion/closeout.

1.13 REQUIRED FORMS TO BE RETURNED WITH PROPOSAL SUBMITTAL

- RFP Response & Evaluation Criteria
- Experience
- Financial
- References
- Work Plan
- Superintendent Resume
- Contractor Statement
- Subcontracting
- Proposal Documents As Follows
 - Proposal Pricing Submission Form (Bid Breakout)
 - Bid Endorsement Page
- Certificate of Insurance
- State Reciprocal Requirements
- Non-Collusion Statement
- Form 1295 – electronically filed and signed
- Disclosure & Conflict of Interest Statement
- Affidavit of Safety Record

- Bid Bond

1.14 REQUIRED BONDS

- Bid Bond REQUIRED with Bid Submission
- Payment Bond REQUIRED at Contract award
- Performance Bond REQUIRED at Contract award
- Two Year Maintenance Bond REQUIRED at Contract execution

(Contractor will update 2Year Maintenance Bond with actual costs, and then provide the final Bond to the City at Substantial Completion)

1.15 EVALUATION PROCESS

Bid will be awarded based on the following criteria and ranking: **Total Cost/Proposal 100 points:**

- 60% Proposed Construction Contract Amount
- 40% Contractor Qualifications and Time of Completion

1.16 ACCEPTANCE

Any offer received shall be considered an offer, which may be accepted by the City of Corinth based on initial submission without discussions or negotiations. By submitting an offer in response to this solicitation the proposer agrees that any offer it submits may be accepted by the City of Corinth at any time within 60 days from the close date.

The City of Corinth reserves the right to reject any or all offers and to waive informalities and minor irregularities in offers received, and/or to accept any portion of the offer if deemed in the best interest of the City of Corinth. Failure of the proposer to provide in its offer any information requested in the bid may result in rejection for non-responsiveness.

1.17 BID TABULATIONS

This solicitation may require negotiation and/or Best and Final Offer. Therefore, the bid results cannot be shared until the process has been completed.

1.18 1.19 AWARD

The City of Corinth intends to make an award using the evaluation criteria and other factors as indicated in this proposal. The award shall be based on the lowest responsible and best-qualified proposer whose evaluation by the City of Corinth indicates to be in the best interest of the City and taxpayers.

Proposal will be awarded on the basis of "best value". The award to the successful Proposer will be determined by best value to the City of Corinth as allowed by Chapter 252 of the Local Government Code. The following criteria will be considered when selecting the successful Proposer:

- the purchase price;
- the reputation of the Proposer and the Proposer's services;
- the quality of the Proposer's service;
- the extent to which the Proposer's services meet the City's needs;
- the total long-term cost to the City to acquire the Proposer's goods or services; and

of non-appropriation ("Event of Non-appropriation") will have occurred, the terms of this Contract will not be renewed, and Contractor or City may terminate this Contract at the end of the then current Fiscal Year, whereupon City will be obligated to pay those amounts then due subject to the provisions herein. Nothing in this Section or elsewhere in this Contract will be deemed in any way to obligate the City or create a debt of City beyond its current Fiscal Year. **CONTRACTOR HAS NO RIGHT TO COMPEL CITY TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR OF CITY.**

2.37 PATENTS/COPYRIGHTS: The successful Respondent agrees to protect the City from claims involving infringements of patents and/or copyrights.

2.38 PAYMENT: Will be made upon receipt and acceptance by the City for item(s) and/or service(s) ordered and delivered after receipt of a valid invoice, in accordance with the State of Texas Prompt Payment Act, Chapter 2251, Government Code.

2.39 PRICES HELD FIRM:

- A. All prices quoted in the proposals will remain firm for a minimum of 90 days from the date of the proposal unless it is otherwise specified by the City of Corinth.
- B. If during the life of the contract, the successful Respondent's net prices to other customers for the items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to the City.

2.40 PURCHASE ORDER: The City shall generate a purchase order(s) to the successful Respondent. The purchase order number must appear on all itemized invoices.

2.41 QUANTITIES: Quantities indicated on the Bid/Proposal Form are estimates based upon the best available information. The City reserves the right to increase or decrease quantities to meet its actual needs without any adjustments in bid/proposal price. Individual purchase orders will be issued on an as-needed basis.

2.42 REFERENCES: The City requests each Respondent to supply, with its bid/proposal, a list of at least three (3) references where their firm supplied like services within the last three to five years. It is preferred that the list identify municipalities that are customers of Respondent. For each reference, include the name of firm, address, contact employee of firm, with telephone number and e-mail address, what services are provided to this reference, and how long your firm has provided this service to the reference entity.

2.43 RELEASE OF INFORMATION AND PUBLIC INSPECTION: After sealed bids have been opened, bids are open for public viewing upon request. If the bid contains trade secrets or confidential information, the Respondent must specifically list that portion as confidential. All other parts of the bid are open for public viewing upon request.

For processes other than low bid or best value bid, only the names of respondents will be read aloud at the scheduled opening. Pricing information will not be released until after award of the contract.

2.44 REQUIRED DOCUMENTATION: In response to this bid/proposal packet, all required documentation must be provided.

2.45 SALES TAX: The City is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Our taxpayer identification number is 75-1453222.

2.46 SEVERABILITY: If any section, subsection, paragraph, sentence, clause, phrase or word of these instructions, specifications, terms and conditions, shall be held invalid, such holding shall not affect the



BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we N.G. Painting, LP as principal, hereinafter called the "Principal," and **SURETEC INSURANCE COMPANY**, 2103 CityWest Boulevard, Suite 1300, Houston, TX 77042, as surety, hereinafter called the "Surety," are held and firmly bound unto City of Corinth as obligee, hereinafter called the Obligee, in the sum of Five Percent (5%) of the Amount Bid by Principal for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the principal has submitted a bid for Ground Storage Reservoir No. 1 (1.5 MG) And No. 2 (0.5 MG) Repaint.

NOW, THEREFORE, if the contract be timely awarded to the Principal and the Principal shall within such time as specified in the bid, enter into a contract in writing or, in the event of the failure of the Principal to enter into such Contract, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, neither Principal nor Surety shall be bound hereunder unless Obligee prior to execution of the final contract shall furnish evidence of financing in a manner and form acceptable to Principal and Surety that financing has been firmly committed to cover the entire cost of the project.

SIGNED, sealed and dated this 2th day of November, 2021.

N.G. Painting, LP
(Principal)

BY: [Signature]

TITLE: President

SureTec Insurance Company

BY: [Signature]

Kristina Matthijetz , Attorney-in-Fact

POA # 4221008

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Michael T. Siegler, Teresa S. Muniz, Kristina Matfijet, Theresa M. Krause

its true and lawful Attorney-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Ten Million and 00/100 Dollars (\$10,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be herein affixed this 15th day of June A.D. 2020.



SURETEC INSURANCE COMPANY

By: *Michael C. Keinig*
Michael C. Keinig, President

State of Texas ssr
County of Harris

On this 15th day of June, A.D. 2020, before me personally came Michael C. Keinig, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument, that he knows the seal of said Company, that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



Tanya Sneed
Tanya Sneed, Notary Public
My commission expires March 30, 2023

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect, and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this _____ day of _____, A.D.

M. Brent Beaty
M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity. 4221008
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.

QUALIFICATIONS STATEMENT: & REFERENCES

QUALIFICATIONS

Contractor: NG Painting LP

Indicate One: Sole Proprietor Partnership Other
 Corporation Joint Venture

Name: Nick Gramatikakis

Title: President

Address: 1225 Bandera Hwy Ste. A2

City: Kerrville

State & Zip: TX 78028

Phone: 830-257-5940

Email Address: dawn@ngpainting.net

State and Date of Incorporation, Partnership, Ownership, Etc. TX 1987

Location of Principal Office: Kerrville, TX

Contact and Phone at Principal Office: Nick Gramatikakis

Liability Insurance Provider and Limits of Coverage: Seigler Insurance

Workers Compensation Insurance Provider: Texas Mutual

Address: PO Box 12058, Austin, TX

Contact and Phone: 800-859-5995

Number of Years in Business as Industrial Painting Contractor:
34 Years Months

Claims and Suits (If the answer to any of the questions is yes, please attach details): on separate sheet of paper

Has your organization ever failed to complete any work awarded to it? Yes / No

Are there any judgments, claims, arbitration proceedings, or suits pending or outstanding against your organization or its officers? Yes / No

Has your organization filed any lawsuits or requested arbitration with regard to construction contracts within the last five years? Yes / No

Within the last five years, has any officer or principal of your organization ever been an officer or principal of another organization when it failed to complete a construction contract? Yes / No

Project: 4 (Limit description to 300-words):

Project Description: _____

Owner/Agency: _____

Contract Price: _____

Contact Person: _____ Phone: _____

Email: _____

Date Started: _____ Date Completed: _____

Project: 5 (Limit description to 300-words):

Project Description: _____

Owner/Agency: _____

Contract Price: _____

Contact Person: _____ Phone: _____

Email: _____

Date Started: _____ Date Completed: _____

Provide total number of **Ground Storage Reservoirs 1.0 Million Gallons** or greater that your company has painted.

50+

Bank References (List Institution, Address, Contact Person, and Phone):

Happy Bank, Kerrville, TX
Brian Bowers 830-353-16762

Percent of work to be completed by Proposer's Employees: _____ %

Dollar amount of work to be completed by Proposer's Employees: \$ _____

Type of work to be completed by Proposer's Employees

Blasting, welding, painting

Type of work to be completed by Subcontractors

welding

Subcontractor Name & Address:

Davis Welding

Type of work to be completed

welding

Supplier Name

Memee

Product to be supplied

Coatings

Provide résumé of Superintendent that will be assigned to this project.

Provide a narrative of how your company will execute the proposed work. (Limit to 2-pages for Elevated Tanks and 2-pages for Ground Storage.)

Provide a narrative of what sets your company apart from others.

attached

Provide history of painting Tanks and Reservoirs in North Texas.

attached

N.G. Painting**Qualifications****N.G. Painting Qualifications and Experience****Construction Management System**

N.G. Painting has an established system of effective project management that implements our highly comprehensive, industry-recognized quality control program (see attached). This system has proven effective on over 250 similar projects. N.G. Painting has designated project superintendents that are regularly trained in all aspects of management, including, but not limited to:

- Monitoring work progress
- Effective time management/scheduling
- Identifying and correcting potential problems
- Lead abatement
- Inventory control
- Security issues
- OSHA regulations

All N.G. Painting personnel are experienced professionals in their field with at least two years experience in abrasive blast cleaning and coating application. N.G. Painting management personnel has vast experience working with the major paint suppliers in the area, as well as equipment rental companies, engineering firms, inspection teams and an extensive list of subcontractors, which has allowed for the successful completion of all previous projects in a time efficient and cost effective manner. The strong working relationship established with these companies provides N.G. Painting with the resources needed to give exceptional attention to quality and detail throughout the duration of the project. Production personnel are verbally interviewed by the Quality Control Manager, project foreman, or other management personnel to assess technical competence. Production personnel are continually assessed by the QC Manager in the field for proficiency. N.G. Painting employs an in-house, quality control and assurance personnel to ensure that attention to detail is consistent and any potential problems are immediately brought to the attention of the supervisor so that an appropriate solution can be reached. Inspection of the surface preparation, mixing and application of coatings is the responsibility of the Quality Control personnel, who are managed by the QC Manager. This ensures total independence from production. QC personnel are fully trained and capable of the following:

- Assuring that the coating work complies with the specification
- Identifying coating quality problems
- Providing potential solution recommendations
- Verifying that the recommended solution is implemented and the problem resolved

N.G. Painting**Qualifications**

N.G. Painting inspectors are fully trained and qualified in accordance with guidelines in the Quality Control Section 3.0. The "General Inspection Procedures" define the responsibilities of the QC Inspectors (see attached).

N.G. Painting's Quality Control Manager has the authority and responsibility for the physical implementation and enforcement of all quality related functions. The QC Manager is independent from production reporting only to the principal administrator responsible for the program integrity. The QC Manager is responsible for manual maintenance, distribution and supervising revisions of this program as necessary through management approval, as well as initiating solutions to problems relating to quality. The QC Manager, in matters relating to quality, is authorized to mediate disputes between various personnel within the company as well as those disputes between the company and outside agents. Resumes of the QC personnel assigned to the project are attached.

Supervisory and management training programs are obtained through a variety of professional education organizations such as SSPC, NACE, KTA Tator, and others. All supervisory and management personnel attendance of training programs and the satisfactory completion of each is documented by the QC Manager.

By adhering to Quality Control procedures and utilizing a clear line of authority, N.G. Painting is able to successfully and smoothly coordinate between Principal Administrator, Production personnel, subcontractors, and suppliers while maintaining effective communication with Owner. In addition, N.G. Painting's fleet of specialized painting equipment and large work force allows for high quality production at a more than acceptable rate of progress. N.G. Painting's Principal Administrator personally performs set up and mobilization duties ensuring that the work is performed correctly from day one, eliminating most production hang-ups that normally occur with absentee administration. In addition the highly trained and experienced production managers will be on site throughout the duration of the project and work will never be performed without supervision from both the Production Manager and Quality Control Supervisor.

Schedule Adherence and Equipment Availability

N.G. Painting owns a full line of equipment specially suited to tank rehabilitation/painting (see attached list). N.G. Painting has successfully completed over 200 tank rehabilitation projects, all before their projected deadlines, unless said deadline was extended by the Owner. Since this project deals with the time sensitive issue of water storage, N.G. Painting keeps the needs of the Owner (specifically seasonal water usage) in the forefront without compromising the quality of work. At the time of preparation of this proposal, there are no project commitments for comparable work during the period designated for this project.

Upon award of the project, the Owner, or its representative indicates a required completion date. A job plan is prepared utilizing the man-hours from the estimate and the required completion date to derive project manpower loading. Each project is properly positioned into a priority "Schedule of Operations" to assure that the project completion dates are maintained. Qualified personnel and required equipment are assigned to the specific projects. A "Contract Information Sheet" is completed, which

N.G. Painting**Qualifications**

details the specific technical requirements for the project and is submitted to the project superintendent.

By owning several lines of both abrasive blasting, painting, and clean up equipment, N.G. Painting is able to quickly deploy machinery to a project site if necessary, nearly eliminating any down time due to equipment failure. By utilizing a large full-time work force N.G. Painting has several crews at its disposal, again, allowing for deployment in a very short time in case of necessity.

By utilizing these resources as well as exceptional communication between all involved parties and a strict line of reporting within the company, N.G. Painting is able to successfully keep within time constraints while maintaining a high rate of quality output.

Procedure for Unexpected Issues

In the event that unexpected issues arise, company procedure is to:

1. Identify the issue
2. Notify the owner through the designated representative
3. Consult with and seek advise from professionals if necessary
4. Come to agreement on a viable solution
5. Resolve the issue
6. Continue sequence of work

If an issue is found to be non-conforming (both during hold-point inspections and general inspections), then the QC inspector has the authority to stop work and the responsibility to inform the project manager/superintendent and the site superintendent of non-conforming work. The QC inspector documents non-conformances and corrective actions taken on the QC Daily Coating Inspection Report and in the Daily Field Log Book. Whenever non-conforming work occurs, is identified, and is remediated, no further steps are required. Whenever non-conforming work occurs, is identified, and remediation cannot or is not undertaken within a reasonable time period, the QC inspector notifies the designated QC manager within 24 hours. This action, at the discretion of the QC inspector, is accomplished by a stop-work directive, which, by company policy, must be observed by all job-site production managers. Non-conformances are documented on the Stop-Work Order and Non-Conformance Report.

Unexpected Delays

In the event of unanticipated delays, N.G. Painting has specific notification and reporting procedures for contacting inspectors, management, and Owner (see section D). In most cases of delay N.G. Painting is able to respond by employing more machinery and manpower to expedite production and decrease gaps in completion. Through swift

N.G. Painting

Qualifications

Quality Control Program

N.G. Painting is a qualified SSPC QP1 company. As such, N.G. Painting follows rigorous quality control guidelines laid out by the SSPC. N.G. Painting's quality control program was developed by a team of coating consultants, NACE certified inspectors, and SSPC protective coating specialists. The program is designed for use by corporate management and supervisors in their efforts to perform surface preparation and coating application and the associated quality control in accordance with SSPC QP1 requirements and standard industry practice.

Inspection of the surface preparation, mixing and application of coatings is the responsibility of the designated Quality Control Supervisor assigned to the project. Said Supervisors are fully trained and capable of ensuring that the coating work complies with the specifications, identifying coating quality problems, providing solutions to these problems and verifying implementation of the recommended solution. N.G. Painting has thorough general inspection procedures that are used in conjunction with the specific job site specifications and other job reference documents (see attached).

All Quality Control Supervisors report directly to the Quality Control Manager who reports directly to the Principal Administrator, ensuring that quality control is independent from production.

Quality Control Supervisors are thoroughly trained by the QC Manager, recognized training provider or curriculum and are specifically instructed for each new job assignment regarding quality related functions of the project by the QC Manager. Formal training in the use of instruments and other essential aspects of inspections (standards, record keeping, communication, etc.) are provided prior to each job assignment. Trainings are generally provided in-house by the QC Manager and bi-annually by a qualified outside vendor (SSPC). Additionally, all QC personnel at N.G. Painting have over five years experience in coating applications.

On any given N.G. Painting job site strict record keeping is performed by both the Job Supervisor and the Quality Control Supervisor independently of each other, and separate reports are made to their respective managers. Daily inspection reports are maintained and signed off by the QC Inspector. Copies of these reports are maintained on file at both the home office and on-site, and are reviewed prior to filing.

All Supervisors are equipped with inspection tools and calibration equipment ensuring accurate reports.

The QC Inspector has the authority (in writing from an upper management designee) to stop work found to be non-conforming (both during hold point inspections and general inspections) and the responsibility to inform the Project Manager/Superintendent and the Site Superintendent of non-conforming work. Non-conformances and corrective actions required and taken are documented by the Inspector on the QC Daily Coating Inspection Report and the Daily Field Log Book. Whenever non-conforming work occurs, is identified, and is remediated, no further steps are required. Whenever non-conforming work occurs, is identified and remediation cannot be or is not undertaken within a reasonable time period, the QC Inspector notifies the designated QC Manager within 24 hours. This action, at the discretion of the QC Inspector is accomplished by a stop-work directive, which, by company policy, must be observed by all job site production

N.G. Painting

Qualifications

managers. Non-conformances are documented on the stop work order and non-conformance report.

The QC Inspector reviews coating, mixing and application procedures prior to the start of application and periodically during the project. He notes these observations (employee name, date, location, and operation) in his inspection log, and is then able to verify that the applicator understands and follows proper procedures.

To ensure that surface preparation and coating application are conducted in accordance with the project specifications and industry standards, hold point inspections are conducted. The QC Inspector is responsible for witnessing, verifying, inspecting and documenting the work at the established hold points. Work does not proceed until the inspector verifies acceptance of the following hold points:

1. Pre-surface preparation inspection
2. Measurement of ambient conditions
3. Evaluation of compressed air (blotter test)
4. Determination of surface preparation cleanliness and profile
5. Witnessing coating mixing
6. Determination of dry film thickness
7. Evaluation of surface cleanliness between coats
8. Pinhole and holiday testing (where applicable)
9. Evaluation of adhesion and cure (if required)

These hold point inspections are performed in accordance with specification requirements and documented on the daily coating inspection report. Documentation of the above listed inspection activities is recorded in the daily field book and on the daily coating inspection report. Copies of this documentation are provided to the home office QC Manager and the Client Representative.

Example 1: SAWS Shields & Helotes Project

N.G. Painting field crew completed rehab of the Shields tank and mobilized to the Helotes tank. After completing the interior surface preparation on the Helotes tank, which included only spot-tool cleaning of the roof, QC Inspector found severe corrosion undocumented by Job Specification. After consultation with the Principal Administrator, a stop-work directive was issued and the Owner was notified of the problem. Scope of work for this portion of the project was modified to stay within the budget while repairing the facility to an acceptable standard.

Example 2: City of Fort Stockton GST Rehabilitation

During a hold point inspection, it was revealed that the floor of the tank was improperly welded by the subcontractor. The QC Inspector issued a stop-work directive, informed the QC Manager and set up a meeting with the subcontractor to discuss the recommended remediation. The subcontractor returned and remediated the flawed welding.

Example 3: Nueces County WC and ID 1.5mg GST

N.G. Painting**Qualifications**

During initial surface preparation, QC Inspector noticed visible emissions coming from within the containment. As per procedure, a stop-work order directive was issued, a meeting was held between QC Inspector and Project Manager, a plan was recommended to bring the containment to an SSPC A1 standard. The QC Inspector verified that the recommended plan of action was successfully implemented by production personnel.

Subcontractor Quality Control

To minimize misunderstandings between subcontractors extra steps are taken to ensure all aspects of work are fully understood during the bid process. In order to establish clear expectations regarding project requirements and quality standards, meetings with each subcontractor are held prior to beginning the project. N.G. Painting's Project Superintendent and Quality Control Inspector check that all materials to be implemented on the project are approved and handled appropriately. N.G. Painting uses only certified, pre-approved professionals when performing work in areas such as electrical, welding, demolition, and other specialized areas of construction. N.G. Painting verifies that all proper insurance requirements are met and safety policies are understood and followed. Safety meetings are held weekly by N.G. Painting, and all subcontractors working on the project are required to attend. During these meetings, safety issues as well as quality requirements are discussed, making sure that all subcontractor work is being held to its highest standard.

Subcontractor quality control is achieved in much the same manner as in-house quality control. Daily logs are taken of subcontractor activities and verification of acceptable production is made in conjunction with Client Representative approval. Subcontractors are also subject to QC authority and any deviations from the specified work plan are met with stop-work directives and N.G. Painting recommended solutions.

All subcontractor activities shall be governed by Owner specification and verified using the guidelines set forth in Owner specification sections 01400 (Quality Control) and 02220 subsection 1.06 (Demolition Quality Assurance and Control). In regards to demolition and excavation, all OSHA standards, especially 29 CFR part 1926 subpart P and state requirements. Hold point inspection plans will be created and each hold point shall be reviewed by the consultant before moving on. Independent laboratory testing will be performed to verify size and gradation analysis in accordance with ASTM D422 and to determine compactibility in accordance with ASTM D698. The independent laboratory shall have all necessary qualifications as referenced in Owner specification.

Security

N.G. Painting understands the threat involved with inadequate security. The following security precautions were employed at the Benbrook Water Authority Project:

1. Site security monitored at all times
2. Owner's security requirements enacted
3. Unidentified non-employee/subcontractors on site immediately removed

N.G. Painting**Qualifications**

4. Perimeter fences checked at the beginning and end of each workday.
5. Suspicious activity reported to the proper authorities
6. Gates kept locked when the crew is offsite
7. Necessary background screenings performed prior to start of job
8. Photo identification badges or valid drivers licenses worn while on the project

Site Traffic/Congestion Control

During the Presa Bridge Rehabilitation Project performed for the City of San Antonio in October, 2009, N.G. Painting encountered extremely high volume traffic conditions throughout the duration of the project. Because the bridge was over the Riverwalk and was normally used for vehicular traffic, special measures were taken to maximize safety while keeping congestion interference to a minimum. From the hours of 9 a.m. to 9 p.m., a constant stream of tourist boats and pedestrian traffic passed underneath the bridge along with a high volume of vehicular traffic in the immediate perimeter of the area. In response, the bridge was shut down, vehicular traffic rerouted, and containment was set up to allow pedestrian and boat traffic to pass during work operations. City and state regulations were used to properly notify the public of the operation and proper detours to take.

The project was completed in a timely manner, no safety issues were encountered, and congestion as a by-product of the project was minimized.

Storage/Transport of Hazardous Waste

If the debris generated during paint removal is classified as hazardous, the Owner of the facility is considered the generator of the debris for permitting purposes, and is required to obtain an EPA identification number. When contracted to do so, N.G. Painting assures that all testing, handling, storage, transportation and/or disposal requirements are properly implemented. When an independent firm is employed to perform any part of the contracted waste management responsibilities, the name and qualifications are available for Owner review together with their waste-handling program. N.G. Painting is responsible for the disposal of empty paint cans and non hazardous debris. N.G. Painting trains job personnel in the proper handling of waste, including spill response, and the cleaning of all reusable items prior to removal from the site. N.G. Painting assures that solid waste generated by paint removal activities is tested according to EPA method 1311, Toxicity Characteristic Leaching Procedure (TCLP) as outlined in 40 CFR 261, appendix II, unless otherwise dictated by state or local regulations. Collection, handling, and documentation of samples is carefully controlled in accordance with N.G. Painting's hazardous waste program. The initial set of samples is removed for testing as the first container of debris is filled. When the waste from a single waste stream is less than 55 gallons, a minimum of 4 samples are removed. When the waste from a given waste stream is greater than 55 gallons and the waste is stored in 55-gallon containers, a minimum of 4 random samples are removed from the first 55-gallon container and a minimum of one sample is removed for each additional 55-gallon

N.G. Painting**Qualifications**

container. When the waste from a single waste stream is stored in a gondola, or roll-off, a minimum of six random samples are removed for each container. Samples are collected in general accordance with SW 846 "Test Methods for Evaluation Solid Waste – Physical/Chemical Method." Representative random samples of debris for each waste stream generated at the project are collected prior to containerizing the debris, simple random sampling is conducted by:

- Overlaying the pile of debris with an imaginary grid consisting of squares that are assigned unique numbers.
- Selecting squares at random, using a random number table, or other random technique and collecting a sample from each of the designated squares.
- For quantities of debris that involve only a few gallons of waste, the debris is thoroughly mixed and a simple grab sample taken using a core-and-quartering technique.

When samples are collected from in-process equipment (E.G. grit recovery unit, air handling unit, vacuum recovery unit) the waste stream is randomly interrupted to collect the first sample. Based upon expected waste generation rates, additional samples are collected on a scheduled basis in order to obtain the correct number of samples. When samples are collected after the debris is containerized, sampling is conducted using a thief or trier sampler. The sampling device is inserted to the bottom of the container and withdrawn to remove the sample. Each sample consists of approximately 300 grams (3/4 pound) which is generally a cup full. Each sample is logged, documented and labeled with a unique number, sample location and the name of the person collecting the sample. Next, the lid is taped shut, and the sample log form is completed and attached to the sample. Lastly, a chain of custody form is completed.

Samples are submitted to an AIHA accredited laboratory for metals analysis. For each different waste stream, a minimum of four of the random samples collected are randomly selected for classification. For the waste to be classified as non hazardous, the average of the four test results plus the confidence interval must be below 5 mg/L (in the case of lead). Any one sample tested as hazardous causes the debris to be classified as hazardous. In this event, the remaining samples are not tested and the waste is considered to be hazardous or additional samples are analyzed. The average of the results of all the samples tested plus the confidence interval must be below 5 mg/L (in the case of lead) for the waste to be classified as non-hazardous. Waste is classified as hazardous if, after testing by the TCLP, the leachate contains any of the eight metals or other hazardous substances in concentrations above the limits established in 40 CFR 261. N.G. Painting provides the owner, or its representative, the results of TCLP testing. Written reports of the waste sampling include the following information:

1. Name and location of job site
2. Date of sampling
3. Number of containers sampled, number of samples taken, and number of samples analyzed
4. Name and address and laboratory used
5. Laboratory test procedure utilized

N.G. Painting**Qualifications****6. Laboratory test results expressed in mg/L.**

All pertinent information about the samples is entered into a permanent waste sampling log which contains detailed information such as:

1. Sampling locations
2. Field notes
3. Type of waste
4. Volume of samples
5. Total number of samples
6. Sampling methodology
7. Date and time of sample collection
8. Chain of custody form

N.G. Painting complies with 40 CFR 262 and 265, state and local regulations for the on-site handling and storage of all hazardous waste generated on projects. All waste is deposited and sealed in containers or roll-offs concurrent with generation. The frequency of collection and storage of the paint removal waste depends on the rate of generation and containment techniques. As a minimum, the waste is collected and stored in containers at the end of each working day such that no waste is left exposed overnight. N.G. Painting uses compatible DOT approved containers for hazardous waste storage. Storage drums have lids attached except when being filled. Drums are in good condition when brought on site and no visible signs of rust or corrosion. Drums are sealed with tamper resistant fasteners. No container or roll-off is filled to capacity in excess of that marked on the container or roll-off as the maximum dry volume capacity.

Drums containing potentially hazardous materials are placed on concrete asphalt or on pallets and tarps to prevent corrosion attack from moist soil. They are stored in accordance with state requirements in a protected area or within a room with signs around the perimeter. The storage area is designed to prevent runoff of debris. When stored outside, the secured area is located on well-drained ground (to the extent feasible) and away from all flood plain areas. Drums are covered to prevent rain accumulation in or on the drums. Drums are stored in rows, no more than two drums high and two drums wide with the label on all eight drums facing outward. Different types of waste (hazardous, restricted and non-hazardous) are not co-mixed. Hazardous waste storage is segregated from restricted and non-hazardous waste. Hazardous waste is not stored on-site for more than 90 days as outlined in 40 CFR 262.34 for large quantity generators (100kg per month or greater). The 90-day period begins when the first accumulation of waste is placed into a container. The date is clearly marked on the container. Even when the quantity of waste is less than 100 kg per month the 90-day storage period is typically invoked, but in no case is the waste stored longer than 180 days. The waste containers are inspected weekly for leaks and corrosions and findings are documented.

Until the TCLP test results are received, the containers are labeled as lead-containing debris. Hazardous waste labels are applied after the test results are received if the debris tests hazardous. Samples are removed for testing as the first container is filled. Each container or roll-off of hazardous waste is labeled with a U.S. Department of

N.G. Painting**Qualifications**

Transportation ORM-D label in accordance with 40 CFR 262.34 and 49 CFR 172.304.
For compliance with 40 CFR 262.32, this label includes:

1. Generator information
2. EPA ID number/manifest document number
3. Accumulation date

For compliance with 49 CFR 172.304 , the label includes:

1. DOT shipping name (for ORM-D waste, the proper DOT shipping name is Hazardous Waste Solid, n.o.s.)
2. If the hazardous waste shipment exceeds the reportable quantity as defined in appendix A to 49 CFR 172.101, the DOT shipping name should be preceded with reportable quantity.
3. For ORM-D waste, the hazard class is 9.
4. The UN or NA number for hazardous waste solids, N.O.S. is NA3077.

Prior to transport, each container or roll-off of hazardous waste is also labeled with DOT specification diamond shaped decals indicating the hazard class/division of the contents. For ORM-D waste, the hazard class/division is class 9. All containers are arranged so that hazard labels are visible at all times while on site. Personnel involved with the storage and handling of hazardous waste are trained in the N.G. Painting Worker Lead Protection Program and Preparedness Prevention and Contingency Plan and Hazardous Communication Program.

N.G. Painting complies with all manifesting certification and reporting requirements as outlined in 40 CFR 262; 40 CFR 268; state and local regulations. N.G. Painting maintains an inventory of waste generated including type, volume and disposal. A federal hazardous waste manifest is prepared that describes the waste, designates the facility permitted to handle the waste, includes an alternative facility and is signed by the generator, transporter and accepting facility. When any hazardous waste is shipped off-site for treatment, N.G. Painting advises the facility owner that a biennial report must be submitted to the U.S. EPA regional administrator by March 1st for each even numbered year. N.G. Painting maintains copies of all records relating to hazardous waste handling and storage for the length of the project, plus three years.

Fugitive Dust

In the case of abrasive blasting operations, an SSPC A1 style of containment shall be erected and allow for no visible dust emissions. In the case of dust during demolition, water spraying of the area being demolished should curtail the majority of fugitive dust. In the event that this method is inadequate, chemical solutions such as Soiltac or dry fog systems have proven effective on past projects.

N.G. Painting LP

1225 Bandera Hwy. Ste. A2 Kerrville, TX 78028
P. (830) 257-5940 F. (830) 792-4968

Project Jobsite Organizational Chart

Project Manager-Nick Gramatikakis

Owner, President, and founder of the company. Has worked in every facet of the industry and has been rehabilitating steel structures for 37 years.

Project Superintendent- George Georgantonis

George has been a superintendent at NG Painting for 22 years and has undertaken over 100 tank rehabilitation for NG Painting. Prior to his employment at NG Painting he was a foreman and superintendent for a bridge painting company in Ohio. George has several management, inspection, and safety certifications from the SSPC, KTA Tator, and other industry regulatory entities. George's primary language is English.

Alternate George Batsakis

George has been a superintendent and foreman at NG Painting for over 12 years and has certifications in management and safety from both the SSPC and KTA Tator companies. He has served as superintendent and foreman on over 60 tank rehabilitation project for NG Painting. Prior to his employment at NG Painting George has performed every task associated with steel rehabilitation from mixing paint to sandblasting and coating.

Safety & QC Manager- Pete Georgantonis

Pete has been a superintendent/ foreman at NG Painting for over 16 years and has overseen over 100 tank rehabilitation projects for the company. Pete has been safety manager for the last 5 years and has certification in management and safety from the SSPC, OSHA, and KTA Tator. Pete's primary language is English.

AFFIDAVIT OF SAFETY RECORD

MUST BE RETURNED AS PART OF BID

(I)(We) the undersigned do declare and affirm that (my)(our) firm or corporation (has)(have) received 0 citations from the Occupational Safety and Health Administration (OSHA) within the past five (5) years and (I)(We) do further declare and affirm that (my)(our) firm or corporation (has)(have) experienced 1 worker injuries related to construction safety on projects within the past five (5) years.

NG Painting, LP
NAME OF CONTRACTOR

NAME OF FIRM

Nick Gramatikakis President
OFFICER'S NAME & TITLE

OFFICER'S NAME & TITLE

[Signature]
SIGNATURE OF OFFICER

SIGNATURE OF OFFICER

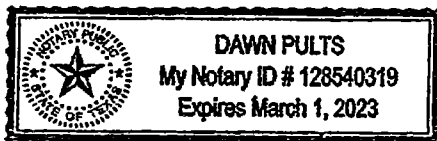
11-29-21
DATE

DATE

STATE OF TEXAS §

COUNTY OF §

SUBSCRIBED AND SWORN TO before me this 29 day of November, 20 21.



Notary Public, State of Texas

Dawn Pults

**PROPOSAL
TO
CITY OF CORINTH
FOR
GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) & NO. 2 (0.5 MG) REPAINT**

DATE: _____

The undersigned, as bidder, declares that the only person or parties interested in this proposal as principals are those named herein, that this proposal is made without collusion with any other person, firm, or corporation, that he has carefully examined the Notice to Bidders, Contract Agreement, General Conditions, specifications and the plans therein referred to, and has carefully examined the location, conditions, and classes of materials of the proposed work. The undersigned bidder hereby proposes to do all the work and furnish all necessary superintendence, labor, machinery, equipment, tools, materials, and other items incidental to construction that may be necessary to complete all the work upon which he bids, as provided by the attached specifications and shown on the plans, and binds himself on acceptance of this proposal to execute a contract and bonds (where required), according to the accompanying forms, for performing and completing the said work within the time stated, and maintaining same as required by the detailed specifications for the prices stated on the following forms.

It is understood and agreed to commence work within ten (10) days after the date written notice to do so shall have been given to him and to complete the work on which he has bid by _____, 2021, as provided in the General Conditions of the contract.

Accompanying this proposal is a (Certified or Cashier's Check payable to the Owner) (Bid Bond) in the amount of Sixty Thousand Four Hundred Eighty-Seven Dollars and 50/100 Dollars (\$ 60,487.50).

The bidder agrees that this check or bond will be held by the City as security until a contract is awarded or all bids rejected. The City will be allowed thirty (30) days from date of bid opening to make this decision. In case award is not made on this proposal, the security check or bid bond will be returned to the undersigned bidder.

It is understood that the Owner reserves the right to reject any and all bids.

**City of Corinth, Texas
Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repaint**

BASE BID SCHEDULE

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
1	1	L.S.	For Preparing, Submitting and Having City Accept Interior, Exterior & Site Restoration Plan of Work (Limited to 0.5% of Total Bid) complete in place, the sum of _____ One Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 1,000.00	\$ 1,000.00
2	1	L.S.	For Furnishing, Installing, Maintaining & Removing Full Containment System with Roof Containment for Reservoir No. 1 complete in place, the sum of _____ Ten Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 6,600.00	\$ 6,600.00
3	1	L.S.	For the Exterior Blasting of Reservoir No. 1 and Appurtenances, including Disposal of Spent Media Containing Heavy Metals complete in place, the sum of _____ Sixty Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 60,000.00	\$ 60,000.00
4	1	L.S.	For Exterior Coating System for Reservoir No. 1 and Appurtenances complete in place, the sum of _____ Twenty Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 20,000.00	\$ 20,000.00
5	1	L.S.	For Furnishing, Installing, Maintaining & Removing Full Containment System with Roof Containment for Reservoir No. 2 complete in place, the sum of _____ Fifteen Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 15,000.00	\$ 15,000.00
6	1	L.S.	For the Exterior Blasting of Reservoir No. 2 and Appurtenances, including Disposal of Spent Media Containing Heavy Metals complete in place, the sum of _____ One Hundred Thirty Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 130,000.00	\$ 130,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
7	1	Ea.	For Exterior Coating System for Reservoir No. 2 and Appurtenances complete in place, the sum of _____ Thirty Thousand _____ Dollars and _____ Zero Cents per Each	\$ 30,000.00	\$ 30,000.00
8	1	L.S.	For Interior Dehumidification of System for Reservoir No. 1 complete in place, the sum of _____ Twenty Thousand _____ Dollars and _____ Zero Cents per Lump Sum	\$ 20,000.00	\$ 20,000.00
9	1	L.S.	For the Interior Brush Blasting of Reservoir No. 1 and Appurtenances, including Disposal of Spent Media complete in place, the sum of _____ Twenty Thousand _____ Dollars and _____ Zero Cents per Lump Sum	\$ 20,000.00	\$ 20,000.00
10	1	L.S.	For the Interior Overcoating of Reservoir No. 1 and Appurtenances complete in place, the sum of _____ Forty-Five Thousand _____ Dollars and _____ Zero Cents per Lump Sum	\$ 45,000.00	\$ 45,000.00
11	1	L.S.	For Interior Dehumidification of System for Reservoir No. 2 complete in place, the sum of _____ Twenty-Five _____ Dollars and _____ Zero Cents per Lump Sum	\$ 25,000.00	\$ 25,000.00
12	1	L.S.	For the Interior Blasting of Reservoir No. 2 and Appurtenances, including Disposal of Spent Media complete in place, the sum of _____ One Hundred Seventy Thousand _____ Dollars and _____ Zero Cents per Lump Sum	\$ 170,000.00	\$ 170,000.00
13	1	L.S.	For the Interior Coating of Reservoir No. 2 and Appurtenances complete in place, the sum of _____ Seventy Thousand _____ Dollars and _____ Zero Cents per Lump Sum	\$ 70,000.00	\$ 70,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
14	30	Hrs.	For Remedial Welding by a Certified Welder & Support Personnel along with Equipment & Materials, as Authorized in Writing by the City complete in place, the sum of _____ One Hundred Fifty _____ Dollars and _____ Zero _____ Cents per Hours	\$ 150.00	\$ 4,500.00
15	2	Ea.	For Removal & Disposal of Existing Exterior Ladder, Ladder Cages, Platform and Expandable Ladder and Appurtenances complete in place, the sum of _____ One Thousand Five Hundred _____ Dollars and _____ Zero _____ Cents per Each	\$ 1,500.00	\$ 3,000.00
16	1	Ea.	For Removal and Replacement of Interior Ladder GSR No. 2 complete in place, the sum of _____ Five Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 5,000.00	\$ 5,000.00
17	2	L.S.	For Furnishing & Installing Exterior Ladder and Pre-Engineered Aluminum Ladder Gate GSR No. 1 and No. 2 complete in place, the sum of _____ Eight Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 8,000.00	\$ 16,000.00
18	4	Ea.	Furnish & Install Fall Protection System on Four Ladders, including Prowls, Belts and Lanyards (Interior and Exterior), GSR No.1 and No. 2 complete in place, the sum of _____ Four Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 4,000.00	\$ 16,000.00
19	24	Ea.	Furnish & Install Conduit Hangars on Exterior of Reservoir GSR No. 1 and No. 2 complete in place, the sum of _____ Two Hundred _____ Dollars and _____ Zero _____ Cents per Each	\$ 200.00	\$ 4,800.00
20	2	Ea.	Furnishing & Installing Tank Level Indicator Target System GSR No. 1 and No. 2 complete in place, the sum of _____ Eight Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 8,000.00	\$ 16,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
21	2	Ea.	Furnish & Install Sample Port GSR No. 1 and No. 2 complete in place, the sum of _____ Four Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 4,000.00	\$ 8,000.00
22	1	Ea.	For Furnishing & Installing 36-Inch Square Aluminum Roof Access Hatch Cover GSR No. 1 complete in place, the sum of _____ Ten Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 10,000.00	\$ 10,000.00
23	1	L.S.	For Furnishing & Installing Safety Handrail on Roof of Reservoir No. 1 and No. 2 complete in place, the sum of _____ Five Thousand _____ Dollars and _____ Zero _____ Cents per Lump Sum	\$ 5,000.00	\$ 5,000.00
24	2	Ea.	For Removing & Replacing Existing 18-Inch Reservoir Vent with Access Port and Vent complete in place, the sum of _____ Eight Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 8,000.00	\$ 16,000.00
25	800	S.F.	For Furnishing & Welding 1/4-inch Steel Plate, if Required and Approved by the City for Patching Floor Plate complete in place, the sum of _____ Thirty _____ Dollars and _____ Zero _____ Cents per Square Foot	\$ 30.00	\$ 24,000.00
26	800	S.F.	For Furnishing & Welding 1/4-inch Steel Plate, if Required and Approved by the City for Patching Roof Plate complete in place, the sum of _____ Thirty _____ Dollars and _____ Zero _____ Cents per Square Foot	\$ 30.00	\$ 24,000.00
27	36	Ea.	For Interior Rafter Bracing in Reservoir No. 2 complete in place, the sum of _____ Five Hundred _____ Dollars and _____ Zero _____ Cents per Each	\$ 500.00	\$ 18,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
28	1	L.S.	Setting Seven Rafters Vertical GSR No. 2 complete in place, the sum of Six Thousand Dollars and Zero Cents per Lump Sum	\$ 6,000.00	\$ 6,000.00
29	3	Ea.	Removal and Disposal of Auxilary Roof Vents GSR No. 1 (vents 1,2 and 3 outside apex of tank) complete in place, the sum of One Thousand Five Hundred Dollars and Zero Cents per Each	\$ 1,000.00	\$ 3,000.00
30	1	Ea.	Removal of Pipe Insulation and Plugging Spigot Outlet GSR No. 1 complete in place, the sum of Two Thousand Dollars and Zero Cents per Each	\$ 2,000.00	\$ 2,000.00
31	1	Ea.	Furnish and Install 20-Inch 45° Bend on Outlet and 20-Inch New Flap Valve with Counterweight including Removal and Disposal of Existing Flap Valve complete in place, the sum of Six Thousand Dollars and Zero Cents per Each	\$ 6,000.00	\$ 6,000.00
32	1	L.S.	Furnish and Install 12-Inch 45° Bend on Outlet and New 12-Inch Flap Valve with Counterweight, including Removal and Disposal of Existing Flap Valve complete in place, the sum of Five Thousand Dollars and Zero Cents per Lump Sum	\$ 5,000.00	\$ 5,000.00
33	1	L.S.	For Removal and Disposal of Antennae on GSR No. 2 complete in place, the sum of Five Hundred Dollars and Zero Cents per Lump Sum	\$ 500.00	\$ 500.00
34	2	Ea.	For Removal of 6-Inch Drain Piping and Furnishing and Installing 6-Inch Blind Flange, GSR No.1 and No. 2 complete in place, the sum of Five Hundred Dollars and Zero Cents per Each	\$ 500.00	\$ 1,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
35	520	S.Y.	Furnish and Placing 6-Inch Flex Base Driveway including Geotextile Fabric complete in place, the sum of _____ Two Hundred _____ Dollars and _____ Zero _____ Cents per Square Yard	\$ 200.00	\$ 104,000.00
36	2	Ea.	For Preparing and Painting Light Standard complete in place, the sum of _____ One Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 1,000.00	\$ 2,000.00
37	61	S.Y.	Furnish and Place 3000 psi Reinforced Concrete Flume Southeast Side GSR No. 2 complete in place, the sum of _____ Fifty _____ Dollars and _____ Zero _____ Cents per Square Yard	\$ 50.00	\$ 3,050.00
38	2	Ea.	For Removing and Replacing 14-Inch Gate Valves complete in place, the sum of _____ Twenty-Five Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 25,000.00	\$ 50,000.00
39	3	Ea.	For Removing and Replacing 12-Inch Gate Valves complete in place, the sum of _____ Twenty Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 20,000.00	\$ 60,000.00
40	2	Ea.	Furnish and Install 6-Inch Roof Outlet, GSR No.1 and No. 2 complete in place, the sum of _____ Two Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 2,000.00	\$ 4,000.00
41	6	Ea.	Furnish and Place Reinforced Concrete Pads at Pipes complete in place, the sum of _____ One Thousand _____ Dollars and _____ Zero _____ Cents per Each	\$ 1,000.00	\$ 6,000.00

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
42	1	L.S.	Removal and Disposal of Chlorine Building complete in place, the sum of Two Thousand Dollars and Zero Cents per Lump Sum	\$ 2,000.00	\$ 2,000.00
43	1	L.S.	Removal of Well Pipe complete in place, the sum of Five Thousand Dollars and Zero Cents per Lump Sum	\$ 5,000.00	\$ 5,000.00
44	18	Ea.	Furnish and Reinforced Concrete Pads at Valve Stacks complete in place, the sum of Five Hundred Dollars and Zero Cents per Each	\$ 500.00	\$ 9,000.00
45	8	Ea.	Furnish and Place Confined Entry Stickers complete in place, the sum of Two Hundred Dollars and Zero Cents per Each	\$ 200.00	\$ 1,600.00
200	1	L.S.	Complete Interior Blasting of Ground Reservoir No. 1 Tank and Appurtenances, including Disposal of Spent Media complete in place, the sum of Seventy Thousand Dollars and Zero Cents per Lump Sum	\$ 70,000.00	\$ 70,000.00
201	1	L.S.	Interior Coating of Ground Storage Reservoir No. 1 Tank and Appurtenances complete in place, the sum of Thirty Thousand Dollars and Zero Cents per Lump Sum	\$ 30,000.00	\$ 30,000.00
TOTAL AMOUNT BASE BID (Items 1 Through 45 and Items 200 and 201)					\$ 1,153,050.00

**City of Corinth, Texas
Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repaint**

ADDITIVE ALTERNATE BID SCHEDULE

Item No.	Estimated Quantity	Unit	Description and Price in Words	Price in Figures	Extended Amount
100	1	L.S.	For Exterior Logo on Reservoir No. 1 complete in place, the sum of _____ Thirty Thousand _____ Dollars	\$ 30,000.00	\$ 30,000.00
			and _____ Zero _____ Cents per Lump Sum		
101	1	L.S.	For Exterior Logo on Reservoir No. 2 complete in place, the sum of _____ Twenty-Five Thousand _____ Dollars	\$ 25,000.00	\$ 25,000.00
			and _____ Zero _____ Cents per Lump Sum		
102	34	S.Y.	Furnishing and Placing 6-inch Reinforced Concrete Pad Adjacent to Pump Station complete in place, the sum of _____ Fifty _____ Dollars	\$ 50.00	\$ 1,700.00
			and _____ Zero _____ Cents per Square Yard		
TOTAL AMOUNT ADDITIVE ALTERNATE BID (Items 100 Through 102)					\$ 56,700.00

TOTAL BASE BID (Items 1 Through 45 and Items 200 and 201)	\$ 1,153,050.00
TOTAL ADDITIVE ALTERNATE BID (Items 100 Through 102)	\$ 56,700.00
TOTAL BID (Items 1 Through 47, 200 and 201 and 100 through 102)	\$ 1,209,750.00

STATE RECIPROCAL REQUIREMENT

The City of Corinth, as a governmental agency of the State of Texas, may not award a contract for general construction, improvements, services or public works projects or purchases of supplies, materials, or equipment to a non-resident bidder unless the non-resident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a non-resident bidder to obtain a comparable contract in the state in which the non-resident's principal place of business is located (Article 601g v.t.c.s.). Bidder shall answer all the following questions by encircling the appropriate response or completing the blank provided.

- 1. Where is your principal place of business? Kenville, Texas
2. Only if your principal place of business is not in the state of Texas, please indicate:
A. In which state is your principal place of business located?
B. Does that state favor resident bidders (bidders in your state) by some dollar increment or percentage?
C. If "YES", what is that dollar increment or percentage?

NON-COLLUSION STATEMENT

The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other Bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employer or agent to any other person engaged in this type of business prior to the official opening of this bid.

Vendor: N.R. Painting LP
Address: 1225 Bandera Hwy Ste A2
City, State, Zip: Kenville, TX 75028
Phone: 532 257-5940
Email Address: dan@nrpainting.net
Bidder (Print name): Nick Anagnostakis
Bidder Signature: [Signature]
Position with Company: President
Signature of Company Official Authorizing this Bid: [Signature]
Company Official (Print name): Nick Anagnostakis
Position with Company:

**CITY OF CORINTH DISCLOSURE
AND CONFLICT OF INTEREST STATEMENT**

Name of person/entity ("the Filer") that contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of Corinth or who is an agent of any such person/entity: N.G. Paintner

Address: 1225 Borders Hwy, Ste A2 City Kerrville State TX Zip 78001

DISCLOSURE QUESTIONS

Name each City employee that has a financial interest in the Filer.

n/a

Name each City employee who will receive any compensation for or as a result of the desired business dealings.

n/a

CONFLICT OF INTEREST QUESTIONS

1. Describe each affiliation or business relationship with a City employee or contractor who makes recommendations to the City Manager or City Council regarding expenditures of money, including identifying the employee or contractor. n/a
2. Describe each affiliation or business relationship with the City Manager, Mayor, or a City Councilmember who appoints or employs the City Manager or the City Council, including identifying the City Manager, Mayor, or individual Councilmember. n/a
3. Identify the City Manager, Mayor, or City Councilmember with whom the Filer has an affiliation or business relationship. This question and its subparts must be completed for each person with whom an affiliation or other relationship exists. n/a
 - A. Is the person identified in question #3 receiving or likely to receive taxable income from the Filer?
 Yes No
 - B. Is the Filer receiving or likely to receive taxable income from or at the direction of the person identified in question #3 which is not from the City? Yes No
 - C. Is the Filer affiliated with a corporation or other business entity in which the City Manager, Mayor, or a City Councilmember serves as an officer or director, or holds an ownership of ten percent (10%) or more? Yes No
 - D. Describe each affiliation or business relationship that the Filer has with the City Manager, Mayor, or City Council members. Yes No
4. Describe any other affiliation or business relationship that might cause a conflict of interest.

CERTIFICATION

I certify that all information provided is true and correct, that I have not knowingly withheld disclosure of any information requested; and that supplemental statements will be promptly submitted to the City as changes occur.

Nick Brownstein
Print or Type Name

[Signature]
Signature

1-5-22
Date

AFFIDAVIT OF SAFETY RECORD

MUST BE RETURNED AS PART OF BID

(I)(We) the undersigned do declare and affirm that (my)(our) firm or corporation (has)(have) received 0 citations from the Occupational Safety and Health Administration (OSHA) within the past five (5) years and (I)(We) do further declare and affirm that (my)(our) firm or corporation (has)(have) experienced 0 worker injuries related to construction safety on projects within the past five (5) years.

NG Painter ID
Name of Contractor

Name of Firm

NG Painter's Partner
Officer's Name & Title

Officer's Name & Title

[Signature]
Signature of Officer

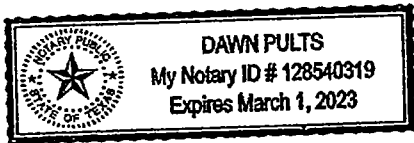
Signature of Officer

Date: 1-5-22

Date: _____

STATE OF TEXAS §
 §
COUNTY OF Harris §

SUBSCRIBED AND SWORN TO before me this 3rd day of January, 2022.



Notary Public, State of Texas

[Signature]

CERTIFICATE OF INSURANCE(S)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/29/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. IF SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Siegel Insurance Agency 172 West Austin Street Giddings TX 78942-3294	CONTACT NAME: Kristina Mathijetz PHONE (A/C No. Ext): (979) 542-3449 FAX (A/C No.): (979) 542-0489 E-MAIL ADDRESS: kmathijetz@siegins.com
INSURED N. G. Painting, LP 1225 Bandera Hwy Ste. A-2 Kerrville TX 78028	INSURER(S) AFFORDING COVERAGE INSURER A: Everest Indemnity Ins. Co. NAIC # INSURER B: Progressive County Mutual Ins. 29203 INSURER C: Texas Mutual Insurance Company INSURER D: INSURER E: INSURER F:

COVERAGES **CERTIFICATE NUMBER:** 21-22 all lines **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED (INS/D/1/W/V)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		EF4ML08268-211	11/22/2021	11/22/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Employee Benefits \$ 1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		01436772-1	11/22/2021	11/22/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Uninsured motorist \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		EF4CU01318-211	11/22/2021	11/22/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	0012233101	03/24/2021	03/24/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER City of Corinth 3300 Corinth Parkway Corinth TX 78208	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
--	--

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ADDITIONAL COVERAGES						
Ref #	Description			Coverage Code	Form No.	Edition Date
	Hostile Fire and Building Equipment Pollution					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000			5,000	Flat		
Ref #	Description			Coverage Code	Form No.	Edition Date
	Emergency Response Coverage					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
250,000			5,000	Flat		
Ref #	Description			Coverage Code	Form No.	Edition Date
	Non- Owned Disposal Site Liability					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000			5,000	Flat		
Ref #	Description			Coverage Code	Form No.	Edition Date
	Contractors Pollution					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000			5,000	Flat		
Ref #	Description			Coverage Code	Form No.	Edition Date
	Transportation Pollution					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000			5,000	Flat		
Ref #	Description			Coverage Code	Form No.	Edition Date
	Crisis Event Cost Cov. Per Occurrence					
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
250,000						
Ref #	Description			Coverage Code	Form No.	Edition Date
	Uninsured motorist combined single limit			UMCSL		
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000						
Ref #	Description			Coverage Code	Form No.	Edition Date
	PIP-Basic			PIP		
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
10,000						
Ref #	Description			Coverage Code	Form No.	Edition Date
	Expense constant			EXCNT		
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
					\$150.00	
Ref #	Description			Coverage Code	Form No.	Edition Date
	Managed Care Option			MCARE		
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
					-\$4,831.00	
Ref #	Description			Coverage Code	Form No.	Edition Date
	Experience Mod Factor 1			EXP01		
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
					\$6,251.00	
OFADTLCV					Copyright 2001, AMS Services, Inc.	

ADDITIONAL COVERAGES						
Ref #	Description	Coverage Code			Form No.	Edition Date
	Waiver of Subrogation	WWSUB				
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	\$806.00
Ref #	Description	Coverage Code			Form No.	Edition Date
	WC & Employer's liability	WCEL				
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
1,000,000	1,000,000	1,000,000				
Ref #	Description	Coverage Code			Form No.	Edition Date
	Premium discount	PDIS				
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	-\$4,393.00
Ref #	Description	Coverage Code			Form No.	Edition Date
	Increased Limits Factor	INCLF				
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	\$564.00
Ref #	Description	Coverage Code			Form No.	Edition Date
	Schedule Mod Factor 1	SCH01				
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	-\$7,668.00
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
Ref #	Description	Coverage Code			Form No.	Edition Date
Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium	
OFADTLCV					Copyright 2001, AMS Services, Inc.	

CITY OF CORINTH
CONSTRUCTION SERVICES
INSURANCE REQUIREMENTS

1.0 DEFINITION

Vendors/Contractors shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the vendor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be borne by the vendor. A certificate of insurance meeting all requirements and provisions shall be provided to the City prior to any services being performed or rendered. Renewal certificates shall also be supplied upon expiration.

A. Minimum Scope of Insurance: Coverage shall be at least as broad as:

1. ISO Form Number GL 00 01 (or similar form) covering Commercial General Liability. "Occurrence" form only, "claims made" forms are unacceptable. Policy must include coverage for:
 - a. Premises/Operations
 - b. Broad Form Contractual Liability
 - c. Products and Completed Operations
 - d. Personal Injury
 - e. Broad Form Property Damage
 - f. Independent Contractors
2. Workers Compensation insurance as required by the Labor Code of the State of Texas, including Employers' Liability Insurance. Worker's Compensation /Employers' Liability insurance is only required if contractor/vendor will use their own employees for the provision of General or Professional services under the contract
3. Automobile Liability as required by the State of Texas, covering all owned, hired, or non-owned vehicles. Automobile Liability is only required if vehicle(s) will be used under the contract.
4. Professional Liability, also known as Errors and Omissions Coverage. Professional Liability is only required for Professional Services contracts.

B. Deductibles and Self-Insured Retentions: Any deductible or self-insured retention in excess of \$10,000 must be declared to and approved by the City.

C. Other Insurance Provisions: The policies are to contain, or be endorsed to contain the following provisions.

1. General Liability and Automobile Liability Coverage:

- a. The City, its officers, officials, employees, boards and commissions and volunteers are to be added as "Additional Insured's" relative to liability arising out of activities performed by or on behalf of the vendor/contractor, products and completed operations of the vendor, premises owned, occupied or used by the vendor/contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

- b. The vendor/contractor insurance coverage shall be primary insurance in respects to the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the vendor’s insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the City, its officers, officials, employees, boards, and commissions or volunteers.
 - d. The vendor/contractor insurance shall apply separately to each insured against whom the claim is made or suit is brought, except to the limits of the insured’s limit of liability.
2. Workers Compensation and Employer’s Liability Coverage: The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the vendor for the City.
 3. All Coverage: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given the City. In the event the companies providing the required insurance are prohibited by law to provide any such specific endorsements, the vendor/contractor shall provide at least thirty (30) days prior written notice to the City of any cancellation, non-renewal and/or material changes to any of the policies of insurance. Failure to provide notification shall be deemed a default and/or breach of contract.
 4. The City may request different limits of coverage depending on the scope or cost of the project.
- D. **Acceptability of Insurers**: The City prefers that insurance be placed with insurers with an A.M. Best’s rating of no less than A-VI, or better.
 - E. **Verification of Coverage**: Vendor/Contractor shall provide the City certificates of insurance indicating the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance similar to the ACORD Form are acceptable. City will not accept Memorandums of Insurance or Binders as proof of insurance. The City reserves the right to require complete, certified copies of all required insurance policies at any time.
 - F. **Insurance Waiver Request**. Vendors/contractors requesting a waiver of the minimum limits of insurance identified in section 1.3 B must submit the request in writing. Please note, commercial general liability cannot be waived. Requests to waive other coverage requirements will be considered in the bid evaluation process. The vendor/contractor must also complete, sign, and return the Release Agreement form to the Purchasing Office prior to authorization to perform services for the City.

1.3 CONSTRUCTION SERVICES REQUIREMENTS

- A. **Definition**: Construction Services are defined as services for construction projects, including but not limited to: General Contractors, Demolition Contractors, Utility Contractors, Building Contractors, Street and Road Contractors, etc.
- B. **Minimum Limits of Insurance**:
 1. Commercial General Liability: \$1,000,000 per occurrence / \$2,000,000 in the aggregate for third party bodily injury, personal injury and property damage. Policy must include coverage listed in Section 1.A.1.
 2. Workers Compensation and Employer’s Liability: Workers Compensation limits as required by the Labor Code of the State of Texas and Statutory Employer’s Liability minimum limits of \$100,000 each accident, \$300,000 Disease - Policy Limit, and \$100,000 Disease – Each Employee

3. Automobile Liability: \$1,000,000 Combined Single Limit. Limits can only be reduced if approved by the City. Automobile liability shall apply to all owned, hired, and non-owned autos. Automobile Liability is only required if vehicle(s) will be used under the contract.

C. **Additional Insurance Coverage**: The City may request the following additional insurance coverage for building and construction projects. If requested by the City, the vendor must provide certificate of insurance prior to authorization to perform services for the City.

1. Builder's Risk Insurance: Completed value form, insurance carried must be equal to the completed value of the structure. City shall be listed as Loss Payee.
2. Umbrella Liability - \$1,000,000: Limit that follows form over underlying Automobile Liability, General Liability, and Employers Liability coverage.

"General Decision Number: TX20210026 05/07/2021

Superseded General Decision Number: TX20200026

State: Texas

Construction Type: Heavy

Counties: Johnson, Parker and Tarrant Counties in Texas.

Heavy Construction Projects (Including Water and Sewer Lines)

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.95 for calendar year 2021 applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.95 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2021. If this contract is covered by the EO and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must pay workers in that classification at least the wage rate determined through the conformance process set forth in 29 CFR 5.5(a)(1)(ii) (or the EO minimum wage rate, if it is higher than the conformed wage rate). The EO minimum wage rate will be adjusted annually. Please note that this EO applies to the above-mentioned types of contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but it does not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(2)-(60). Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Modification Number	Publication Date
0	01/01/2021
1	05/07/2021

* PLUM0146-002 05/01/2021

	Rates	Fringes
PLUMBER/PIPEFITTER.....	\$ 34.13	9.70

SUTX1990-041 06/01/1990		

	Rates	Fringes
CARPENTER.....	\$ 10.40	\$3.64
Concrete Finisher.....	\$ 9.81	
ELECTRICIAN.....	\$ 13.26	
Form Setter.....	\$ 7.86	
Laborers:		
Common.....	\$ 7.25	
Utility.....	\$ 8.09	
PAINTER.....	\$ 10.89	
Pipelayer.....	\$ 8.43	
Power equipment operators:		
Backhoe.....	\$ 11.89	3.30
Bulldozer.....	\$ 10.76	
Crane.....	\$ 13.16	3.30
Front End Loader.....	\$ 10.54	
Mechanic.....	\$ 10.93	
Scraper.....	\$ 10.00	
Reinforcing Steel Setter.....	\$ 10.64	
TRUCK DRIVER.....	\$ 7.34	

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is

like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all

rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial

contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION"

FORM 1295 INSTRUCTIONS
Certificate of Interested Parties
www.ethics.state.tx.us/File

Implementation of House Bill 1295

Certificate of Interested Parties (Form 1295):

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million. The disclosure requirement applies to a contract entered into on or after January 1, 2016.

The Texas Ethics Commission was required to adopt rules necessary to implement that law, prescribe the disclosure of interested parties form, and post a copy of the form on the commission's website. The commission adopted the Certificate of Interested Parties form (Form 1295) on October 5, 2015. The commission also adopted rules (Chapter 46) to implement the law. The commission does not have any additional authority to enforce or interpret House Bill 1295.

Filing Process:

Starting on January 1, 2016, the commission will make available on its website a new filing application that must be used to file Form 1295. A business entity must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of the business entity must sign the printed copy of the form and have the form notarized. The completed Form 1295 with the certification of filing must be filed with the governmental body or state agency with which the business entity is entering into the contract.

The governmental entity or state agency must notify the commission, using the commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the governing body or state agency receives the Form 1295. The commission will post the completed Form 1295 to its website within seven business days after receiving notice from the governmental entity or state agency.

Information regarding how to use the filing application will be available on this site starting on January 1, 2016.

Additional Information:

HB 1295

Certificate of Interested Parties (Form 1295)**

****This is a sample form for illustration purposes only. DO NOT FILL OUT THIS SAMPLE FORM. Form 1295 MUST BE FILED ELECTRONICALLY! Paper copies and PDF copies of this sample form are not accepted!**

Chapter 46, Ethics Commission Rules (new rule 46.4, regarding changes to contracts, is in effect as of January 1, 2017)

Last Revision: January 12, 2017

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
N.G. Painting
Kerrville, TX United States

Certificate Number:
2021-827113

Date Filed:
11/29/2021

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Corinth

Date Acknowledged:
12/20/2021

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
2021-152
Ground Storage Reservoir No. 1 @ No. 2 Repaint

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary


5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Nick Grammatrakis, and my date of birth is 10/23/56
My address is 2899 Bardonia Hwy, Kerrville, TX, 78028, US
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Kerr County, State of Texas, on the 21 day of Dec, 2021
(month) (year)


Signature of authorized agent or contracting business entity (Declarant)

CITY OF CORINTH
SPECIAL PROVISIONS
TO THE
NORTH CENTRAL TEXAS STANDARD SPECIFICATIONS
FOR PUBLIC WORKS CONSTRUCTION

GENERAL PROVISIONS

(Current for the 4th Edition, dated October 2004, with Latest Amendments)

PART 1: GENERAL PROVISIONS - DIVISION 1, CITY CONSTRUCTION CONTRACTS

The General Provisions of the North Central Texas Standard Specifications are the General Provisions for this contract and shall be modified and clarified by the addition to the following requirements to the various items. Except when specifically stated, none of the requirements of the General Provisions shall be deleted. Item numbers with a plus (+) sign indicates items added to the Standard Specifications. Where NCTCOG Specifications are updated or item numbers between these Special Provisions and the NCTCOG General Provisions do not agree, the title or intent of the subject heading shall control.

ITEM 102.11 REJECTION OF PROPOSALS

Change the second sentence of Item 102.11 to read: "Proposal may be rejected for any of the following specific reasons, but not necessarily limited thereto:"

ITEM 102.12 DISQUALIFICATION OF BIDDERS

Change the first sentence of Item 102.12 to read, "Bidders may be disqualified and their proposal not considered for any of the following specific reasons, but not necessarily limited thereto:"

ITEM 103.2 AWARD OF CONTRACT

Substitute the following:

The Owner intends to issue a purchase order for this project within sixty (60) days after the date of opening bids on the basis of the lowest acceptable bid submitted by a qualified bidder, as determined by the Owner. The Contractor or Contractors shall complete execution of the required Bonds and Contract within ten (10) days of such notice.

Contractor's Certificate of Insurance shall be submitted as part of the bid package.

Within two (2) working days after the bid opening, the low bidder shall submit such evidence as the Owner may require establishing the bidder's qualifications to satisfactorily perform the work included in this project. The minimum information required shall include but may not be limited to the following:

- (1) Current Financial Statement (Balance Sheet and Income Statement).
- (2) List of projects that have been satisfactorily completed by the Bidder that are of the same general type as included in this contract, together with names, addresses and phone numbers or persons familiar with this work.
- (3) Other information that may be pertinent to the Bidder's Qualifications.

Should the bidder fail to produce evidence satisfactory to the Owner on any of the foregoing points he may be disqualified and the work awarded to the next bidder so qualifying.

ITEM 103.4.5.3 POLICY ENDORSEMENTS AND SPECIAL CONDITIONS

Add the following:

- (5) "Should any person sustain bodily injury or property damage within the limits of this project, the Contractor or his insurance agent shall investigate and report immediately his findings in writing to the Owner. The Owner, in his sole discretion, may elect at any time to file for coverage directly under the Owner's and Contractor's Protective Liability Policy."

ITEM 103.6 NOTICE TO PROCEED AND COMMENCEMENT OF WORK

Change the second and third sentences of 103.6 to read: "The Owner will notify the successful bidder, in writing, within thirty (30) days after the date of opening bids, of the acceptance of the proposal. The Contractor or Contractors shall complete execution of the required Bonds and Contract within ten (10) days of such notice."

ITEM 105.3 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

Delete this section in its entirety and substitute therefore Section SC.41 - SHOP DRAWINGS & ENGINEERING DATA in the Special Conditions.

ITEM 105.4 CONSTRUCTION STAKES

Delete in its entirety and substitute therefore the following:

The City will furnish and set control points for this project as shown on the plans. Establishment of the aforementioned control points by the Owner shall in no way release the Contractor of the responsibility of the correctness of the control points or the responsibility for checking to ensure that the work is constructed to the lines and grades as shown on the plans.

The control points set by the City will be set sufficiently in advance of the work to avoid delays. The Contractor will be held responsible for the preservation of all control points, and if, in the opinion of the City, any of the control points have been carelessly or willfully disturbed by the Contractor, the cost of replacing them will be charged against him and deducted from the payment for the work.

The Contractor shall furnish additional stakes and other materials and templates necessary for making and maintaining points and lines, including layout stakes, line and grade stakes for grading, paving, culverts, bridges, structures and appurtenances.

The City will perform such checking of the Contractor's stakes as considered necessary by the City. Such checking by the City will in no way release the Contractor of his responsibility for the correctness of the stakes or the responsibility for checking to insure that the work is constructed to the lines and grades as shown on the plans.

ITEM 106.5+ WATER FOR CONSTRUCTION

The Contractor shall make the necessary arrangements for securing and transporting all water required in the construction, including water required for mixing of concrete, sprinkling, testing or flushing. The City shall provide water for testing as required at the expense of the City, unless the proposed facility fails pressure tests.

Any party requesting the use of a temporary meter on a fire hydrant in the City shall execute an agreement with the City and shall deposit with the City the amount required by ordinance. Such deposit shall be returned upon payment of all charges for water use, and upon return of the meter, fittings, and wrench in their original condition.

Stationary meters shall be locked to fire hydrants at all times. Installation, set up and service fees shall be in the amounts established by ordinance.

It shall be unlawful for any person to open or close any fire hydrant used to obtain water for any purpose with any tool or device other than a standard accepted fire hydrant wrench, which can be supplied by the City.

All stationary fire hydrant meters shall be read monthly at their location in the field. All mobile fire hydrant meters are to be brought to the Corinth Utility Meter Department, Corinth, Texas, between the 1st and 10th of each month to be read.

Representatives of the Corinth Utility Meter Department shall read temporary fire hydrant meters monthly, and bills rendered at the current rates for all consumption. Customers using such meters shall comply with the written procedures implemented by the Director of Public Works with regard to making the meters available to be read by representatives of the Corinth Water Department. It shall be unlawful for any person to fail to make such meter available to be read by representatives of the Corinth Utility Meter Department, as required by written procedures issued by the Director of Public Works.

Upon conviction of violation of the above requirements punishment shall be by fine not to exceed Two Hundred Dollars (\$200.00). Each day on which a violation exists shall constitute a separate offense.

ITEM 107.2 INDEMNIFICATION

Delete Item 107.2 in its entirety and substitute therefore the following:

The Contractor and his sureties shall indemnify, defend and save harmless the OWNER and all of its officers, agents and employees, ENGINEER and all of its officers and employees from all suits, actions or claims of any character, name and description brought for or on account of any injuries, including death or damages received or sustained by any person, persons or property on account of the operations of the Contractor, his agents, employees or subcontractors; or on account of any negligent act, omission or fault of the Contractor, his agents, employees or subcontractors in the execution of said contract; or on account of the failure of the Contractor to provide the necessary safety devices; and shall be required to pay any judgment, with cost, which may be obtained against the Owner or Engineer growing out of such injury, including death or damage.

ITEM 107.14 STATE AND LOCAL SALES AND USE TAXES

Delete in its entirety and substitute therefore the following:

Recent legislation has removed the sales tax exemption previously provided by Section 151.311 of the Tax Code covering tangible personal property purchased by a contractor for use in the performance of a contract for the improvement of City-owned realty.

It is still possible, however, for a contractor to make tax-free purchases of tangible personal property, which will be incorporated into and become part of a City construction project through the use of a "separated contract" with the City. A "separated contract" is one, which separates charges for materials from charges for labor. Under such a contract, the contractor becomes a "seller" of those materials, which are incorporated into the project, such as bricks, lumber, concrete, paint, etc. The contractor issues a resale certificate in lieu of paying the sales tax at the time such items are purchased. The contractor then receives an exemption certificate from the City for those materials. (This procedure may not be used, however, for materials, which do not become a part of the finished product. For example, equipment rentals, form materials, etc. are not considered as becoming "incorporated" into the project.)

Utilization of this "separated contract" approach eliminates the need for bidders to figure in sales tax for materials, which are to be incorporated into the project. Bid items that contain non-taxable materials are identified in the Bid Schedule for this project. The successful

bidder will be required to complete a Contract Form provided by the Owner identifying and separating non-taxable materials from the labor and taxable materials that are not incorporated into the finished project. The completed contract form will be used to develop the "separated contract" and will determine the extent of the tax exemption.

ITEM 108.2 PROSECUTION OF THE WORK

Add the following to the end of the first paragraph: "regardless of the expected completion date set forth in the Contract Documents."

Delete the third paragraph in its entirety.

ITEM 108.14+ ANTITRUST

The Contractor hereby assigns to the Owner any and all claims for over-charges associated with this contract which arise under the Antitrust Laws of the United States, 15 U.S.C.A. Section 1, et seq, (1973).

**CITY OF CORINTH
GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) & NO. 2 (0.5 MG) REPAINT**

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CITY OF CORINTH
INDUSTRIAL 2 MG GROUND STORAGE RESERVOIR NO. 1 & NO. 2 REPAINT

SPECIAL CONDITIONS

SC.01 GENERAL

The provisions of this section of the specifications shall govern in the event of any conflict between them and the "General Conditions of Agreement."

SC.02 ENGINEER

The word "Engineer" in these specifications shall be understood as referring to Birkhoff, Hendricks & Carter, Professional Engineers, 11910 Greenville Ave., Suite 600, Dallas, Texas, 75243 Engineer of the Owner, or such other representatives as may be authorized by said Owner to act in any particular position.

SC.03 LOCATION OF PROJECT

This project is located in the City of Corinth, Denton County, Texas. The project is within a park and adjacent to a subdivision of single-family homes. A map showing the work area is included in the plans.

SC.04 SCOPE OF WORK

The work to be performed under this contract consists of furnishing all necessary materials, machinery, equipment, superintendence, and performing all work required for the painting of the Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repaint, together with all necessary appurtenances.

SC.05 FORMS, PLANS & SPECIFICATIONS

Forms of Proposal, Contract and Bonds, and Plans and Specifications may be obtained from the office of Birkhoff, Hendricks & Carter, L.L.P., Professional Engineers, 11910 Greenville Ave., Suite 600, Dallas, Texas 75243, for the purchase price of Fifty Dollars (\$50.00) per set (**non-refundable**).

SC.06 TIME AND ORDER OF COMPLETION

All items of work include under this contract shall be completed by April 30, 2022. The Contractor, which time shall commence on the tenth (10th) day after the issuance of the work order. The work order shall consist of a written request by the Engineer from the Contractor to proceed with the construction of the project. Working hours for this calendar day project is Monday thru Friday 7am to 6pm. No blasting or

painting compressors being on before 8:30 A.M. No work allowed on Saturday or Sunday.

SC.07 QUALIFICATION OF BIDDER AND AWARD OF CONTRACT

It is the intention of the Owner to award a contract for the work included in this project on the basis of the lowest responsible bid submitted by a qualified bidder, as determined by the Owner.

Prior to award of the contract, the bidder shall submit such evidence as the Owner may require to establish the bidder's qualifications to satisfactorily perform the work included in this project. Information that may be required shall include (1) the bidder's current financial statement including amount of funds readily available to commence and carry out the work, (2) a list of equipment available for this project, (3) a list of projects that have been satisfactorily completed by the bidder that are of the same general type as included in this contract, together with the names, addresses and phone numbers of persons familiar with this work, and (4) other information that may be pertinent to the bidder's qualifications.

Should the bidder fail to produce evidence satisfactory to the Owner on any of the foregoing points he may be disqualified, and the work awarded to the next bidder so qualifying.

SC.08 ADDENDA

Bidders desiring further information or interpretation of the plans and specifications must make request for such information to the Engineer prior to forty-eight (48) hours before the bid opening. Answers to all such requests will be given in writing to all bidders in addendum form and all addenda will be bound with and made a part of the contract documents. Addenda will be emailed or faxed to plan holders. No other explanation or interpretation will be considered official or binding. Should a bidder find discrepancies in, or omissions from the plans, specifications, or contract documents, or should he be in doubt as to their meaning, he is requested to notify the Engineer in order that a written addendum may be sent to all bidders. Any addenda issued prior to the opening of bids will be emailed or mailed to each

Contractor contemplating the submission of a proposal on this work. The proposal as submitted by the Contractor will be so constructed as to include any addenda if such are issued by the Engineer. Contractor shall be responsible to verify with Engineer if addendas have been issued and that they have received all addenda.

SC.09 LIQUIDATED DAMAGES FOR DELAY BY CONTRACTOR

The Contractor understands and agrees that time is of the essence of this contract and that for each day of delay beyond the date agreed upon for the completion of all items of work herein specified and contracted for (after due allowance of such extension of time as is provided for in the General Conditions of Agreement), the Owner may withhold permanently from the Contractor's total compensation the sum of Two Hundred Forty Dollars (\$240.00) per calendar day as stipulated damages for such delay.

SC.10 COPIES OF PLANS AND SPECIFICATIONS FURNISHED

Five (5) sets of plans and specifications shall be furnished to the Contractor, at no charge, for construction purposes. Additional copies may be obtained at a cost of \$50.00.

SC.11 STATE AND CITY SALES TAXES

Recent legislation has removed the sales tax exemption previously provided by Section 151.311 of the Tax Code covering tangible personal property purchased by a contractor for use in the performance of a contract for the improvement of City-owned realty.

It is still possible, however, for a contractor to make tax-free purchases of tangible personal property which will be incorporated into and become part of a City construction project through the use of a "separated contract" with the City. A "separated contract" is one which separates charges for materials from charges for labor. Under such a contract, the contractor becomes a "seller" of those materials which are incorporated into the project, such as bricks, lumber, concrete, paint, etc. The contractor issues a resale certificate in lieu of paying the sales tax at the time such items are purchased. The contractor then receives an exemption certificate from the City for those materials. (This procedure may not be used, however, for materials which do not become a part of the finished product. For example, equipment rentals, form materials, etc. are not considered as becoming "incorporated" into the project.)

Non-Taxable materials are designated as such in each bid item. All other items are labor and taxable material.

SC.12 REFERENCED SPECIFICATIONS

Where reference is made in these specifications to specifications compiled by others, such reference is made for expediency and standardization from the material supplier's point of view, and such specifications referred to are hereby made a part of these specifications.

SC.13 TRADE NAMES AND MATERIALS

No material which has been used by the Contractor for any temporary purposes whatever is to be incorporated in the permanent structure without written consent of the Engineer.

Where materials or equipment are specified by a trade or brand name, it is not the intention of the Owner to discriminate against an equal product of another manufacturer, but rather to set a definite standard of quality or performance, and to establish an equal basis for the evaluation of bids. Where the words "equivalent", "proper", or "equal to" are used, they shall be understood to mean that the thing referred to shall be proper, the equivalent of, or equal to some other thing, in the opinion of judgment of the Engineer. Unless otherwise specified all materials shall be of the best of their respective kinds, shall be in all cases fully equal to approved samples and shall never have been used for any temporary purpose whatsoever. Notwithstanding that the words "or equal to" or other such expressions may be used in the specifications in connection with a material, manufactured article or process, the material, article or process specifically designated shall be used, unless a substitute shall be approved in writing by the Engineer, and the Engineer shall have the right to require the use of such specifically designated material, article or process.

SC.14 PERMITS AND RIGHT-OF-WAY

The Owner will provide rights-of-way for the purpose of construction without cost to the Contractor by securing permits in areas of public dedication or by obtaining easements across privately owned property. It shall be the responsibility of the Contractor, prior to the initiation of construction through private property, to inform the property owner of his intent to begin construction. Before beginning construction in areas of public dedication, the Contractor shall inform the agency having jurisdiction in the area forty-eight (48)

hours prior to initiation of work, unless otherwise specified herein.

SC.15 PROPERTY LINES & MONUMENTS

The Contractor shall protect all property and right-of-way corner markers, and when any such markers or monuments are in danger of being disturbed they shall be properly referenced and if disturbed shall be reset at the expense of the Contractor.

SC.16 EXISTING STRUCTURES

The plans show the location of all known surface and subsurface structures and service lines. However, the Owner assumes no responsibility for failure to show any or all of these structures on the plans, or to show them in their exact location. It is mutually agreed that such failure shall not be considered sufficient basis for claims for additional compensation for extra work or for increasing the pay quantities in any manner whatsoever, unless the obstruction encountered is such as to necessitate changes in the lines or grades, or require the building of such work, provisions for which are not made in the plans and proposal, in which case the provisions in these specification for extra work shall apply.

SC.17 EXISTING UTILITIES & SERVICE LINES

The Contractor shall be responsible for the protection of all existing utilities or service lines crossed or exposed by his construction operations. Where existing utilities or service lines are cut, broken or damaged, the Contractor shall replace the utilities or service lines with the same type of original construction, or better, at his own cost and expense. The Contractor shall contact the utility company and Dig Tess prior to construction near their services. Contractor shall have all utilities marked prior to excavation. Contractor shall have all utilities for construction by other than open cut pot holed prior to commencing that portion of the work.

SC.18 PUBLIC UTILITIES AND OTHER PROPERTY TO BE CHANGED

In case it is necessary to change or move the property of any owner or of a public utility, such property shall not be moved or interfered with until authorized by the utility company and approved by the Engineer. The right is reserved to the owner of public utilities to enter upon the limits of the project for the purpose of making such changes or repairs to their property that may be made necessary by the performance of this contract.

SC.19 FENCES, DRAINAGE CHANNELS AND CROP DAMAGE

Boundary fences or other improvements removed to permit this construction shall be replaced in the same location and left in a condition as good as or better than that in which they were found. No separate pay item has been established for fence removal and replacement. All work and materials required to remove and replace existing fences shall be considered subsidiary to the appropriate bid items.

Where surface drainage channels are disturbed or blocked during construction, they shall be restored to their original condition of grade and cross section after the work of construction is completed.

In locations where the work site is in or adjacent to fields containing crops, the Contractor shall reimburse the Owner of said crops for all damages thereto as a result of activities of the Contractor, except crops which lie within the permanent or construction easement.

SC.20 PROJECT MAINTENANCE

The Contractor shall maintain, and keep in good repair, the improvements covered by these plans and specifications during the life of his contract.

SC.21 CLEANUP

The Contractor shall at all times keep the job site as free from all material, debris and rubbish as is practicable and shall remove same from any portion of the job site as construction of that portion is completed. No item of work will be considered complete for payment purposes until required cleanup has been performed.

Upon completion of the work, the Contractor shall remove from the site all plant, materials, tools and equipment belonging to him and leave the site with an acceptable appearance. The Contractor shall thoroughly clean all equipment and materials installed by him and shall deliver over such materials and equipment in a bright, clean, polished and new-appearing condition.

SC.22 GUARANTY AGAINST DEFECTIVE WORK

The Contractor shall indemnify the Owner against any repairs which may become necessary to any part of the work performed under the contract, arising from defective workmanship or materials used therein, for a period of one (1) year from the date of final acceptance of the work.

SC.23 TESTING AND QUALITY CONTROL

A. Testing Materials

Testing of work performed and materials furnished shall be done by a commercial laboratory employed by the Contractor. The Contractor shall use only materials in the work which meet the requirements of the specifications. The Contractor will employ the services of an Engineering Testing Laboratory (such lab acceptable to the City) to make inspections and to sample and test the materials to be used in the work. The Contractor shall furnish, at his own expense, all necessary specimens for testing of the materials and when requested, shall furnish a complete written statement of the origin, composition, and/or manufacturer of any or all materials that are to be used in the work. All materials not conforming to the requirements of the specifications will be rejected. The Contractor's lab shall establish the rolling pattern. Test reports and results shall immediately be provided to the Contractor and to the City.

B. Quality Control

During the construction, the Owner may retain an Engineering Testing Laboratory to perform services related to checking the quality of the work being performed by the Contractor to determine if the improvements are being constructed in accordance with the plans and specifications. This quality control service does not relieve the contractor of his responsibility with regard to constructing the work in accordance with the contract. If the Contractor fails to meet specified conditions, by the second test, further tests to demonstrate compliance with the contract shall be at the expense of the Contractor. Such additional cost shall be deducted from Contractor's Pay Request.

The contractor shall give the on-site representative of the owner sufficient notice of his intention to blast and paint the adequate quality control of construction materials and workmanship.

C. Testing and Quality Control Services

Testing and Quality Control Services shall include but are not limited to the following:

- 1) Air Testing
- 2) Blast Inspection
- 3) Welding Inspection
- 4) Paint Inspection

SC.24 COORDINATION WITH OTHERS

In the event other contractors are doing work in the same area simultaneously with this project, the Contractor shall coordinate his proposed construction with that of the other contractors.

SC.25 USE OF EXPLOSIVES

Use of explosives will not be allowed on this project.

SC.26 BARRICADES, LIGHTS AND WATCHMEN

Where the work is carried on in or adjacent to any street, alley or public place the Contractor shall, at his own cost and expense, furnish and erect such barricades, fences, lights, and danger signals, shall provide such watchmen, and shall provide such other precautionary measures for the protection of persons or property and of the work as are necessary. Barricades shall be painted in a reflective color that will be visible at night. From sunset to sunrise, the Contractor shall furnish and maintain at least one light at each barricade and sufficient numbers of barricades shall be erected to keep vehicles from being driven on or into any work under construction. The Contractor shall furnish watchmen in sufficient numbers to protect the work.

The Contractor will be held responsible for all damage to the work due to failure of barricades, signs, lights and watchmen to protect it and whenever evidence is found of such damage the Contractor shall immediately remove the damage portion and replace it at his cost and expense. The Contractor's responsibility for the maintenance of barricades, signs, and lights, and for providing watchmen shall not cease until the project shall have been accepted by the Owner.

SC.27 DISPOSAL OF WASTE & SURPLUS EXCAVATION

All trees, stumps, slashings, brush, other debris or deleterious material generated as a part of this work, shall be removed from the property. Any required

disposal permits shall be the sole responsibility of the Contractor.

All excavated earth in excess of that required for backfilling shall be removed from the job site and disposed of in a satisfactory manner except in locations where, in the judgment of the Owner, it can be neatly spread over the adjacent area.

SC.28 WATER FOR CONSTRUCTION

The Contractor shall make the necessary arrangements for securing and transporting all water required in the construction, including water required for testing, mixing of concrete, sprinkling, flushing, flooding, or jetting. The Contractor shall provide water as required at his own expense. Fire hydrant meters may be obtained from the City upon receipt of the required deposit.

SC.29 INSPECTION

The word "Inspection", or other forms of the word, as used in the contract documents for this project shall be understood as meaning the Owner's agent will observe the construction on behalf of the Owner. The Owner's agent will observe and check the construction in sufficient detail to satisfy himself that the work is proceeding in general accordance with the contract documents, but he will not be a guarantor of the Contractor's performance.

SC.30 LIGHTS AND POWER

The Contractor shall provide, at his own expense, temporary lighting and power facilities required for the proper prosecution of the work.

SC.31 SUPERINTENDENCE BY CONTRACTOR

The Contractor shall have on the project at all times, as his agent, a competent Superintendent capable of reading and thoroughly understanding the plans and specifications and thoroughly experienced in the type of work being performed. The Superintendent shall have full authority to execute orders or directions and to promptly supply such materials, equipment, tools, labor and incidentals as may be required. Such superintendence shall be furnished irrespective of the amount of the Work subcontracted.

SC.32 CONNECTIONS TO EXISTING FACILITIES

Connections to existing facilities which are in service shall be thoroughly planned in advance, and all required equipment, materials, and labor shall be on hand at the time of undertaking the connections.

Work shall proceed continuously (around the clock if necessary) to complete connections in the minimum time. Operations of valves or other appurtenances on existing utilities, when required, shall be by or under the direct supervision of the Owner.

SC.33 CONSTRUCTION SCHEDULE AND PROJECTION OF PAYMENTS

Prior to starting work, the Contractor shall submit a proposed schedule for the work included herein and shall submit any major revisions to this schedule as the project progresses. This schedule shall provide for completion of the project within the time provided in the specifications. Schedules shall be updated monthly and submitted with monthly pay request.

SC.34 EXAMINATION OF SITE OF PROJECT

Prospective bidders shall make a careful examination of the site of the project, soil and water conditions to be encountered, improvements to be protected, disposal sites for surplus materials not designated to be salvaged materials, and as to method of providing ingress and egress to private properties, and methods of handling traffic during construction of the entire project.

SC.35 PARTIAL PAYMENTS

Item 1.51 of the General Provisions of Agreement (NCTCOG) shall be revised with the addition to the following:

On projects where the contract price, at the time of execution, is greater than \$400,000, the Owner shall retain 5% of the amount due the Contractor until final payment, or the Owner may retain 10% of the amount due the Contractor until final payment with the retainage above 5% deposited in an interest bearing account and interest earned on such 5% retained funds shall be paid to the Contractor upon completion of the contract.

SC.36 CONSTRUCTION IN PUBLIC ROADS AND PRIVATE DRIVES

No public road shall be entirely closed overnight. It shall be the responsibility of the Contractor to build and maintain all weather bypasses and detours, if necessary, and to properly light, barricade and mark all bypasses and detours that might be required on and across the roads involved in the work included in this contract.

The Contractor shall make every effort to complete construction and allow immediate access to adjacent property at driveway entrances located along the

roads. Owners or tenants of improvements where access and/or entrance drives are located shall be notified at least twenty-four (24) hours prior to the time the construction will be started at their drive-ins or entrances and informed as to the length of time driveways will be closed, which period shall not exceed six (6) hours.

The Contractor shall be responsible for all road and entrance reconstruction and repairs and maintenance of same for a period of one year from the date of such reconstruction. In the even the repairs and maintenance are not made immediately to the satisfaction of the Owner, and it becomes necessary for the Owner to make such repairs, the Contractor shall reimburse the Owner for the cost of such repairs.

The Contractor shall, at all times, keep a sufficient width of the roadway clear of dirt and other material to allow the free flow of traffic. The Contractor shall assume any and all responsibility for damage, personal or otherwise, that may be caused by the construction along roads and private drives.

SC.37 PROTECTION OF TREES

The Contractor shall make every reasonable effort to protect all trees along the project right-of-way. When crossing private property, no tree outside of the permanent right-of-way of the project shall be removed or have limbs trimmed without the approval of the Owner. Clipping or sawing of branches shall be done neatly by an approved method to prevent splitting or tearing of the wood. Pruning paint shall be applied to the newly cut branches. Minor adjustments in alignment will be allowed to protect trees.

SC.38 ANTITRUST

The Contractor hereby assigns to the Owner any and all claims for overcharges associated with this contract, which arise under the antitrust laws of the United States 15 U.S.C.A. Sec. 1, et seq. (1973).

SC.39 CONSTRUCTION DATA

The Contractor shall keep one record copy of all Specifications, Drawings, Addenda, Modifications, and Shop Drawings at the site in good order and annotated to show all changes made during the construction process. These shall be available to Engineer and shall be delivered to him for Owner upon completion of the work.

SC.40 SHOP DRAWINGS & ENGINEERING DATA

Engineering data covering all equipment and fabricated materials to be furnished under this contract that shall be permanently incorporated to the project shall be submitted to Engineer for review. This data shall include drawings and descriptive information in sufficient detail to show the kind, size, arrangement, and operation of component materials and devices; the external connections, anchorages, and supports required; performance characteristics; and dimensions needed for installation and correlation with other materials and equipment. Concrete mix designs shall be submitted for review.

All submittals regardless of origin, shall be stamped with the approval of Contractor and identified with the name of this contract, Contractor's name, and references to applicable specification paragraphs and Contract Drawings. When catalog pages are submitted, applicable items shall be clearly identified. The current revision, issue number, and date shall be indicated on all drawings and other descriptive data.

Contractor's stamp of approval is a representation to Owner and Engineer that Contractor accepts full responsibility for determining and verifying all quantities, dimensions, field construction criteria, materials, catalog numbers, and similar data, and that he has reviewed or coordinated each submittal with requirements of the work and Contract Documents.

All deviations from the Contract Documents shall be identified on each submittal and shall be tabulated in Contractor's letter of transmittal. Such submittals shall, as pertinent to the deviation, indicate essential details of all changes proposed by Contractor (including modifications to other facilities that may be required as a result of the deviation) and all required piping and wiring diagrams.

Contractor shall accept full responsibility for the completeness of each submission, and, in the case of a resubmission, shall verify that all exceptions previously noted by Engineer are accounted for.

Electronic copy of each Drawing in PDF format shall be submitted to Engineer. Engineer will not accept submittals from anyone but Contractor.

When the drawings and data are returned marked REJECTED or REVISE AND RESUBMIT, the corrections shall be made as noted thereon and as instructed by Engineer resubmitted in electronic PDF format.

When corrected submittal is resubmitted, Contractor shall in writing direct specific attention to all revisions and shall list separately any revisions made other than those called for by Engineer on previous submissions.

It will be Contractor's responsibility to schedule the submission of submittals so as not to impede the scheduled construction activities or affect the completion date.

Any need for more than one resubmission, or any other delay in obtaining Engineer's review of submittals, will not entitle Contractor to extension of the Contract Time unless delay of the work is directly caused by a change in the work authorized by a Change Order or by failure of Engineer to return any submittal within 30-days after its receipt in Engineer's office.

The Engineer's review of drawings and data submitted by Contractor will cover general conformity to the Drawings and Specifications, external connections and dimensions that affect the layout. Engineer's review does not indicate a thorough review of all dimensions, quantities, and details of the material, equipment, device, or items shown. Engineer's review of submittals shall not relieve Contractor from responsibility for errors, omissions, or deviations, or responsibility for compliance with the Contract Documents.

Contractor shall submit shop drawings electronically on a maximum page size of 11-inch x 17-inch, legible copies from original.

SC.41 LINES AND GRADES

The Owner had the Engineer establish the horizontal control points and benchmarks as shown on the Plans. The Contractor shall give the Owner and Engineer at least three (3) working days notice prior to the need for establishment of additional control points and benchmarks. Establishment of the horizontal control and benchmarks by the Owner shall in no way relieve the Contractor of the responsibility of constructing the work in accordance with the alignment and grade as shown on the Plans.

The Contractor will be responsible for all field and construction staking. Any work performed without being properly located may be ordered removed and replaced at the Contractor's expense.

The cost of replacing any stakes or property monuments, which were disturbed by the Contractor, shall be charged against the Contractor, and deducted from the payment for the work.

SC.42 OVERTIME WORK

No work shall be scheduled between 6:00 p.m. and 7:00 a.m. or on Saturdays, Sundays, or legal City holidays without permission of Owner. Should Contractor desire to work on these days, he shall contact the Owner, in writing, for approval at least 48 hours in advance. However, emergency work may be done without prior permission.

SC.43 DUST CONTROL

Contractor shall take responsible measures to prevent unnecessary dust. Earth surfaces subject to creating dust shall be kept moist with water or by application of a chemical dust suppressant. Dusty materials in piles or in transit shall be covered when practical to prevent blowing. Machinery, motors, instrument panels, or similar equipment, shall be protected by suitable dust screens with proper ventilation included.

SC.44 POLLUTION CONTROL

Contractor shall prevent the release of sanitary wastes, sediment, debris, and other substances resulting from construction activities. No sanitary wastes will be permitted to enter any drain or watercourse other than sanitary sewers. No sediment, debris or other substance will be permitted to enter sanitary sewers and reasonable measures will be taken to prevent such materials from entering any drain or watercourse.

SC.45 DESCRIPTION OF PROPOSAL ITEMS

Bid Item 1: Prepare, Submit & Have City Accept Work Plan (Limited to 0.5% of Total Bid): This item consists of preparing and submitting a work plan that will be accepted by the City and followed through the duration of the project. Per the Technical Specifications, 13 items are to be included in the plan. The Lump Sum (L.S.) price includes all labor, materials and equipment necessary to prepare the plan, submit the plan and revise the plan. Maximum amount of the item shall be One-half percent (0.5%) of the total amount bid upon approval of plan by the City.

Bid Item 2 & 5: Full Containment System with Roof Containment: This item consists of furnishing, installing, maintaining and removal of a full containment system (with Roof Containment) during the exterior blasting and painting process along with containment socks for interior blasting and painting (no chimney effect from inside work). The system shall include new tarps and meet all requirements of the TCEQ air quality standards.

Payment shall be made on a Lump Sum (L.S) basis and will be paid in two parts: Part one when the

containment system is installed and operational, a payment of 25% of the Lump Sum (L.S.) amount will be paid. Part two payment is for the remainder of time and will be on a percent complete of the exterior blast and coating. The Lump Sum (L.S.) price includes all labor, materials, attachments, and equipment necessary for the containment system. No additional payments will be made for repairs and modifications required during construction or for any damages related to the containment system.

Bid Item 3 & 6: Exterior Blasting of the Reservoir & Appurtenances, including Disposal of Spent Media:

This item consists of abrasive blasting the exterior steel surfaces of the reservoir to a commercial blast, per Steel Structures Painting Council Specification SSPC-SP6, and achieve the paint manufacturer's required anchor pattern, collect the debris, and properly dispose of the debris. Heavy Metal Test results are found at the end of these specifications. Disposal shall be in accordance with the specifications. The abrasive shall remove all paint and to achieve the required anchor pattern. This work is required to be inspected by the City's independent testing laboratory prior to having the coating applied. The contractor is responsible to map out each day the blasted area prepared for coating, including the date and time the work occurred. Included is the caulking of the angular space between the concrete ring beam and the steel tank plate with Sika-flex prior to painting. Also included is the blasting of the concrete ring beam to remove dirt, pollutants and mildew. The Lump Sum (L.S.) price includes all labor, materials, and equipment necessary to have a steel surface cleaned, blasted and ready to have the exterior coatings applied.

Bid Item 4 & 7: Exterior Coating System: This item consists of applying the exterior coating system of a zinc prime coat, polyurethane intermediate coat and Fluoropolymer topcoat as specified in the specifications. The work includes a pressure wash (minimum 1,000 psi) between coats. The work is required to be inspected by the City's independent testing laboratory when applied and when complete. The contractor is responsible to map out each day the area painted including date and time.

The Lump Sum (L.S.) price includes all labor, materials, equipment, testing, and paint color drawdown submittals for approval by City necessary to complete the exterior coating system as specified.

Bid Item 8 & 11: Interior Dehumidification System:

This item consists of furnishing, maintaining and removing a dehumidification system for the work. The system shall meet all City sound ordinance

requirements (65-decibels at any property line) and once started shall run continuously until the final coat of interior paint has properly cured. Dehumidification equipment shall be sound-attenuated and insulated to achieve the sound ordinance requirements. The Contractor shall include in this Bid Item the cost of measuring the decibel at the property line and provide the results to the City. Sound-attenuation may be supplemented by the use of hay bale sound walls. The Lump Sum (L.S.) unit price will be based on percent complete of the interior blast and coating, including all labor, materials, fuel, sound-attenuation, and equipment necessary to operate continuously during the interior work.

Bid Item 9: Interior Brushblast Blasting of the Tank & Appurtenances, including Disposal of Spent Media:

This item consists of blasting the interior steel surfaces of the Reservoir No. 1 to a brushblast (SSPC-SP16) collect the debris and properly dispose of the debris. The work shall be accessed from existing openings, no shell plate shall be cut to gain access. The contractor is responsible to map out each day, areas blasted and prepared for coating including the date and time the work occurred. The Lump Sum (L.S.) price includes all labor, materials, and equipment necessary to have a steel surface ready to have the interior coatings applied, including blow-down and cleaning.

Bid Item 10: Interior Overcoating Coating of Tank & Appurtenances:

This item consists of applying the interior overcoating system to GSR No. 1 of epoxy in the atmospheric conditions established in the specifications. The work shall be accessed from existing openings, no shell plate shall be cut to gain access. The work is required to be inspected by the City's independent testing laboratory when applied and when complete. The contractor is responsible to map out each day the area painted including date and time. The tank cannot be filled until the engineer has visited the site and viewed the interior work. The Lump Sum (L.S.) price includes all labor, materials, and equipment necessary to complete the interior coating system and dry riser painting as specified, including the cleaning, disinfection, and filling of the tank

Bid Item 12: Interior Blasting of the Tank & Appurtenances, including Disposal of Spent Media:

This item consists of blasting the interior steel surfaces of the Reservoir No. 2 to a near white blast (SSPC-SP10) or better, achieve the paint manufacturer's required anchor pattern, collect the debris and properly dispose of the debris. The work shall be accessed from existing openings, no shell plate shall be cut to gain access. The work includes

TECHNICAL SPECIFICATIONS

SECTION TS1 - COATING SYSTEM

TS1.01 RESERVOIR REPAINTING

A. General Reservoir Information

The bid is for the repainting of the **One 1,500,000 Gallon and One 500,000 Gallon All-steel Ground Storage Reservoirs** including the interior, exterior, appurtenances of each reservoir, and reservoir logos.

The height from the ground to high-water level is approximately 32 feet \pm . Reservoir diameter of the 1.5 MG GSR is approximately 36 feet \pm , and the diameter of the 500,000 gallon GSR is approximately 50 feet.

B. Site

The reservoir is located in the northern part of Corinth adjacent to a public park and single-family subdivision. A location map is located in the Construction Plans. A full containment system is required, including roof. All tarps shall be new. The Contractor shall be responsible for protection of the existing improvements on the site. Damage to any City facilities or adjacent property shall be repaired or replaced by the Contractor at his sole expense. Contractor shall at all times utilize the required full containment system. Any damage to cars or other private or public property caused by the blasting, painting and construction activities of the Contractor shall immediately be addressed. An aerial photo of the site is located at the end of these specifications.

TS1.02 CONTRACTOR'S UNDERSTANDING

The General Provisions of the Contract are the North Central Texas Council of Governments (NCTCOG) Standard Specifications. Excerpts are presented here to clearly establish the contractual responsibilities of the Contractor and the expectation of the City. The complete set of NCTCOG Standard Specifications applies to this contract and the Contractor shall have a copy and be bound by those terms for the duration of the project.

TS1.03 CONTRACTOR'S QUALIFICATIONS

The Contractor shall have five years practical industrial coating experience and successful history in the application of specified product to surfaces of steel water reservoirs. Contractor shall substantiate this requirement by furnishing a list of references and job completions in the bid package.

The Contractor shall submit with his proposal a written statement by the coatings manufacturer stating that the Contractor is familiar with the materials specified and has workers capable of performing the work specified herein.

The personnel performing the work shall be knowledgeable and have the required experience and skill to adequately perform the work for this project, in accordance with SSPC-PA1 "Shop, Field and Maintenance Painting".

ITEM 1.21. CONTRACTOR'S WARRANTIES AND UNDERSTANDING

In consideration of, and to induce the award of this contract to him, the CONTRACTOR represents and warrants:

- (a) that he is financially solvent, and sufficiently experienced and competent to perform the work;

plan shall be prepared on 8½" x 11" sheets and be typed written. The plan of work shall include the following information:

- 1) Detailed description on the steps to complete of work.
- 2) Plan for abrasive blasting the reservoir. Flow chart describing areas work to occur in.
- 3) Plan for collecting, containing & disposing of waste blast material.
- 4) Description of containment system. Containment system must include tarps that are new. Minimum overlap of tarps 18 inches.
- 5) Plan for protecting ground and property around reservoir and its structure. Description of what will be done to accomplish this.
- 6) Plan for painting reservoir. Flow chart describing areas to work in.
- 7) Quality control plan. Steps to be utilized by Contractor independent of City testing and observations.
- 8) Maximum time window between application of prime coat and top coat as certified by Paint Manufacturer.
- 9) Ventilation capacity as certified by Paint Manufacturer.
- 10) Dehumidification calculations (24-hours per day, 7-days per week continuous).
- 11) Temperature and humidity recording and printing equipment.
- 12) Plan to document location of paint application on Reservoir, the date and time paint was applied.
- 13) Site Restoration Plan.

No progress payment can be processed without City accepted Work Plan.

B. Surface Preparation

All EXTERIOR surfaces on the Reservoir, including appurtenances shall be abrasive blasted to a Commercial Blast in accordance with Steel Structure Painting Council Specification SSPC-SP6. Blasting shall remove all paint and mill scale. If blasting of any previously painted surfaces is required, the blast finish shall be feathered to provide a smooth uniform paint finish. All blasting shall be completed inside containment.

All INTERIOR surfaces of the reservoir including appurtenances shall be abrasive blasted to a Near White Metal Blast in accordance with Steel Structures Painting Council Specification SSPC-SP10. All steel surfaces in contact with water shall be thoroughly cleaned of all existing paint and mill scale by abrasive blasting. Interior blasting and painting shall be completed utilizing dehumidification. Prior to blasting the interior roof, the Contractor shall lift the roof plate from the roof structure by way of shims to allow blasting of the roof plate and top of the roof structure. Shims shall remain in place for inspections and for paint application. Interior blasting shall include containment at all openings.

All INTERIOR OVERCOAT surfaces of the reservoir including appurtenances shall be abrasive blasted to a brush-off blast clearing to degloss the surfaces. Any bare metal exposed shall be blasted to a near white blast (SSPC-2). Angular profile shall be a minimum of 2.0 mils per ASTM D4417 Method C.

Copper slag is not an acceptable blasting media for exterior or interior surfaces.

**CITY OF CORINTH PURCHASING DIVISION
ADDITIONAL TERMS**

ANTI-LOBBYING PROVISION

During the period between proposal / sealed bid submission date and the contract award, proposers, including their agents and representatives, shall not directly discuss or promote their proposal with any member of the City of Corinth City Council or City staff except in the course of City-Sponsored inquiries, briefings, interviews, or presentations, unless requested by the City.

This provision is not meant to preclude offerors from discussing other matters with City Council members or City staff. This policy is intended to create a level playing field for all potential offerors, assure that contract decisions are made in public, and to protect the integrity of the RFP / Bid Evaluation process. Violation of this provision may result in rejection of the offeror's proposal.

LAWS AND ORDINANCES

Laws and Ordinances: The Contractor shall at all times observe and comply with all Federal, State and local laws, ordinances and regulations which in any manner affect the Contract or the work and shall indemnify and save harmless the City against any claim arising from the violation of any such laws, ordinances and regulations whether by the Contractor or his employees.

PROTECTION OF RESIDENT WORKERS

Protection of Resident Workers: The City of Corinth actively supports the Immigration and Nationality Act (INA) which includes provisions addressing employment eligibility, employment verification, and nondiscrimination. Under the INA, employers may hire only persons who may legally work in the United States (i.e., citizens and nationals of the U.S.) and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The Contractor and its Subcontractors shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any worker who is not legally eligible to perform such services or employment. The City reserves the right to audit Contractor's or Subcontractor's employment records to verify the existence of a completed Employment Eligibility Verification Form (I-9) for every worker performing services or manufacturing products under the Contract Documents. The audit will be at the City's expense.

BID ENDORSEMENT PAGE

In the event of the award of a contract to the undersigned, the undersigned bidder will be allowed ten (10) days from date of Notice of Award to furnish a Performance Bond (for the full amount of the contract) and a Payment Bond (where required) and to execute the Contract Documents. If and when the Bond is furnished and the Contract is executed, within the time allowed, the attached check or bid bond shall be returned to the undersigned bidder. In case of failure to furnish the required Bonds or execute the Contract within the time allowed, the Owner will be allowed to cash this check or make demand on this bond and retain the proceeds as payment for damages due to delay and other inconveniences suffered by the Owner.

The undersigned hereby acknowledges that the Owner has established a firm budget amount for this project and that the Owner cannot enter into an agreement that exceeds this established amount. Therefore the undersigned agrees that the Owner may delete or add certain bid items prior to the award of the contract as required to remain within the project budget. These adjustments to the project scope will have no effect on the unit prices for the remaining bid items.

The undersigned certifies that the bid prices contained in this proposal have been carefully checked and are submitted as correct and final.

NOTE: Prices must be shown in words and figures for each item listed in the proposal and in the event of discrepancy, the words shall control.

Receipt is hereby acknowledged for the following addenda to the contract documents:


Addendum No. 1 dated _____	Received _____
Addendum No. 2 dated _____	Received _____
Addendum No. 3 dated _____	Received _____
Addendum No. 4 dated _____	Received _____
Addendum No. 5 dated _____	Received _____

Total Bid: \$ 1,209,750.00

Seal and Authorization
(If a Corporation)

N.G. Painting LP
Contractor

By: Nick Grammatikas
(please print name)

Signature: 

Title: President

1225 Brandon Hwy Ste 12
Address

Kerrville, TX 75029
City, County, State and Zip

830-257-5940 Telephone Fax No.

Email Address: dawn@nspainting.net

N.G. Painting LP

1225 Bandera Hwy. Ste. A2 Kerrville, TX 78028

P. (830) 257-5940

December 21, 2021

Birkhoff, Hendricks & Carter

City of Corinth Ground Storage Reservoir No. 1 & No. 2 Repaint.

Bid item 46 & 47 are repeats of 200 & 201 and can be removed from our bid total.
Bid item 102 for the 6" concrete pad, change quantity to 34 square yards at \$50 per square yard.
Our best and final offer is \$1,209,750.00

Sincerely,



Nick Gramatikakis
President

CONTRACT AGREEMENT

STATE OF TEXAS §

COUNTY OF DENTON §

THIS AGREEMENT is made and entered into this 20th day of January 20 22, by and between the City of Corinth, of the County of Denton and State of Texas, acting through its City Manager, there unto duly authorized so to do, Party of the First Part, hereinafter termed the OWNER, and _____, N.G. Painting, LP, of the City of Kerrville, County of Kerr, State of Texas Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payment and agreement hereinafter mentioned, to be made and performed by the OWNER, the said CONTRACTOR hereby agrees with the said OWNER to commence and complete construction of certain improvements as follows:

GROUND STORAGE RESERVOIR NO. 1 (1.5 MG) & NO. 2 (0.5 MG) REPAINT

and all extra work in connection therewith, under the terms as stated in the General and Specific Conditions of the AGREEMENT; which are attached hereto and incorporated herein by reference as if set forth in full as Exhibit A; and at his own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto and in accordance with the Advertisement for Bids, Instructions to Bidders, General Provisions, Special Provisions, Plans, and other drawings and printed or written explanatory matter thereof, and the Technical Specifications and Addenda thereto, as prepared by the OWNER, each of which has been identified by the endorsement of the CONTRACTOR and the OWNER thereon, together with the CONTRACTOR's written Proposal and the General Provisions, all of which are made a part hereof and collectively evidence and constitute the entire AGREEMENT.

The CONTRACTOR hereby agrees to commence work within ten (10) calendar days after the date of written notice to do so shall have been given to him, to complete the work within 145 calendar days after he commences work, subject to such extensions of time as are provided by the General Provisions, which are attached hereto and incorporated herein by reference as if set forth in full as Exhibit B.

The OWNER agrees to pay the CONTRACTOR One Million Two Hundred Nine Thousand Seven Hundred Fifty Dollars and Zero Cents (\$ 1,209,750.00) in current funds for the performance of the Contract in accordance with the Proposal submitted thereof, subject to additions and deductions, as provided in the General Provisions, and to make payments of account thereof as provided therein.

IN WITNESS WHEREOF, the parties of these presents have executed this AGREEMENT in the year and day first above written.

CITY OF CORINTH
(Owner)

N.G. PAINTING, LP
(Contractor)

By: _____
Bob Hart, City Manager

By: _____
Nick Gramatikakis, Owner

ATTEST

ATTEST:

By: _____

By: _____

The following to be executed if the CONTRACTOR is a corporation:

I, Nick Gramatikakis certify that I am the secretary of the corporation named as CONTRACTOR herein; that Nick Gramatikakis, who signed this Contract on behalf of the CONTRACTOR is the President (official title) of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: _____

Corporate Seal

Bond #4445566

**STATUTORY PERFORMANCE BOND PURSUANT TO CHAPTER 2253
OF THE TEXAS GOVERNMENT CODE
(PUBLIC WORKS)**

(Penalty of this Bond must be 100% of Contract Amount)

That N.G. Painting, LP
(hereinafter called the Principal), as Principal, and Suretec Insurance Company
(hereinafter called the Surety), as Surety are held and firmly bound unto the **City of Corinth** (hereinafter called the Obligee), in the amount of One Million Two Hundred Nine Thousand Seven Hundred Fifty Dollars and Zero Cents (\$1,209,750.00) for the payment whereof the said Principal and Surety bind themselves and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

The Principal has entered into a certain written contract with the Obligee, dated the 20th day of January, 2022 to

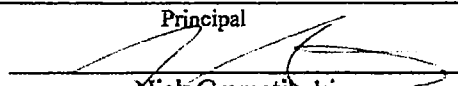
Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repair


which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications and contract documents, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of the Texas Government Code and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of said Chapter to the same extent as if it were copied at length herein.

IN WITNESS WHEREOF, the said Principal and Surety have signed this instrument this day of January 20, 2022.

N.G. PAINTING, LP
Principal
By: 
Nick Gramatikakis
Title: Owner
Address: 2899 Bandera Highway
Kerrville, Texas 78028

Suretec Insurance Company
Surety
By: 
Kristina Matthijetz
Title: Attorney In Fact
Address: 9737 Great Hills Trail Suite 320
Austin, TX 78759

Bond #4445566

**STATUTORY PAYMENT BOND PURSUANT TO CHAPTER 2253
OF THE TEXAS GOVERNMENT CODE
(PUBLIC WORKS)**

(Penalty of this Bond must be 100% of Contract Amount)

KNOW ALL MEN BY THESE PRESENTS, That N.G. Painting, LP
(hereinafter called the Principal), as Principal, and Suretec Insurance Company
(hereinafter called the Surety), as Surety are held and firmly bound unto the City of Corinth (hereinafter
called the Obligee), in the amount of _____

One Million Two Hundred Nine Thousand Seven Hundred Fifty Dollars and Zero Cents
(\$1,209,750.00) for the payment whereof the said Principal and Surety bind themselves and their heirs,
administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

The Principal has entered into a certain written contract with the Obligee, dated the
20th day of January, 20 22 to

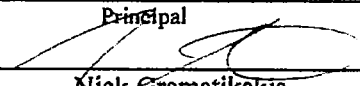
Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repair

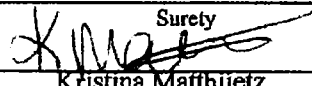
which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at
length herein.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall pay all
claimants supplying labor and material to him or a subcontractor in the prosecution of the work provided
for in said contract, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Chapter 2253 of
the Texas Government Code and all liabilities on this bond shall be determined in accordance with the
provisions, conditions and limitations of said Chapter to the same extent as if it were copied at length
herein.

IN WITNESS WHEREOF, the said Principal and Surety have signed this instrument
this _____
day of January 20, 20 22.

N.G. Painting, LP
Principal
By: 
Nick Gramatikakis
Title: Owner
Address: 2899 Bandera Highway
Kerrville, Texas 78028

Suretec Insurance Company
Surety
By: 
Kristina Matthijetz
Title: Attorney In Fact
Address: 9737 Great Hills Trail Suite 320
Austin, TX 78759

Bond #4445566

MAINTENANCE BOND
2-YEARS

STATE OF TEXAS

COUNTY OF DENTON

That N.G. Painting, LP as principal and Suretec Insurance Company
, a corporation organized under the laws of Texas

and _____ as sureties, said sureties being authorized to do business in the State of Texas, do hereby expressly acknowledge themselves to be held and bound to pay unto the City of Corinth, a municipal corporation, chartered by virtue of a Special Act of Legislature of the State of Texas, as Corinth, Dallas County, Texas, the sum of

One Million Two Hundred Nine Thousand Seven Hundred Fifty Dollars and Zero Cents

(\$1,209,750.00) for the payment of which sum will and truly to be made unto said City of Corinth and its successors, said principal and sureties do hereby bind themselves, their assigns and successors, jointly and severally.

This obligation is conditioned, however, that whereas said

N.G. Painting, LP

has this day entered into a written contract with the said City of Corinth to build and construct the

Ground Storage Reservoir No. 1 (1.5 MG) & No. 2 (0.5 MG) Repaint

which contract and the Plans and Specifications therein mentioned adopted by the City of Corinth, are hereby expressly made a part hereof as though the same were written and embodied herein.

WHEREAS, under the Plans, Specifications and Contract it is provided that the Contractor will maintain and keep in good repair the work herein contracted to be done and performed for a period of two (2) years from the date of acceptance, and to do all necessary backfilling that may arise on account of sunken conditions in ditches, or otherwise, and to do and perform all necessary work and repair any defective condition growing out of or arising from the improper joining of the same, or on account of any breaking of the same caused by the said Contractor in laying or building the same, or on account of any defect arising in any of said part of said work laid or constructed by the said Contractor, or on account of improper excavation or backfilling; it being understood that the purpose of this section is to cover all defective conditions arising by reason of defective materials, work or labor performed by the said Contractor; and in case the said Contractor shall fail to do, it is agreed that the City may do said work and supply such materials, and charge the same against the said Contractor and sureties on this obligation, and the said

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Contractor and sureties hereon shall be subject to the liquidated damages mentioned in said contract for each day's failure on its part to comply with the terms of the said provisions of said contract;

NOW THEREFORE, if the said Contractor shall keep and perform its said agreement to maintain said work and keep the same in repair for the said maintenance period of two (2) years, as provided, then these presents shall be null and void and have no further effect; but if default shall be made by the said Contractor in the performance of its contract to so maintain and repair said work, then these presents shall have full force and effect, and said City of Corinth shall have and recover from the Contractor and its sureties damages in the premises, as provided, and it is further understood and agreed that this obligation shall be a continuing one against the principal and sureties hereon and that successive recoveries may be had hereon for successive branches until the full amount shall have been exhausted; and it is further understood that the obligation herein to maintain said work shall continue throughout said maintenance period, and the same shall not be changed, diminished, or in any manner affected from any cause during said time.

IN WITNESS WHEREOF, the said _____ has caused these presents to be executed by _____ and the said _____ has hereunto set his hand this the 20th day of January, 20 22

SURETY Suretec Insurance Company

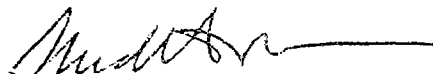
PRINCIPAL: NG Painting, LP

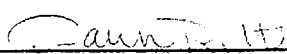
9737 Great Hills Trail Suite 320

Austin, TX 78759

By: 
Attorney in Fact Kristina Matthijetz

By: 
Nick Gramatikakis, Owner

By: 
Surety

ATTEST

Secretary

Siegeler Insurance Agency, Inc.

172 W Austin Street Giddings, TX 78942
Agency and Address

NOTE: Date of Maintenance Bond must be same as date City acceptance.

POA #: 4221008

SureTec Insurance Company LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Michael T. Siegeler, Teresa S. Muniz, Kristina Matthijetz, Theresa M. Krause

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Ten Million and 00/100 Dollars (\$10,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 15th day of June A.D. 2020.



SURETEC INSURANCE COMPANY

By: Michael C. Keimig
Michael C. Keimig, President

State of Texas SS:
County of Harris

On this 15th day of June A.D. 2020 before me personally came Michael C. Keimig, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.



Tanya Sneed
Tanya Sneed, Notary Public
My commission expires March 30, 2023

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this _____ day of _____, A.D.

M. Brent Beaty
M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity. 4221008
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.

Contractor shall rig and adjust rigging to have the blast nozzle no further away than two-feet (2') from steel surface.

Final determination of blasting quality prior to coating shall be determined by the Owner. All abrasive blasting shall be performed in full accordance with the latest regulations issued by the Texas Air Control Board. (Texas Commission on Environmental Quality)

All blasting on the interior and exterior shall achieve an anchor pattern as required by the paint manufacturer. The anchor pattern shall be a part of the overall paint submittal for the interior and the exterior. All weld flux and splatter located during blasting shall be removed by grinding. Contractor shall work with inspectors to accomplish compliance on removal of flux and splatter. Sharp projections shall be ground smooth.

C. Environment

All blasting shall be performed in full accordance with the latest regulations issued by the Texas Air Control Board. (Texas Commission on Environmental Quality)

Emissions from blasting the steel surfaces must be controlled by Shroud (full containment including roof section) method.

The following definitions shall apply to these specifications:

Shroud (Containment System): A device which is designed to enclose or surround the area being blasted to minimize the atmospheric entrainment of fine particulates and direct that material to a confined area for disposal. The shroud shall have overlapping seams to prevent leakage of particulates, shall extend a minimum of 15-feet above the area being blasted, and shall have a shade factor of 95 percent or a control factor of 95 percent of particles 100 grit or greater. A shade factor is defined as the percent of area impermeable to particles or sunlight.

No visible emissions to the atmosphere may result from abrasive blasting.

D. Containment of Blasting Material

The Contractor shall provide and maintain a containment system that catches all materials removed from the steel surfaces. The containment system shall keep blasting material or equivalent, dust, etc., from the air and from contact with the native soil. The Owner shall monitor the air around the work area. If undesirable levels of dust or other by-products of the removal process work are found in the air, the Contractor will immediately stop work and modify his containment system to prevent the escape of pollutants into the air.

The Contractor shall conduct his operations in such a manner that the soil around the work area shall not be contaminated with residue from the paint removing process. All costs for remedial action shall be borne by the Contractor.

All material accumulated in the containment system shall be kept clean and free from contamination. The material shall be contained in tight closing barrels or equivalent containers approved by the Owner prior to disposal. All blast residue material shall be placed in containers at the end of each day. Containers shall be clearly marked "hazardous waste" and shall be numbered and cataloged in records kept by the Contractor. Records shall be neat and shall be available at the job-site for review by the Owner.

If the containment system utilizes attachments on the roof, those attachments shall be removed.

If the containment system utilizes anchors set in the ground, the anchors shall be removed at end of project, void areas filled and sod placed and established.

The exterior of the Reservoirs and appurtenances shall be blasted and coated with a full containment system in place, including top section. It is urged that the Contractor reference National Weather Service records for historic wind speed in North Central Texas and schedule work accordingly within the contract time.

The Contractor shall be in full conformance with the Texas Air Control Board's (TCEQ) General Rules for nuisance. If such a nuisance arises from the Contractor's work on this project, the Contractor shall immediately shutdown the work causing the nuisance and make the necessary changes in operation, including preventative shields and containment. Contractor shall provide whatever is necessary to resolve the nuisance caused by the Contractor's operation to the satisfaction of the State of Texas and the City. All cost of whatever the nature shall be included in the unit price bid for the project.

H. Standard of Comparison

The specific paint referred to in these specifications is manufactured by Tnemec and is presented as a standard of comparison and performance. Other paints may be acceptable if they are equal in quality and performance as determined by the Owner. The Owner shall determine the acceptability of coatings to be used. Products that do not meet the quality and performance will not be accepted and no additional contract time will be granted. The Owner reserves the right to request the Contractor to supply a complete history of the paint system they propose to use. This information would be used to determine acceptability of the system. Allow review time of 2-weeks. All paints applied are to be by the same manufacturer.

I. Paint Systems

1) Interior Steel Painting

The interior paint system shall be certified by the National Sanitation Foundation - ANSI/NSF Standard 61 Drinking Water System Components for Potable Water Coatings and contain no lead. The zinc dust in the prime coat shall meet requirements of ASTM D520 Type III.

After interior wet surfaces have been abrasive blasted they shall be painted by spraying one coat of Tnemec Hydro-Zinc 94-H₂O, minimum dry film thickness 2.0-mils throughout, followed by one coat of Tnemec Epoxoline Series 141, minimum dry film thickness shall be a minimum of 12-mils throughout. Total dry film thickness of interior system shall be minimum 14.0-mils throughout.

All touch-up painting shall also be completed with the approved prime paint. Prior to the epoxy coat of paint, all welds, sharp edges of roof structure beams and paint rails shall be coated with a stripe coat of Tnemec Series NI40 Pota Pox Plus by brush thinned by 50% with the approved paint supplier's approved thinner.

Total dry film thickness of the interior paint after seven days (75°F Temperature) drying time shall not be less than 14.0-mils minimum throughout. Contractor shall provide adequate forced ventilation during application and curing to achieve required results. Forced ventilation shall be utilized for all painting, including the floor. Each coat of paint shall be applied in a uniform thickness and shall be feathered as necessary at its edges to prevent lap marks and provide a smooth paint finish. All interior paint shall comply with ANSI/NSF Standard 61.

Interior coatings include all surfaces and appurtenances inside the Reservoir.

2) Exterior Steel Painting

The proposed exterior paint system shall not contain lead.

After exterior surfaces have been abrasive blasted, remedial steel repairs made and surface profile achieved, they shall be painted by spray inside the containment system, one coat of Tnemec Hydro-Zinc 94-H₂O. Minimum dry film thickness shall be 2.0 mils throughout.

The second exterior coat shall be applied by spraying inside the containment system one or more coats of Tnemec Series 73 Endura Shield. The minimum dry film thickness shall be 3.0 mils throughout.

The third exterior coat shall be applied by spraying inside the containment system one or more coats of Tnemec Series 700 Color Hydroflon. The minimum dry film thickness shall be 2.0 mils throughout.

The minimum total dry film thickness of the exterior paint system shall be no less than 7.5 mils. Each coat of paint shall be applied in a uniform thickness and shall be feathered as necessary at its edges to prevent lap marks and provide a smooth paint finish. The third coat may require placing this coating in more than one (1) coat to insure a uniform color. It shall be the Contractor's responsibility to produce the uniform cover on the exterior of this reservoir. If additional coats are used they shall be placed in thickness of 1.5 mils minimum.

Between each coat, the surfaces shall be power washed with a minimum pressure of 1,000 psi. The objective of this is to remove any pollutants and dirt that has settled on the surface. Coating shall occur within a maximum of 48-hours after the power wash.

Logos shall consist of two coats of fluoropolymer polyurethane, Tnemec Hydroflon Series 700 or equal, at 2.5 mils average. The logo will appear on two sides of the reservoir. Logo shall be coated within the recoat window established by the Paint Manufacturer.

Included in the exterior system are pipes that exit the ground and enter the reservoirs. Contractor shall excavate down 12-inches to blast and paint. DIP with polywrap, the polywrap shall be replaced and encase the DIP.

3) Interior Over Coat Painting

The interior paint system shall be certified by the National Sanitation Foundation - ANSI/NSF Standard 61 Drinking Water System Components for Potable Water Coatings and contain no lead. The zinc dust in the prime coat shall meet requirements of ASTM D520 Type III.

After interior wet surfaces have been brush blasted they shall be painted by spraying one coat of Tnemec throughout, Tnemec Epoxoline Series 141, minimum dry film thickness shall be a minimum of 10-mils throughout.

Any surfaces of exposed steel shall be power tooled to a near white blast, Tnemec 94-H₂O HydroZinc applied (2.5 mils) intermediate coat of Tnemec 140-1255 Pota Pox applied at a minimum of 3.0 mils.

Contractor shall provide adequate forced ventilation during application and curing to achieve required results. Forced ventilation shall be utilized for all painting, including the floor. Each coat of paint shall be applied in a uniform thickness and shall be feathered as necessary at its edges to prevent lap marks and provide a smooth paint finish. All interior paint shall comply with ANSI/NSF Standard 61.

Interior coatings include all surfaces and appurtenances inside the Reservoir.

J. Application

Coatings shall be applied in accordance with paint manufacturer's recommendations found on the paint data sheets and are subject to inspection at all times by the City's on-site representatives. Paint manufacturer's data sheets shall be submitted as part of the shop drawing submittal process. Contractor shall follow the Steel Structures Painting Council Good Painting Practice except where exceeded in these specifications.

Contractor shall have his work plan available on site and available to the City. The plan as submitted and accepted by the City shall be followed for blasting, containment and painting.

No painting shall take place utilizing the interior paint epoxy system without accelerator unless the atmospheric temperature is above 50°F and metal surface temperatures is above 50°F and a minimum of 5°F above the dew point. With the paint manufacturer's approved accelerator the atmosphere temperature and metal surface temperature shall be above 40 °F and a minimum of 5 °F above the dewpoint. The relative humidity shall not be greater than 80%. Painting also shall not proceed if the temperature is expected to fall below 40°F before the paint has dried to the recoat window (24 hours) or if the surface temperature is at or above 110°F.

No painting shall take place utilizing the first coat of exterior paint system unless the atmospheric temperature is above 50°F and metal surface temperatures is above 50°F and a minimum of 5°F above the dew point. With the paint manufacturer's approved accelerator the atmosphere temperature and metal surface temperature shall be above 40 °F and a minimum of 5 °F above the dewpoint. The relative humidity shall not be greater than 85%. No painting shall take place utilizing the second and final coat of the exterior paint system unless the atmospheric temperature is above 40°F and metal surface temperature is above 40°F and a minimum of 5°F above the dew point. The relative humidity shall not be greater than 80%. Painting utilizing the exterior system shall not proceed if the temperature is expected to fall below 40°F before the paint has dried to the recoat window (24 hours) or if the surface temperature is at or above 110°F.

Whenever the occupational noise exposure exceeds maximum allowable sound levels, the Contractor shall provide and require the use of approved ear protection devices for everyone in the work area.

Adequate illumination shall be provided while work is in progress, including explosion-proof lights and electrical equipment. Whenever required by the City, the Contractor shall provide additional illumination and necessary supports to cover all areas to be inspected. The level of illumination for inspection purposes shall be determined by the City.

Contractor shall include in his bid the cost to utilize dehumidification during the blasting and epoxy coating of the interior of the Reservoirs. Dehumidification shall be used and shall be used 24-hours a day once it is turned on. Once it is on, it shall be run continuous until coating has cured. Such a system shall be designed by Munters or accepted equal Dehumidification Company. Dehumidification calculations shall be provided.

The unit must be turned on at the time the blast is to be achieved, turned off for zinc prime coat to cure, turned on and remain on until epoxy coating has cured. Submittal shall state the number of days the unit is to remain on after final coat and or touch-ups are complete.

A desiccant dehumidification system shall be utilized on the interior Reservoir (wet) 24-hours a day (continuous service) for blasting, entire coating and curing. No liquid or granular desiccant or lithium chloride systems are acceptable.

The dehumidification equipment shall continuously maintain a lower dew point of a minimum of 25°F differential between the inside substrate surface temperature and the inside air dew point temperature, with the relative humidity not to exceed 50%. The humidity and temperature shall be recorded by use of portable continuous recording instrumentation. The recording instrumentation

supplied by the Contractor shall have the ability to download local data/graphs of daily records. Such records shall be provided to the City or their representative on a daily basis. Downloading equipment for printing data/graphs shall be provided by the Contractor.

The equipment shall include heat/cooling limits as required to meet the specified requirements. All openings in the reservoir, including opening to allow access of the dehumidification equipment, shall be sealed at all times.

Contractor shall have sufficient number of compressors and adequate compressor output on site to complete the blasting and painting in a timely manner. Contractor shall have on site and utilize during the coating of the reservoir, two (2) 45:1 Ratio airless spray Graco Pumps or equal in working order.

All spray equipment shall be inspected and approved by Owner's representative before any application is begun. A moisture trap shall be placed in line from air supply to pressure pot and spray gun. This trap shall be opened slightly to provide a continuous bleed. Regulators and gauges shall be provided for air to both pressure pot and spray gun.

Prior to commencing the coating, all abrasive and dust from blasting operations shall be removed from surfaces before paint application is begun. If steel shot is utilized, the Contractor shall also use magnetic collectors to collect shot. Blasted surfaces shall be coated the same day that blasting is completed. Any subsequent blasting operation shall not result in abrasive particles embedded in the paint film. The sequence to be followed in painting shall be such that a minimum of damage to finished coatings will result.

Spray guns must be held perpendicular to the surface being painted, handled and adjusted in such a manner so dry overspray is kept at a minimum. Rigging shall be adjusted as required to maintain a maximum distance from the steel surface of two-feet.

The Contractor shall at all times protect the buildings, businesses, automobiles and other items from blasting and paint that is being applied to the reservoir. Contractor shall be solely liable for all claims of damage of whatever nature which results from the blasting and/or painting operations on this project.

It is essential that the solvent's vapors be released from the paint and removed from the reservoir. During coating application, the capacity of ventilating fans shall be no less than recommended by the Paint Manufacturer. This capacity shall be stated in the coating plan submittal.

Continuous forced ventilation at a rate of one complete air change every four hours shall be provided. The duration shall be for a minimum of 48-hours after final application and until the coating is completely cured as determined and certified to the Owner by the Paint Manufacturer's representative. The certification shall be provided to the City prior to turning off the dehumidification system.

The structure in the roof of the Reservoirs will require additional work to be coated prior to spraying topcoat. The seams in between the roof plates and roof structure, and the space between roof plate and lapped roof plate shall be hand brushed with the epoxy paint after zinc primer has cured and prior to spraying of the reservoir with epoxy. Hand brushing must work paint into the void areas. Hand brushed areas shall be inspected by City prior to spraying.

Repair of holidays caused by movement of equipment, including scars and nicks shall be ground or sand smooth, exposed steel shall be coated with zinc primer and the top coat built up to match surrounding surfaces. The paint products utilized in the coating shall be utilized for the repairs with dehumidification operating as specified.

K. Inspection

All work shall be done in a workmanlike manner, so that the finished coating on the interior, exterior and all painted surfaces of the reservoir and structures shall be free from bubbles, runs, drips, ridges, over-spray, waves and unnecessary brush marks and variations in color. Coating shall be of uniform thickness. In addition, all surfaces that will be in contact with potable water (reservoir and wet riser pipe) shall be free of holidays and pinholes. The City shall make final determination of finished work.

Inspection and acceptance of the abrasive blasting shall be achieved prior to application of the prime coat of paint on the reservoir. The Contractor shall schedule and coordinate his work with the Owner to allow for expeditious prosecution of the inspection and painting. All rigging, staging and the alike shall remain in place until all inspections by the City are complete. All staging shall conform to applicable safety requirements. Contractor shall provide staging as required by the City to facilitate inspection and testing.

All paint film thickness shall be verified by the Contractor by measuring the wet film thickness of each coat as it is applied. The Contractor shall coordinate the use of the painting scaffolds, rigging and containment system with the Owner or his representative to provide regular access for the paint inspections. A wet film thickness measurements shall be made and recorded by the Contractor for each 100 square feet of surface painted. Record of thickness and location shall be provided to City Inspector on the day that portion of the reservoir is coated.

All paint will be inspected by the City for applied dry film thickness using a non-destructive magnetic gauge such as a Mikrotest Gauge or an Elkometer. Non-destructive holiday detectors shall not exceed 67.5 volts. Solution for holiday testing shall be 1-ounce of non-sudsing wetting agent (Kodak Photo Flo) to 1-gallon tap water. Dry film thickness, pinholes and Holidays shall be inspected throughout the painted surface at locations determined by the Owner. Confirmation testing for dry film thickness will be done by the Owner or an independent testing laboratory which is chosen and paid by the Owner. The Owner will pay for the first test. Retesting, including any rigging, shall be paid by the Contractor (deducted from Pay Request). General paint inspection will be done by an independent laboratory employed by the Owner. All work shall be done in a workmanlike manner, so that the finished coating on the interior and exterior of the reservoir shall be free from bubbles, runs, drips, ridges, over-spray, waves, brush marks and variations in color.

The Contractor shall minimize lap marks created from the seal of the containment system, if the containment system is in contact with the seal. These areas shall be strategically located in weld seams.

Prior to filling the reservoir with water, the Engineer must complete a site visit and view the interior coating system.

L. Location of Painting Systems

The interior painting system as described in this specification shall be applied at the following general locations:

- 1) On all metal surfaces inside the reservoir (surfaces in contact with potable water, roof structure, inside reservoir and all appurtenances).
- 2) On all interior painted ladders.

The exterior painting system as described in this specification shall be applied at the following general locations:

- 1) Exterior of the Reservoir.
- 2) Exterior appurtenances on the reservoir such as vents, brackets, ladders and hatches.

- 3) Exterior valves, piping, fittings, overflow piping, hatches, handrails, mechanical equipment and appurtenances.

Aluminum, PVC, stainless steel and brass shall not be coated.

M. Disinfection

Once painting is complete and all associated contract work is complete, and prior to disinfection of the reservoirs, the interior of the reservoir shall first be thoroughly cleaned by hosing down the walls, underside of the roof and floor with water from the Owner's distribution system. Contractor shall provide adequate pumps to accomplish this work and take necessary steps to prevent contamination of the Owner's water supply. Disinfection shall be in accordance with AWWA C652 "Disinfection of Water Storage Facilities" except as exceeded by the below specification.

Disinfection shall be scheduled with the City seven (7) calendar days prior to the execution of the work. The reservoir will only be filled on a Monday for disinfection. Prior to the disinfection process taking place, the Contractor shall furnish and install new hatch gaskets on all hatches.

The reservoir interior shall be disinfected by spraying with a chlorine solution of not less than 200 ppm chlorine. Spraying shall be accomplished by use of an attachment connected to a fire hose, and the chlorine solution shall be applied under pressure. Contact time of the 200-ppm solution shall not be less than one hour or more than 8 hours, at which time the Reservoir shall be filled. Contractor shall provide adequate pumps to accomplish this work. All standing chlorinated water within the reservoir and lines from the disinfection process shall be removed from reservoir and lines prior to filling the reservoir.

The City shall operate all City valves. Contractor shall schedule time with the City for filling the reservoirs. The City shall submit samples of the water for bacteriological tests to a State approved testing laboratory and satisfactory test reports shall be received before the reservoir is placed in service. The Contractor shall obtain approval of the Owner prior to placing the reservoir in service.

The highly chlorinated water utilized to clean and disinfect the reservoir shall be dechlorinated prior to discharging into the environment. Contractor shall utilize a manufactured venturi device to dechlorinate. A liquid dechlorination solution shall feed into the venturi device. Ascorbic acid or sodium ascorbate shall be utilized as the dechlorination chemical. The dechlorinated procedure shall be accepted by the City prior to any discharge into the environment.

The cost of furnishing chlorine, bacteriological tests, labor, tools and equipment shall be included in the lump sum bid price for the project, and no separate payment will be allowed. The Owner shall furnish water to fill the reservoir one time. If it is required to fill the reservoirs more than once to obtain the proper sterilization the cost of the water, for water in excess of one reservoir full shall be borne by the Contractor and deducted from monies due him from the Owner.

N. Safety Precautions

The Contractor shall be fully responsible for the safety of the workmen on this project and public in the vicinity of this reservoir at all times during the removal of the rust and mill scale, painting and sterilization of the reservoir. The Contractor shall be responsible for meeting all OSHA Safety Standards and Regulations. Protective equipment, abrasive resistant clothing, safety shoes, leather gloves, ear protection and OSHA approved respirators shall be utilized as a minimum during blasting and painting on this reservoir. All respirators shall be air fed. Contractor shall provide all workers, Owner personnel and all other persons on site the minimum described safety equipment as well as that required by OSHA.

Workmen applying the chlorine solution to the reservoir shall be protected by rubber raincoats and boots and gas masks as a minimum to insure their protection against burns and inhaling chlorine gas. The Contractor shall be responsible for the safety of his workmen applying the chlorine

solution and shall see that they are protected against chlorine burns and gas. Contractor shall provide all workers the minimum described safety equipment as well as that required by OSHA.

O. Contractor Liability

Contractor shall be solely liable for all claims for personal and property damage, including death, which result from the blasting, painting and sterilization operations on this project. The Contractor shall take special precautions to control paint from damaging automobiles, homes and other facilities in the developed area around the reservoir. If complaints are received by the Contractor or the Owner, the Contractor shall investigate the complaint immediately and report in writing to the Owner corrective action he is taking. It shall be the Contractor's complete responsibility to correct or make whole any damage or injuries caused by his painting operations.

P. Materials on Hand

The only items that will be considered as materials on hand will be paint products including top coats and primer. No other items will be considered. All other items are considered subsidiary and for the use of the Contractor to obtain the finished product. Original receipts/purchase orders must be provided to the City for verification of paint. All paint stored onsite shall be protected from freezing.

Q. Welding

The Contractor shall inspect all ladders, railings, and other steel structures prior to beginning and during execution of the work. Any potential structural deficiencies found shall be brought to the attention of the Owner on the day it is found. Contractor shall schedule with Owner to view deficiency. Contractor shall allow 5-working days for scheduling. The Owner will determine if the potential deficiency is to be repaired. If the repair is to be done, the Owner shall request the work to be done and the work shall be done by a qualified welder, certified within the last year and paid as provided in the Proposal and Bid Schedule.

Prior to and immediately after the blasting of the reservoir surfaces as provided herein, the Contractor will inspect the reservoir for needed remedial welding repair. Any safety hazard or defects in the structure observed by the Contractor shall immediately be brought to the attention of the Owner for determination of repair.

Payment of the unit contract price for welding shall be the total compensation for furnishing all labor (certified welders and laborers), materials, tools, equipment and incidentals and performing all work that is necessary for remedial steel welding repair.

R. Annual Inspection

An annual inspection shall be performed at the 12th & 21st month after project completion or when the reservoir can be taken out of service and drained, prior to the expiration of the guarantee. The Contractor shall furnish such personnel, rigging, lighting, power tools, spot cleaning equipment and touch-up paint as may be necessary for inspection and touch-up. The inspection shall be conducted in the presence of the Owner and their designated representative.

S. Shop Drawing

The Contractor shall submit shop drawings to the Engineer for all proposed equipment and materials in PDF electronic file format via email to corinthgsr@bhcllp.com. All submittals shall have a maximum page size of 11" x 17". All submittals shall be from originals and be legible. Contractor shall include the description and numbering system of shop drawings listed below.

Checking of shop drawings by Birkhoff, Hendricks & Carter, L.L.P. is only for general conformance with the design concept of the project and general compliance with the information

given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for dimensions which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction, coordination of his work with that of all other trades; and performing his work in a safe and satisfactory manner.

At the start and during the progress of the job, Contractor shall keep one (1) separate set of prints for making construction notes and mark-ups for submittal of as-built drawings.

Record all deviations from the Contract Documents.

• Shop Drawing Number and Description

- | | |
|--|--|
| <ul style="list-style-type: none"> 1) Blasting Media 2) Cleaning Media 3) Paint Data Sheets 4) Paint Color Charts 5) Paint Color Draw Downs 6) Recoat window of each paint product 7) Paint Manufactures Anchor Pattern Requirements 8) Dehumidification Equipment, Plan & Calculations 9) Full Containment System, including total roof. Roof Attachment Details, including installation and removal methods. Containment to minimize chimney effect during interior blasting & painting. 10) Work Plan, including Scaffolding Plan | <ul style="list-style-type: none"> 11) Temperature and Humidity Continuous Recording/Printing Instrument 12) Certified Welder Certification Papers. 13) Fall Protection System & Harnesses 14) Reservoir Roof Vent 15) Ladder 16) Schedule 17) Handrail Erection drawings 18) Ladder Gate 19) Level Target 20) Site Restoration 21) Concrete Mix Design |
|--|--|

No work shall take place without accepted shop drawings.

a. Sound

All equipment utilized on this project shall not exceed the sound levels established in the City's Sound Ordinance. A copy of the requirements is a part of this bidding document. All noise-generating equipment shall be located on the south and west side of the site furthest from residential homes.

b. Reservoir Enhancements

1) Roof Hatch

The 36-inch ± square steel roof hatch covers shall be replaced with rain proof aluminum hatch covers and 4-inch-tall steel curb. Steel curb shall be ¼ inch flat plate seal welded on the interior and exterior of the reservoir. Hatch shall overhang curb by 2 inches minimum, be gasketed and include locking hasp. Also included are 3/8" steel rod hand holds, 5 inches wide and 3 inches deep, attached to roof at each hatch opening.

Hardware shall be aluminum and include washers for dissimilar metals. Also included are two hand holds at each roof hatch. The hand holds shall be u-shaped welded to the roof plate at each hatch.

2) Safety Handrail

The Contractor shall construct a safety rail on the exterior roof of each reservoir adjacent to the hatches. This work shall take place prior to interior work commencing. The safety rail shall be all welded steel. The railing shall have a height of 3-feet by 6-inches, with a top rail, center rail and bottom rail. The kick panel shall be set 2-inches above the roof of the reservoir. The rail shall be constructed of 2-inch diameter, 0.216 wall (min.) steel. All welds shall be continuous smooth welds. Handrail shall be fabricated in the shop and brought to the site. Prior to preparing shop drawings, contractor shall verify dimensions required by taking measurements on top of the reservoir.

3) Ladder Replacement

The ladder located inside the reservoir (wet) and attached to the exterior of the reservoir shall be removed and disposed of.

Contractor shall furnish and install new interior and exterior ladders.

A heavy-duty ladder with 3-inch channel side rails, 16-inch clear space between side rails with rungs spaced at 12-inches on center, 7/8" round rungs welded all around both inside and outside the side rail and painted with two (2) coats of primer and two top coats shall be constructed on interior of the reservoir from bottom of the reservoir to the roof hatches.

The exterior ladder shall be installed on the outside of the Reservoir from the ground to the top of the reservoir. Ladder side rails shall be a minimum 3/8-inch by 2-inch with a 16-inch clear spacing. Rungs shall be minimum 3/4-inch diameter, spaced at 12-inch centers and plug welded into holes drilled in the side rails. A suitable catwalk shall be constructed near the top of ladder to bridge to the reservoir roof (minimum 1/4 inch thick checker plate). Exterior ladder on each reservoir shall include a pre-engineered aluminum ladder gate with locking hasp.

All exterior ladders shall be of the cage type. All ladders shall conform with OSHA standards (29CFR-1926-1053 Ladders). The rungs shall be corrugated, knawled or dimpled to minimize slipping. All ladders, landings and appurtenances shall be painted carbon steel.

4) Fall Protection System for Ground Storage Reservoir

The Contractor shall furnish and install a Söll Glide-Loc Fall Arrest Systems including rail, on the ladder located on the outside the reservoir and on the ladder located inside the reservoir.

All safety climb devices shall comply with OSHA Regulation 1910.27. All safety climb devices outside the water compartment or inside the water compartment the material shall be stainless steel or aluminum.

Contractor shall furnish three removable locking prawls and six Elk River 67610 Peregrine Platinum Tower Climbing Harness, size L (one) size M (one), size S (one), and three shock absorbing Y-Type lanyard (Falltech 8259Y3).

The Rail shall start at the lower end of the ladder 24-inches above the bottom ladder rung. The rail shall end at the upper end of the ladder 18-inches above the top ladder rung (exterior) and end at roof (interior).

- 5) The Contractor shall construct a reinforced concrete splash pad at Reservoir No. 2. The pad shall be 4-feet wide and 20-feet in length. The thickness shall be 4-inches. Reinforcing steel shall be No. 3 Deformed Bars on 18-inch centers each way. Concrete strength shall be 3,000 psi compressive at 28-days, NCTCOG Class "A" Concrete.
- 6) The Contractor shall furnish and install new tank level indicator, as shown on the Plans. The work includes removal of the existing Target on Reservoir No. 1 and welding close all holes with welds ground smooth. Also included is a new 4-inch steel sleeve with flange welded to the roof. The system shall be Model VSTI-E020 as manufactured by Versa Steel or equal. The system shall include all appurtenances and be operational.

T. SCHEDULE

- A. Work order shall be issued no later than November 22, 2021. All reservoir painting work shall be completed, and the reservoir filled with water and placed into service no later than April 19, 2022. All site work shall be completed by June 15, 2022.
- B. The City will drain and refill the Reservoirs one time. The City requires 5 working days' notice to drain the Reservoir.
- C. Any residual water, silt and debris remaining after the City drains the Reservoir shall be removed by the Contractor.
- D. No work shall take place on a Reservoir until it is taken out of service by the City.
- E. The City will operate all water valves.
- F. The City will provide one fill of the reservoirs. If the reservoir fails disinfection the subsequent water to fill the reservoirs will be at Contractor's expense.
- G. Liquidated damages will be assessed based on overall contract time. Liquidated damages will be assessed for the overall contract time in the amount of \$1,000.00 per day if the contract time is exceeded.
- H. Exterior of Reservoir No. 2 must be complete first. Oncor will deenergize power line to the North from November thru December. City will need access to deliver fuel to standby generator to operate the pump station.
- I. Contractor to include necessary supports for containment system for both reservoirs near power lines.



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Purchase Emergency Generators (ARP Funding)
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on the purchase of four (4) generators through the BuyBoard, from Waukesha-Pearce Industries, Inc., in an amount not to exceed \$756,973, and authorizing the City Manager to execute the necessary documents.

Item Summary/Background/Prior Action

As part of the new Texas Commission on Environmental Quality, Cities are required to be able to supply water for more than 24 hours during an emergency outage. This purchase is for four (4) diesel operated emergency generators with Waukesha-Pearce Industries Inc. through BuyBoard. The generators will be located as follows:

Location	Cost	Size
3A Lift Station	\$104,312.55	150 kW
Westside Lift Station	\$165,210	275 kW
Lake Sharon Pump Station	\$335,271.73	500 kW
Woods Ground Storage Pump Station	\$152,177.76	230 kW

Financial Impact

Budgeted for fiscal year 21-22 via the American Relief Grant.

Applicable Owner/Stakeholder Policy

N/A

Staff Recommendation/Motion

Recommended to approve the purchase.



Quote Date	January 3, 2022	WPI Quote Number	20554927
Quotation To		Contract No.	597-19
		Vendor ID	837
End User	City of Corinth	Waukesha-Pearce Industries Inc.	
Contact	Gary Parker	Generator Division	
Phone	940-498-7501	Contact	Bryan Jobe
Fax		Phone	214-649-8146
Email	gary.parker@cityofcorinth.com	Fax	713-551-0799
		Email	bryan.job@wpi.com

Pricing Based On Manufacturer's Price List Dated:	12/01/19	Contract Discount	33.0%
		Factor	67.0%

A. Base Unit:

Manufacturer	Model No.	Description	List Price	Net Price
Generac	SD0150	150kW Diesel Generator	\$ 65,834.00	\$ 44,108.78
Includes All Standard equipment & attachments as listed in attached brochures.				

B. Factory options and attachments

Part No.	Description	List Price	Net Price
SAE-4	SAE Enclosure for SD150	\$ 8,586.00	\$ 5,752.62
DW-24-4	Subbase Tank for SD150	\$ 5,032.00	\$ 3,371.44
ATS-200-3	200 Amp ATS Three Phase	\$ 6,313.00	\$ 4,229.71
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
Sub Total			\$ 13,353.77

C. Non-Factory options and attachments

Part No.	Description	Net Price
		\$ -
Installation	Generator Installation	\$ 46,850.00
		\$ -
		\$ -
		\$ -
		\$ -
Sub Total		\$ 46,850.00

D. Other applicable charges. Allowances, Trade-Ins, Special Discounts, etc.

Description	Net Price	
WPI Terms and Conditions apply to this quote	\$ -	
Freight to job site and start up testing included	included	
Gas Piping and Accessoires supplied by others	\$ -	
Sub Total		\$ -

TOTAL PURCHASE PRICE: \$ 104,312.55

Delivery: Est 17 Week Lead Time

Pricing valid for sixty (60) days from this date. Orders after that period must be re-quoted.

Transmit copy of quotation with purchase order issued to WPI to:
Texas Association of School Boards, BuyBoard, PO Box 400, Austin, TX 78764-0400 email: buyboard@tasb.org



Quote Date	January 3, 2022	WPI Quote Number	20554931
Quotation To		Contract No.	597-19
End User	City of Corinth - Post Wood	Vendor ID	837
Contact	Gary Parker	Waukesha-Pearce Industries Inc. Generator Division	
Phone	940-498-7501	Contact	Bryan Jobe
Fax		Phone	214-649-8146
Email	gary.parker@cityofcorinth.com	Fax	713-551-0799
		Email	bryan.job@wpi.com

Pricing Based On Manufacturer's Price List Dated:	12/01/19	Contract Discount Factor	33.0% 67.0%
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A. Base Unit:

Manufacturer	Model No.	Description	List Price	Net Price
Generac	SD0230	230kW Diesel Generator	\$ 91,915.00	\$ 61,583.05
Includes All Standard equipment & attachments as listed in attached brochures.				

B. Factory options and attachments

Part No.	Description	List Price	Net Price
SAE-5	SAE Enclosure for SD230	\$ 12,788.00	\$ 8,567.96
DW-24-5	Subbase Tank for SD230	\$ 5,680.00	\$ 3,805.60
ATS-600-3	600 Amp ATS Three Phase	\$ 12,345.00	\$ 8,271.15
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
Sub Total			\$ 20,644.71

C. Non-Factory options and attachments

Part No.	Description	Net Price
		\$ -
Installation	Generator Installation	\$ 69,950.00
		\$ -
		\$ -
		\$ -
		\$ -
Sub Total		\$ 69,950.00

D. Other applicable charges. Allowances, Trade-Ins, Special Discounts, etc.

Description	Net Price	
WPI Terms and Conditions apply to this quote	\$ -	
Freight to job site and start up testing included	included	
Gas Piping and Accessoires supplied by others	\$ -	
Sub Total		\$ -

TOTAL PURCHASE PRICE: \$ 152,177.76

Delivery: Est 17 Week Lead Time

Pricing valid for sixty (60) days from this date. Orders after that period must be re-quoted.

Transmit copy of quotation with purchase order issued to WPI to:
Texas Association of School Boards, BuyBoard, PO Box 400, Austin, TX 78764-0400 email: buyboard@tasb.org



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title: Ordinance Single Family Rental Program
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development	
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder	
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function	
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A	

Item/Caption

Consider and act on an ordinance adopting a new section of the Municipal Code of Corinth, creating Chapter 150.200 to include Single Family Rental Program.

Item Summary/Background/Prior Action

Due to the growth of single-family residents in Corinth, many single-family residents are transitioning to rental properties. In order to stay compliant with the adopted property maintenance code, a single-family rental registration program is necessary to ensure the health, safety, and welfare of rental properties. Under this program, a property owner would be required to register properties with the City as a single-family rental. Once a property is vacated, the property owner would be required to request an inspection. The inspection fee is \$50.00.

Financial Impact:

Admin and staff inspection time covered by the \$50.00 inspection fee.

Staff Recommendation/Motion:

Staff recommends adoption of Chapter 150.200 Single Family Rental Program as presented.

City of Corinth - Single Family Rental Registration Form

Section I, Item 11.

Email completed form to codeenforcement@cityofcorinth.com

Property Information

Property Type: Single Family Condo Duplex Townhouse

Address of Rental Unit: _____

Total Square Footage (SF): _____

Mortgage/Lien Holder (if applicable) Name, Address, Phone: _____

Owner Information

Name: _____ Phone: _____

DL#: _____ Address: _____

Email (**Required**): _____

If owned by a partnership, please list the names, business address, and phone number of each partner. If owned by a corporation, please list the state of incorporation, corporation's mailing and physical address, the name and phone number of the corporate officer with ultimate responsibility for the rental unit. Also include the names of officers and directors of corporation.

Name: _____ Address & Phone: _____

Name: _____ Address & Phone: _____

Name: _____ Address & Phone: _____

Property Manager Information

Name: _____ Phone: _____

Address: _____

Email (**Required**): _____

Owner or Authorized Agent: _____ Signature: _____

City Use Only- Do Not Write In This Box			
Date Received: _____	Payment Received: \$ _____	Payment Type: _____	By: _____
(License#): _____	Valid through: _____	Max# of Occupants: _____	
<input type="checkbox"/> Annual Registration - No fee	<input type="checkbox"/> Change of Occupant - \$50	<input type="checkbox"/> Inspection fee	

City of Corinth Single Family Rental Inspection Checklist

PERMIT# _____ DATE: _____ INSPECTOR: _____

ADDRESS: _____

READY TO OCCUPY OK TO OCCUPY/NEEDS RE-INSPECTION NOT READY TO OCCUPY

Any item marked as "failed" shall be corrected and re-inspected within 10 days of the above date unless otherwise noted.

Comments: _____

Pass Fail

Exterior Building Conditions

- Exposed raw wood
- Chipped and peeling paint
- Water tight roof
- Broken Windows
- Address posted on house
- Trees/Shrubs touching house
- Dilapidated building materials

Interior Building Conditions

- Damaged doors, walls, ceilings
- Stairways
- Floor covering
- Peeling Paint

Accessory Structures

- Exposed raw wood
- Dilapidated building materials
- Water tight roof
- Dilapidated fence or gates

Site, Grading and Drainage

- Proper Drainage
- Gutters and downspouts
- Impeding drainage
- Junk/trash/debris on lot

Pool/Hot tubs/Spas

- Stagnant Water
- Self-Closing/Latching gates
- Pool fence in compliance

Extermination

- Infestation

Pass Fail

Plumbing Systems & Fixtures

- Sanitized plumbing fixtures
- Bath and lavatory
- Kitchen sink
- Leaking faucets or drains
- T & P line properly ran
- Water Heater properly installed
- Visible sewage leaks
- Proper Combustion air

Mechanical Equipment

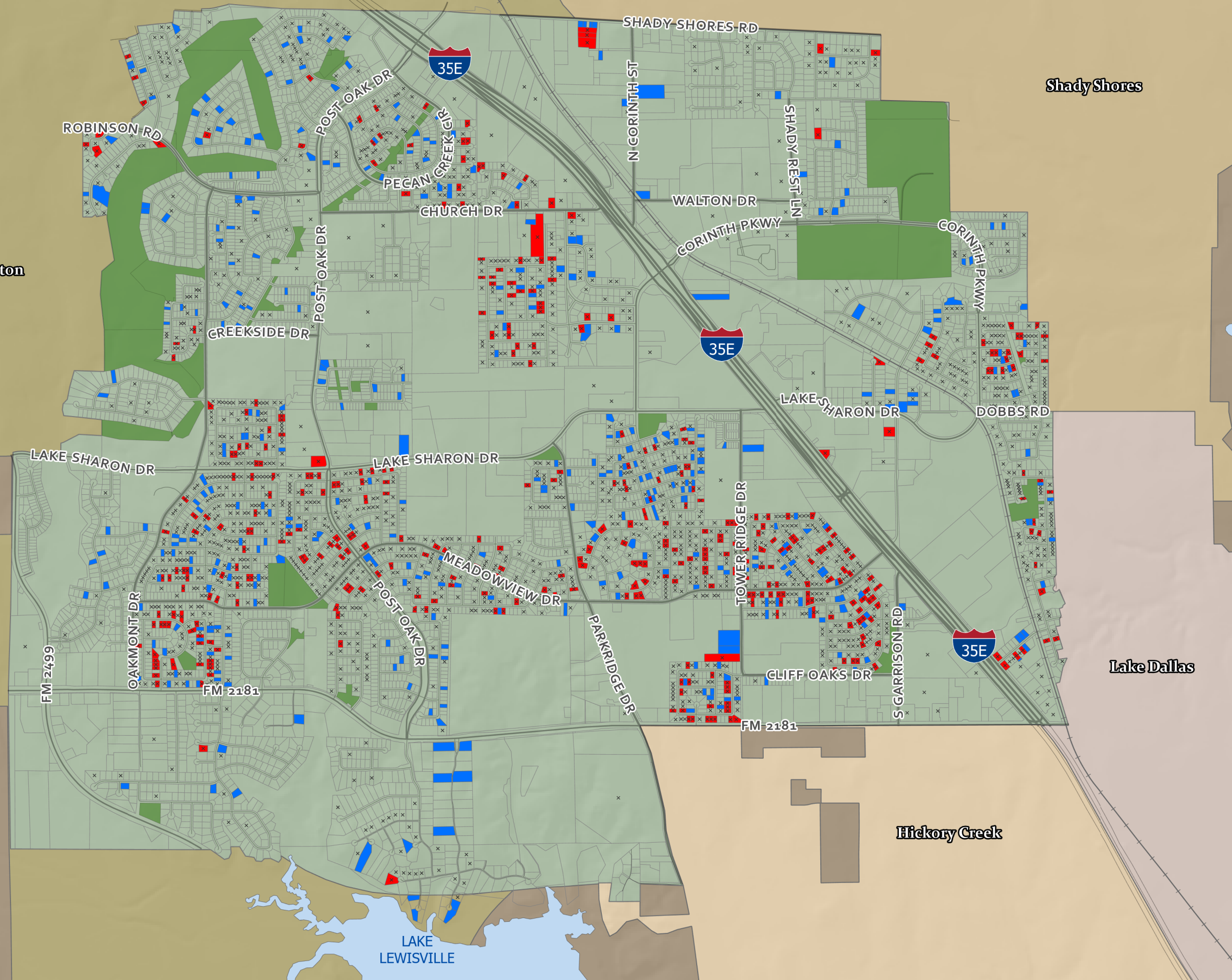
- HVAC properly installed
- HVAC needs service
- Condensate drains proper
- Outside A/C unit
- Proper Combustion Air

Electrical Hazards

- Exposed electrical wiring outside
- Damaged electrical wiring/fixtures
- Wall Plugs and switches
- Ceiling fixtures
- Missing plug/switch cover plates
- Missing blanks in panel
- Smoke alarms in all bedrooms
- Smoke alarm in hallway
- Smoke alarms functioning

Security Devices

- Deadbolt lock or bolting device
- Door Viewer
- Sliding door pin lock at sliding door
- Keyless deadbolt or approved latch lock

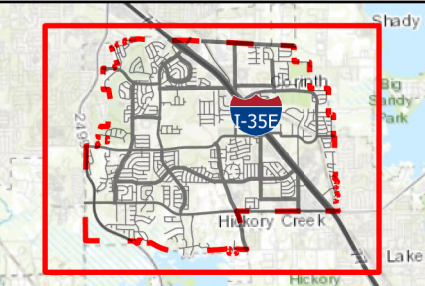
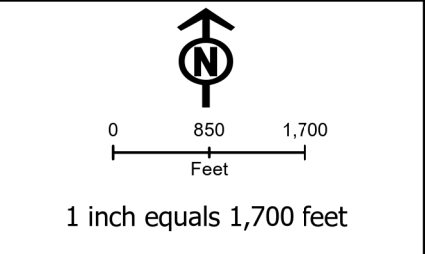


Estimated Number of Rentals with Code Violations

- x Code Violation
- Rental
- No Violations
- Has Violations

Estimated Number of Rental Properties: 774

Estimated Number of Rental Properties with Code Violations: 389



This map is the property of the City of Corinth, and is not to be reproduced by any means, mechanical or digital, without written consent of the City. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AMENDING CHAPTER 150 "BUILDING REGULATIONS" OF TITLE XV "LAND USAGE" OF THE CODE OF ORDINANCES OF THE CITY OF CORINTH BY ADDING A NEW SUBSECTION ENTITLED "SINGLE FAMILY RENTAL UNITS" REGARDING REQUIRED INSPECTIONS OF SINGLE FAMILY RESIDENTIAL UNITS; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home-rule municipality located in Denton County, Texas created in accordance with the provisions of Chapter 9 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas and its home rule charter; and

WHEREAS, the City Council finds and determines there is a need to maintain property values, eliminate substandard and deteriorating rental housing, and maintain a living environment that contributes to healthy individual and family living, to benefit tenants, property owners, and the entire community within the City of Corinth; and

WHEREAS, rental housing provides needed, affordable housing for many and is a valuable asset that must be preserved and maintained. The City has a significant interest in ensuring that rental housing remains a safe and desirable housing option for its citizens, and

WHEREAS, the City currently has few regulations in place that require landlords to maintain renter-occupied dwellings in safe and sanitary conditions, and a need exists to protect the health, safety, and welfare of those citizens who occupy rental property; and

WHEREAS, after public hearing, the City by Ordinance NO. 19-05-09-15, Certificate of Occupancy Procedures previously amended "Zoning Procedures" of Section 2 "Zoning Regulations", Section 2.10.07 "Certificate of Occupancy", to include Subsection 2.10.07(A)(5), to require a certificate of occupancy whenever there is a change in occupant or business within a building; and

WHEREAS, the City Council finds and determines the regulations adopted herein are in the best interest of the citizens of the City of Corinth and are necessary to preserve and protect public health, safety and welfare of the general public.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2
AMENDMENTS

That the Code of Ordinances of the City of Corinth, Texas is hereby amended by amending Chapter 150 "Building Regulations" of Title XV "Land Usage," by adding a new subsection, 150.200 – 150.203, entitled "Single Family Rental" to be and read as follows:

"150 SINGLE FAMILY RENTAL UNITS

150.200 PURPOSE

The purpose of this Subsection is to establish periodic, systematic inspection of rental housing within the City to protect the health and safety of the public, prevent blight, and preserve property values, thereby promote the health, safety, and welfare of the public, assuring preservation of the existing housing supply help eliminate substandard and deteriorating rental housing.

150.201 DEFINITIONS

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Building official means the building official for the City of Corinth, Texas.

Calendar-year means each successive period of twelve (12) months commencing on January 1 and ending on December 31.

Owner means any person, agent, operator, firm, partnership, or corporation having a legal or equitable interest in the property, including but not limited to: holder of fee-simple title, holder of life-estate, holder of leasehold estate for an interim term of five (5) years or more; a buyer under contract for deed; a mortgagee, receiver, executor or trustee in control of real property; but not including the holder of a leasehold estate or a tenancy for initial term of less than five (5) years.

Person means an individual, corporation, business trust, estate, trust, partnership, or association, two (2) or more persons having a joint interest, or any other legal or community entity.

Property manager means a person, whom for compensation, has managing control of a rental unit.

Rent means the offering, holding out actual leasing of a rental unit to an occupant other than the owner and generally involves the payment of a rental amount although other forms of consideration may be involved or no consideration at all may be involved.

Rental unit means a single-family dwelling unit, duplex dwelling unit, or a townhome dwelling unit, or portion thereof, not occupied by the Owner, which is rented or offered for rent as a residence.

Tenant means any person who rents or leases a rental unit for living or dwelling purposes with the consent of the owner.

Working day(s) means Monday, Tuesday, Wednesday, Thursday, and Friday (excluding City holidays) and begins at 7:30 a.m. on the next business day after an application for a certificate of occupancy or a request for reinspection is made with the City.

150.202 CERTIFICATE OF OCCUPANCY

- (a) When a rental unit is vacated by a tenant, the owner of the unit must apply for and receive a certificate of occupancy from the building official prior to the unit being occupied by a new tenant.
- (b) A new certificate of occupancy shall also be required for a dwelling unit prior to its original occupancy as a rental unit.
- (c) A fee of \$50.00 dollars will be charged at the time an inspection is requested.
- (d) Application for a certificate of occupancy as required by this section shall be made upon a form provided by the City for such purpose and shall include at least the following information: annual registration and update of relevant contact information for the rental unit owner with the City will be required.
- (e) The Owner's name, address, work and home telephone number, driver's license number, or identification card number and state of issuance of the owner shall be indicated on the application.
- (f) The building official must complete the initial inspection of the rental unit, for the purpose of issuing the certificate of occupancy, within three working days after receiving the application for a certificate of occupancy.
- (g) No person shall make connections for water utilities to any rental unit that is required by this section to be inspected prior to occupancy, until the building official has issued a certificate of occupancy.
- (h) While the rental unit is vacant, the owner may connect the water utilities for maintenance purposes only without a certificate of occupancy.

150.203 INSPECTION

- a) Issuance of a certificate of occupancy will require an inspection by the building official to determine compliance with applicable City ordinances.
 - 1) If entry is refused thus prohibiting inspection of the rental unit, the building official shall have recourse to every remedy provided by law to secure entry, including, but not limited, to an inspection warrant.
 - 2) If deficiencies are found, the building official may prohibit occupancy of the rental unit until such time as the owner takes the action needed to bring the rental unit into compliance.
 - 3) When the building official determines that a rental unit complies with all applicable City ordinances, the building official shall issue a certificate of occupancy.
- b) Annual registration of the rental unit with the City will be required.
- c) The building official must complete the initial inspection of the rental unit, for the purpose of issuing the certificate of occupancy, within three (3) working days after receiving the application for a certificate of occupancy.
- d) Follow-up inspections (reinspections) by the building official, if required, must be conducted within two (2) working days after a request for reinspection is made with the City by the rental unit owner. Additional time for reinspections may be granted by the City if the tenant is unavailable, or it is determined by the City that more time is needed.
- e) In the event the building official fails to complete the initial inspection of the rental unit within three (3) working days after receiving the application of a certificate of occupancy or within two (2) working days after receiving a request for reinspection, the rental unit may be occupied by the new tenant.”

SECTION 3
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances of the City of Corinth and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance or where expressly repealed hereby. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 4
SEVERABILITY

If any section, subsection, clause, phrase, or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases, and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5
SAVINGS/CONFLICT

In the event of a conflict between the provisions of this Ordinance and any other regulation or rule prescribed by charter, another ordinance, resolution or other authorization of the City, the provisions of this ordinance shall control. Notwithstanding the foregoing, all rights and remedies of the City are expressly saved as to any and all complaints, actions, claims, or lawsuits, which have been initiated or have arisen under or pursuant to such conflicting Ordinance, or portion thereof, on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the conflicting Ordinance shall remain in full force and effect.

SECTION 6
PENALTY

Any person, firm or corporation who violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense, provided, however, that in all cases involving an intentional, knowing, reckless or criminally negligent violation of any provision of this ordinance or Code of Ordinances, as amended hereby, governing public health shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense.

SECTION 7
PUBLICATION/EFFECTIVE DATE

This Ordinance shall take effect upon its publication as required by law. The City Secretary is directed to publish the caption and penalty of this Ordinance as required by the City Charter and state law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS on this the _____ day of _____ 2022.

APPROVED:

Bill Heidemann, Mayor
City of Corinth, Texas

ATTEST:

Lana Wylie, City Secretary
City of Corinth, Texas

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney



Staff Report

Meeting Date:	1/20/2022	Title:	Ordinance Portable Shortage Units and Unattended Outdoor Receptacles
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input checked="" type="checkbox"/> Governance Policy <input type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on an ordinance amending Chapter 118 of the Municipal Code of Corinth, specifying types and uses of Portable Storage Units (PSU) and Unattended Outdoor Temporary Receptacles (UTOR).

Item Summary/Background/Prior Action

Residential:

Due to the growth of residents in Corinth over the past years, many residents are using a Portable Storage Units (PSU) to store their items when they move to Corinth. Presently, there is no language on enforcement relating to the PSU's. This amendment to the ordinance sets a time frame of how long a PSU may be placed on a residential property, including the location of the PSU's.

Commercial:

The Unattended Outdoor Temporary Receptacles (UTOR) amendment pertains to the screening and placement, maintenance, and location of the UTOR.

Financial Impact:

None

Staff Recommendation/Motion:

Staff recommends approval of the amendments to Chapter 118 to include Portable Storage Units (PSU) and Unattended Outdoor Temporary Receptacles (UTOR) of the Municipal Code of Corinth as presented.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AMENDING TITLE XI: BUSINESS REGULATIONS, CHAPTER 118 “UNATTENDED DONATION/COLLECTION BOXES” TO PROVIDE REGULATIONS FOR PORTABLE STORAGE UNITS AND UNATTENDED OUTDOOR TEMPORARY RECEPTACLES; BY RENAMING CHAPTER 118 TO BE “PORTABLE STORAGE UNITS (PSU) AND UNATTENDED OUTDOOR TEMPORARY RECEPTACLES (UTOR)” AND AMENDING THE SAME; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVING A PENALTY CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home-rule municipality located in Denton County, Texas created in accordance with the provisions of Chapter 9 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas and its home rule charter; and

WHEREAS, the City Council finds and determines there is a need to update current regulations concerning unattended donation boxes and implement regulation concerning portable storage units; and

WHEREAS, the City Council finds and determines the regulations adopted herein are in the best interest of the citizens of the City of Corinth and are necessary to preserve and protect public health, safety and welfare of the general public.

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

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2
AMENDMENTS

That the Code of Ordinances of the City of Corinth, Texas is hereby amended by amending Title XI, Business Regulations, by amending and renaming Chapter 118 “Unattended Donation/Collection Boxes” of Title XI “Business Regulations” to be and read as follows:

“CHAPTER 118: PORTABLE STORAGE UNITS (PSU) AND UNATTENDED OUTDOOR TEMPORARY RECEPTACLES (UTOR)”

118.01 PURPOSE

The purpose of these regulations is to promote the health, safety, and/or welfare of the public by providing minimum blight-related performance standards for the operation of the portable storage units (“PSU”) and the unattended outdoor temporary receptacle boxes (“UTOR”). These regulations serve to protect the aesthetic well-being of the community and promote the tidy and ordered appearance of property by regulating the PSUs and UTOs. This includes establishing criteria to ensure that material is not allowed to accumulate outside of the PSUs and UTOs, the PSUs and UTOs remain free of graffiti and blight, PSUs and UTOs are maintained in sanitary conditions, and residents and/or users are fully informed of those who operate the PSUs and UTOs so that they can be contacted if there are any blight-related questions or concerns.

118.02 CONFLICTING PROVISIONS

Where a conflict exists between the regulations or requirements in this chapter and applicable regulations or requirements contained in other chapters of the OMC, the applicable regulations or requirements of this chapter shall prevail.

118.03 VIOLATION

Failure to comply with any of the provisions of this chapter is declared to be prima facie evidence of an existing violation, a continuing blight and a declared public nuisance, which shall be abated by the Director in accordance with the provisions of this chapter. Any person in violation will be subject to citations, administrative penalties, civil action and/or other legal remedies.

118.04 RESPONSIBILITY

The parcel owner and the PSU/UTOR operator (operator) have joint and several liability for violations of this chapter, including fees, citations, civil actions, and/or legal remedies relating to a PSU or UTOR. The parcel owner remains liable for any violation of duties imposed by this chapter even if the parcel owner has, by agreement, imposed on the operator the duty of complying with the provisions of this chapter.

118.05 DEFINITIONS

"Accessory activity" means an activity that is incidental to, and customarily associated with, a specified principal activity.

"Agent" means a person who is authorized by the parcel owner to act on their behalf to be the applicant for a UTOR permit. To be considered an agent, a person must be given express written authorization from the parcel owner. For the purpose of this chapter, a person who is only given general authorization to act on the behalf of a parcel owner for various activities and transactions in regard to a property, is not considered an agent.

"Blight" or "nuisance" means the conditions as set forth in Chapter 94 of the City of Corinth Code of Ordinances.

"City Manager" means the City Manager of the City of Corinth and his or her designees.

"Director" means the Director of the Planning and Development Department and his or her designees.

"Collected material" means salvageable personal property, such as clothing and books and household items that is collected for periodic transport off-site for processing or redistribution or both.

"Parcel owner" or "property owner" means the owner of real property on which a PSU or UTOR is or is proposed to be placed.

"Person" includes an individual, sole proprietorship, corporation, association, nonprofit corporation, partnership, joint venture, a limited liability company, estate, trust, public or private organization, or any other legal entity.

"Portable storage units" or "PSU" Portable containers that are placed on or, in very limited circumstances, in front and/or side yards of a property for the purpose of storing, loading, unloading furniture, clothing or other personal or household belongings as part of the process of renovation or moving, the relocation of belongings to an off-site commercial storage location, or on-site storage in the aftermath of the property being affected by a natural disaster, fire or other destructive act.

"Principal activity" means an activity that fulfills a primary function of an establishment, institution, household, or other entity.

"Principal building" means a main building that is occupied a principal activity.

"UTOR operator" or "operator" means a person or entity who utilizes or maintains a UTOR to solicit collections of salvageable personal property.

"Unattended Outdoor Temporary Receptacle " or "UTOR" means unstaffed drop-off boxes, containers, receptacles, or similar facility that accept textiles, shoes, books and/or other salvageable personal property items to be used by the operator for distribution, resale, or recycling.

118.06 TIME LIMIT FOR FINAL DECISION

The Director shall provide a written decision regarding the placement of a UTOR within sixty (60) days of the submission of a complete application.

118.07 APPEAL AND PETITION PROCESSES

- A. Within ten calendar days after the date of a decision by the Director on an application for a or a renewal of such, an appeal from said decision must be filed by the applicant or any other interested party. The appeal shall be submitted to the Director. In the event the last date of appeal falls on a weekend or holiday when

City offices are closed, the next date such offices are open for business shall be the last date of appeal. Such appeal shall be made on a form prescribed by the city and shall be filed with such Department, along with the appropriate fees required by the City. The appeal application must be complete and shall state specifically wherein it is claimed there was an error or abuse of discretion by the Director or wherein his or her decision is not supported by the evidence in the record. The appeal itself must raise each and every issue that is contested, along with all the arguments and evidence in the record, which supports the basis of the appeal; failure to do so will preclude the appellant from raising such issues during the appeal and/or in court.

If a hearing is held on the appeal, then during such hearing, the appellant will be limited to issues and/or evidence previously raised in the appeal application itself. The appellant shall not be permitted to present any other issues and/or oral, written and/or documentary evidence during the appeal process.

In considering the appeal, the City Manager shall determine whether the proposal conforms to the requirements of this chapter and may grant or deny or require such changes in the proposed use or impose such reasonable conditions of approval as are in its judgment necessary to ensure conformity to said criteria. The written decision of the City Manager shall be final and shall be made within sixty (60) days of the submission of the appeal.

- B. The applicant seeking placement of a UTOR which would be affected by this chapter and who contends that the ordinance as applied to him or her would be unlawful under and/or conflict with federal, state, or local law or regulation, must submit a petition to the City Manager requesting relief from the ordinance. Petitions must be on the appeal form provided by the city and submitted to the City Manager. Failure to submit such a petition will preclude such person from challenging the ordinance as applied in court. The Petition shall identify the name and address of the applicant and property owner, the affected application number, and shall state specifically and completely how the ordinance as applied to him or her would be unlawful under and/or in conflict with federal, state, or local law or regulation, and shall include payment of fees required by the City. Failure to raise each and every issue that is contested in the petition and provide appropriate supporting evidence will be grounds to deny the petition and will also preclude the petitioner from raising such issues in court.

If a hearing is held on the petition, then during such hearing, the petitioner will be limited to issues and/or evidence previously raised in the petition itself. The petitioner shall not be permitted to present any other issues and/or oral, written and/or documentary evidence during the petition process.

Within sixty (60) calendar days of receipt of the completed petition, the City Manager, or designee, shall mail to the applicant a written determination accepting or rejecting the petition. The written decision of the City Manager is final. The City

Manager will utilize reasonable time, place, and manner criteria to determine if the petition should be granted or denied consistent with this chapter. If the petition is granted, the City may impose reasonable time, place, and manner-related conditions on the UTOR consistent with this chapter.

118.08 LOCATION

- A. No UTOR shall be located within 1,000 feet from any other UTOR, except those described in Subsection 118.06(B).

- B. With the exception of areas described in Subsection (C), below, UTOs are only allowed to be located in the following zones, which are designated in the zoning maps and described in the Unified Development Code:
 - 1. C-1, C-2, and C-3.
 - 2. I.
 - 3. U-1.

- C. UTOs cannot impede the functioning of exhaust, ventilation, or fire extinguishing systems.

- D. No more than one UTOR is permitted per parcel. A UTOR is only permitted on a lot that is platted. In the case of a shopping center or office development that consists of multiple platted lots, the Director shall treat the shopping center or office development as if it is one contiguous lot. Churches and schools shall be allowed no more than two (2) UTOs.

- E. The collection area must be visible from inside the principal building and be no more than ten feet from a continually operating light source of at least one foot candle.

118.09 PHYSICAL ATTRIBUTES (UTOR)

UTOs shall:

- 1. Be fabricated of durable and waterproof materials.
- 2. Be placed on ground that is paved with durable cement.

118.10 NON-RESIDENTIAL UNATTENDED TEMPORARY OUTDOOR RECEPTACLES (UTOR)

This section applies to outdoor receptacles on any property designated as non-residential zoning district, multi-family zoning district and mixed-use zoning district, as defined by the City of Corinth Zoning Ordinance, placed on said property after the passage of this ordinance.

118.11. APPROVAL REQUIRED

It shall be unlawful for any person, firm, or corporation to erect, place, maintain or operate any outdoor receptacle without first obtaining approval from the City's Building Department. Information from the applicant including a drawing showing location, size

and the number of such receptacles shall be submitted to the City prior to placement of the receptacles on the property.

118.12 SCREENING AND PLACEMENT

UTORs shall be screened on three (3) sides with a minimum six (6) foot masonry screening wall consistent with the building material of the primary building(s). The service opening shall not directly face a public street or right-of-way unless approved by the Director of Planning and Development due to the site configuration that may not allow such a design. The UTOs shall be located on a concrete or asphalt surface, located behind the primary building front façade(s), and shall not be located within any utility easements, fire lanes, public right-of-way, or easement, required parking or loading spaces, maneuvering lanes, access easements or landscape areas.

118.13 MAINTENANCE

Outdoor receptacles shall be sized and designed to contain all material between designated pick-up schedules. Any overflow above or around the outdoor receptacle is strictly prohibited. All clean up shall be the responsibility of the property owner.

118.14 LIABILITY

Applicants and/or owner/owners' agent shall maintain a minimum general liability insurance of \$1,000,000.00 for the duration of the operation of a UTO at each site, to cover any claims or losses due to the placement, operation, or maintenance of the UTO and naming the City of Corinth as additional insured.

118.15 COMPLIANCE PROCESS (PSU)

Location. PSUs are prohibited from being placed on an unpaved area in the front yard of a property. without the prior written approval of the permitting official, building official or code enforcement officer. PSUs kept on-site must be kept in the driveway or paved, off-street surface on the property at the furthest accessible point from the street. Where possible the unit shall be placed on a paved surface to the rear or side of the principal structure. When placed on the driveway or paved area in a side or rear yard, units shall be located at least three (3) feet from any property line, space permitting. In no event shall PSUs be placed in the street or on any public sidewalk or right-of-way, without the prior written approval of the permitting official and the authorized member of the City. Only one (1) unit may be placed on a residential property at any given time, for more than thirty (30) days subject to exceptions set forth below for natural disasters. In the event that the only practical location for the placement of the unit is in the street, or on a public sidewalk or right-of-way, then in such event, the proposed placement of the unit must be reviewed and approved by the City and the permitting official to assure that said placement does not jeopardize the public's health and safety. In the event that the unit is approved for placement in the street, then in no event shall it be approved to remain there for more than thirty (30) days.

Use During Natural Disaster. The above restrictions notwithstanding, when the principal structure on the property has been made uninhabitable as a result of a natural disaster for which a local state of emergency declaration has been issued, or a fire or other

damaging event beyond the control of the owner, one or more units may be used for on-site storage. The authorization for such use shall be dependent upon issuance of a building permit for the reconstruction/repair of the principal structure(s) on the property and shall expire upon issuance of a Certificate of Occupancy for the principal structure(s) or twelve (12) months from the date of the event that caused damage to the structure, whichever first occurs. For good cause shown, and to recognize extenuating circumstances, the permitting official, building office or Code Enforcement Officer may extend the authorization for as much as an additional twelve (12)-month period or until a Certificate of Occupancy is issued, whichever first occurs.

Advertising Prohibited. Advertising is prohibited on a PSU unit, with the exception of the name and telephone number of the unit's supplier, which shall be required.

Prohibited. PSU for storage of hazardous materials is strictly prohibited. Upon reasonable notice to the permit applicant, the Code Enforcement Officer may inspect the PSU to ensure no such hazardous materials are being stored inside.

Condition of PSU. All PSUs shall be maintained in good condition and repair, and shall not have holes, breaks, tears, or large areas of rust on the exterior of the PSU. The area around the PSU shall be kept free of debris and litter and shall be in strict compliance with the weed and rubbish provisions of the city's property maintenance code.

Use Limited to Property. A PSU shall only be used to contain and store items and material generated at the location where the PSU is placed for the residential property being serviced. In no event shall debris and/or material generated off-site be deposited or stored in any PSU.

118.99 PENALTY

Any person who violates this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined a sum not exceeding \$500.00. Each continuing day's violation shall constitute as a separate offense. A culpable mental state is not required for the commission of an offense under this chapter. The penalty provisions imposed under this chapter shall not preclude the city from filing suit to enjoin the violation. The city retains all legal rights and remedies available to it pursuant to local, state, and federal law."

SECTION 3
CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances of the City of Corinth and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance or where expressly repealed hereby. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 4
SEVERABILITY

If any section, subsection, clause, phrase, or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases, and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5
SAVINGS/CONFLICT

In the event of a conflict between the provisions of this Ordinance and any other regulation or rule prescribed by charter, another ordinance, resolution or other authorization of the City, the provisions of this ordinance shall control. Notwithstanding the foregoing, all rights and remedies of the City are expressly saved as to any and all complaints, actions, claims, or lawsuits, which have been initiated or have arisen under or pursuant to such conflicting Ordinance, or portion thereof, on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the conflicting Ordinance shall remain in full force and effect.

SECTION 6
PENALTY

Any person, firm or corporation who violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense, provided, however, that in all cases involving an intentional, knowing, reckless or criminally negligent violation of any provision of this ordinance or Code of Ordinances, as amended hereby, governing public health shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense.

SECTION 7
PUBLICATION/EFFECTIVE DATE

This Ordinance shall take effect upon its publication as required by law. The City Secretary is directed to publish the caption and penalty of this Ordinance as required by the City Charter and state law.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS on this the _____ day of _____ 2022.

APPROVED:

Bill Heidemann, Mayor
City of Corinth, Texas

ATTEST:

Lana Wylie, City Secretary
City of Corinth, Texas

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Ordinance Lake Cities Chamber of Commerce
Ends:	<input checked="" type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input type="checkbox"/> Health & Safety <input checked="" type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on an ordinance of the City Council of the City of Corinth Texas authorizing the City Manager to execute an agreement between the City of Corinth and the Lake Cities Chamber of Commerce for the payment and use of Hotel Tax Revenue.

Item Summary/Background/Prior Action

The Agreement for Council consideration is for a term beginning January 1, 2022 through January 31, 2023 for the use of Hotel Occupancy Tax Revenues. The use of these funds is to be for advertising expenditures for the Lake Cities Chamber Bike Rally as authorized by Texas Tax Code 351.101 (a)(3).

Financial Impact

The funds associated with this agreement are budgeted in the Hotel Occupancy Tax Special Revenue Fund. The expenditure is \$5,000.

Staff Recommendation/Motion

Staff recommends approval of the Agreement with the Lake Cities Chamber of Commerce authorizing the use of Hotel Occupancy Tax.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF CORINTH AND THE LAKE CITIES CHAMBER OF COMMERCE FOR THE PAYMENT AND USE OF HOTEL TAX REVENUE; PROVIDING FOR THE INCORPORATION OF PREMISES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas, is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the local Government Code; and

WHEREAS, the City Council of Corinth adopted Ordinance No. 08-06-05-15 to impose a hotel occupancy tax pursuant to Chapter 351 of the Tax Code; and

WHEREAS, the City Council of Corinth has determined that the Lake Cities Chamber of Commerce, through the use of Hotel Tax Revenue and pursuant to Chapter 351 of the Tax Code, has the opportunity to be involved with the City’s advertising and promotional activities to promote Corinth as a tourist destination; and

WHEREAS, the City Council deems it appropriate to enter into an agreement with the Lake Cities Chamber of Commerce for the payment and use of hotel tax revenues, as provided herein.

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

SECTION I

The recitals set forth above are true and accurate and are hereby incorporated into the body of this Ordinance as if set forth fully herein.

SECTION II

The City Manager, or his designee, is hereby authorized to execute an agreement between the City of Corinth and the Lake Cities Chamber of Commerce for the payment and use of hotel tax revenue, under the terms and conditions contained in the agreement, attached hereto and made a part hereof for all purposes as Exhibit A.

SECTION III

This Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED ON THIS THE 20th DAY OF January 2022.

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

Exhibit A

**AGREEMENT BETWEEN THE CITY OF CORINTH AND
LAKE CITIES CHAMBER OF COMMERCE PROVIDING FOR
THE PAYMENT AND USE OF HOTEL TAX REVENUE**

THIS AGREEMENT is made between the City of Corinth, Texas, a municipal corporation (the "CITY"), and the Lake Cities Chamber of Commerce, an independent non-profit organization (the "ENTITY").

WHEREAS, TEXAS TAX CODE chapter 351 authorizes CITY by ordinance to levy a municipal hotel occupancy tax ("hotel tax") not exceeding seven percent (7%) of the consideration paid by a hotel occupant; and

WHEREAS, by Ordinance No. 08-06-05-15, CITY has provided for the assessment and collection of a municipal hotel occupancy tax in the City of Corinth of seven percent (7%); and

WHEREAS, TEX. TAX CODE § 351.101(a) authorizes CITY to use revenue from its municipal hotel occupancy tax to promote tourism and the convention and hotel industry by advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity; and

WHEREAS, ENTITY is well equipped to perform those activities; and

WHEREAS, TEXAS TAX CODE § 351.101(c) authorizes CITY to delegate by contract with ENTITY, as an independent entity, the management and supervision of programs and activities of the type described hereinabove funded with revenue from the municipal hotel occupancy tax;

NOW, THEREFORE, in consideration of the performance of the mutual covenants and promises contained herein, CITY and ENTITY agree, and contract as follows:

I. HOTEL TAX REVENUE PAYMENT

1.1 Definitions. As used in this Agreement, the following terms shall have the following specific meanings:

(a) The term "hotel tax revenue" shall mean the gross monies collected and received by CITY as municipal hotel occupancy tax at the rate of seven percent (7%) of the price paid for a room in a hotel, pursuant to Texas Tax Code § 351.002 and City Ordinance. Hotel tax revenue will include penalty and interest related to the late payments of the tax revenue by the taxpayer.

(b) The term "contract quarter" shall refer to any quarter of CITY's calendar year in which this Agreement is in force. Contract quarters will end on March 31st, June 30th, September 30th, and December 31st of each contract year.

1.2 Consideration. For and in consideration of the activities to be performed by ENTITY under this Agreement, CITY agrees to pay to ENTITY a portion of the hotel tax revenue collected by CITY at the rates and in the manner specified herein (such payments by CITY to ENTITY sometimes herein referred to as the "agreed payments" or "hotel tax funds").

1.3 Dates of Payments.

In return for satisfactory performance of the activities set forth in this Agreement and all attachments hereto, CITY shall pay to ENTITY an amount of money not to exceed \$5000.00. This amount will be paid in one lump sum after the 25th of January 2022. If, at any point during the Agreement, CITY’S Director of Finance determines that hotel tax receipts by the CITY are not meeting the anticipated budget projection, CITY will reduce its payment to ENTITY and the ENTITY’s current budget, as approved by the Corinth City Council, accordingly, at any time during the Agreement. Payment is subject to refund of any unused or improperly expended funds from the prior contract period, and CITY’s timely receipt of the required quarterly reports.

1.4 Other limitations regarding consideration.

- (a) The consideration herein in no way commits CITY to future funding of this Agreement beyond the initial term of the Agreement. Any future funding is solely the responsibility of ENTITY.
- (b) It is expressly understood that this Agreement in no way obligates the General Fund or any other monies or credits of CITY.
- (c) CITY may withhold further allocations if CITY determines that ENTITY’s expenditures deviate materially from their approved budget.

II. USE OF HOTEL TAX REVENUE

2.1 Use of Funds. For and in consideration of the payment by CITY to ENTITY of the agreed payments of hotel tax funds specified above, ENTITY agrees to use such hotel tax funds only for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity, as authorized by TEXAS TAX CODE § 351.101(a)(3), and this Agreement, including Exhibit A, attached hereto and incorporated as if set forth fully herein. Funds for any calendar year which are unused by midnight December 31st of that year shall be refunded to CITY within sixty (60) days.

Advertising materials purchased with the hotel occupancy tax funds must be targeted to reach audiences outside the CITY limits. These materials include, but are not limited to, signs, posters, postcards, newsletters, print advertising, digital marketing, billboards, radio and television.

III. RECORDKEEPING AND REPORTING REQUIREMENTS

3.1 Budget.

- (a) ENTITY shall adhere to the budget (Exhibit “A”) as approved by the City Council for each calendar year, for all operations of ENTITY in which the hotel tax funds shall be used by ENTITY. In other words, CITY should be able to audit specifically the purpose of each individual expenditure of hotel tax funds from the separate account relating to hotel tax funds. CITY shall not pay to ENTITY any hotel tax revenues as set forth in Section I of this Agreement during any program year of this Agreement unless a budget for such

respective program year has been approved in writing by the Corinth City Council, authorizing the expenditure of funds.

(b) ENTITY acknowledges that approval of the budget (Exhibit "A") by the Corinth City Council creates a fiduciary duty in ENTITY with respect to the hotel tax funds paid by CITY to ENTITY under this Agreement. ENTITY shall expend hotel tax funds only in the manner and for the purposes specified in this Agreement, TEXAS TAX CODE §351.101(a) and in the budget as approved by CITY.

(c) Upon the application or consent of ENTITY, the City Manager or his designate may authorize minor amendments to the approved budget as necessary to carry out the intent of this Agreement, in a manner consistent with efficient use of public funds, and in accordance with State law. Such minor amendments may not increase the overall funding set forth in 1.2(b), extend the term, or otherwise alter the performance obligations of ENTITY, without approval of the City Council by ordinance.

3.2 Separate Accounts. ENTITY shall maintain any hotel tax funds paid to ENTITY by CITY in a separate account or with segregated fund accounting, such that any reasonable person can ascertain the revenue source of any given expenditure.

3.3 Financial Records. ENTITY shall maintain complete and accurate financial records of each expenditure of the hotel tax funds made by ENTITY. These funds are required to be classified as restricted funds for audited financial purposes, and may not be used for contracted services, including, but not limited to, auditing fees or attorney fees. Upon reasonable advance written request of the Corinth City Council, the City Manager or designate, or any other person on behalf of CITY, ENTITY shall make such financial records available for inspection and review by the party making the request. ENTITY understands and accepts that all such financial records, and any other records relating to this Agreement shall be subject to the Public Information Act, TEXAS GOV'T CODE, ch. 552, as hereafter amended.

3.4 Financial Reports. After initial receipt of hotel tax funds, and within thirty (30) days after the end of the program year, ENTITY shall furnish to CITY: (1) a completed financial report, (2) a list of the expenditures or copies of the invoices or receipts made with regard to hotel tax funds pursuant to TEXAS TAX CODE § 351.101(c), social media and/or digital marketing expenditures require invoices to be provided and shall include performance metrics/analytics, and (3) a copy of all financial records (e.g., copies of front and back of cleared checks or bank statements, and other relevant documentation). Both the financial and expenditure reports will be in a form either determined or approved by the City Manager or designate. ENTITY shall respond promptly to any request from the City Manager of CITY, or designate, for additional information relating to the activities performed under this Agreement.

3.5 Notice of Meetings. ENTITY shall give the City Manager of CITY, or his designate, reasonable advance written notice of the time and place of all meetings of ENTITY's Board of Directors, as well as any other meeting of any constituency of ENTITY, at which this Agreement or any matter subject to this Agreement shall be considered.

IV. TERM AND TERMINATION

4.1 Term. The term of this Agreement shall commence on January 1, 2022 and terminate at midnight on January 31, 2023. However, the program period shall commence on January 1, 2022, and terminate at midnight on December 31, 2022. Only those expenditures authorized by Chapter 351 of the Texas Tax Code and the program guidelines, which are actually incurred during the program period, for events and activities taking place within the program period, are eligible for funding under this Agreement, and any ineligible expenditures or unspent funds shall be forfeited to CITY upon termination of this Agreement. This Agreement may renew for additional one (1) year periods upon written agreement of Parties hereto.

4.2 Termination Without Cause.

- (a) This Agreement may be terminated by either party, with or without cause, by giving the other party sixty (60) days advance written notice.
- (b) In the event this Agreement is terminated by either party pursuant to 4.2(a), CITY agrees to reimburse ENTITY for any contractual obligations of ENTITY undertaken by ENTITY in satisfactory performance of those activities specified in 2.1 above, and that were approved by the Council through the budget, as noted in 3.1. This reimbursement is conditioned upon such contractual obligations having been incurred and entered into in the good faith performance of those services contemplated in 2.1 above, and further conditioned upon such contractual obligations having a term not exceeding the full term of this Agreement. Notwithstanding any provision hereof to the contrary, the obligation of CITY to reimburse ENTITY, or to assume the performance of any contractual obligations of ENTITY, for or under any contract entered into by ENTITY as contemplated herein, shall not exceed 66 2/3% of the current quarterly payment.
- (c) Further, upon termination pursuant to 4.2(a), ENTITY will provide CITY: 1) within ten (10) business days from the termination notification, a short-term budget of probable expenditures for the remaining sixty (60) day period between termination notification and contract termination. 2) within thirty (30) days, a full accounting of all expenditures not previously audited by CITY; 3) within five (5) business days of a request from CITY, a listing of expenditures that have occurred since the last required reporting period; 4) a final accounting of all expenditures and tax funds on the day of termination. ENTITY will be obligated to return any unused funds, or funds determined to be used improperly. Any use of remaining funds by ENTITY after notification of termination is conditioned upon such contractual obligations having been incurred and entered into in the good faith performance of those services contemplated in 2.1 above, and further conditioned upon such contractual obligations having a term not exceeding the full term of this Agreement.

4.3 Automatic Termination. This Agreement shall automatically terminate upon the occurrence of any of the following events:

- (a) The termination of the legal existence of ENTITY;

- (b) The insolvency of ENTITY, the filing of a petition in bankruptcy, either voluntarily or involuntarily, or an assignment by ENTITY for the benefit of creditors;
- (c) The continuation of a breach of any of the terms or conditions of this Agreement by either CITY or ENTITY for more than thirty (30) days after written notice of such breach is given to the breaching party by the other party; or
- (d) The failure of ENTITY to submit a financial report which complies with the reporting procedures required herein and generally accepted accounting principles prior to the beginning of the next contract term, as required by 1.3 hereof.

4.4 Right to Immediate Termination Upon Litigation. Notwithstanding any other provision of this Agreement, to mitigate damages and to preserve evidence and issues for judicial determination, either party shall have the right to terminate this Agreement upon immediate notice to the other party in the event that any person has instituted litigation concerning the activities of the non-terminating party, and the terminating party reasonably believes that such activities are required or prohibited under this Agreement.

4.5 In the event that this Agreement is terminated pursuant to 4.3 or 4.4, ENTITY agrees to refund any and all unused funds, or funds determined by CITY to have been used improperly, within thirty (30) days after termination of this Agreement.

V. GENERAL PROVISIONS

5.1 Subcontract for Performance of Services. Nothing in this Agreement shall prohibit, nor be construed to prohibit, the agreement by ENTITY with another private entity, person, or organization for the performance of those services described in 2.1 above. In the event that ENTITY enters into any arrangement, contractual or otherwise, with such other entity, person or organization, ENTITY shall cause such other entity, person, or organization to adhere to, conform to, and be subject to all provisions, terms, and conditions of this Agreement and to TEXAS TAX CODE ch. 351, including reporting requirements, separate funds maintenance, and limitations and prohibitions pertaining to expenditure of the agreed payments and hotel tax funds.

5.2 Independent Contractor. ENTITY shall operate as an independent contractor as to all services to be performed under this Agreement and not as an officer, agent, servant, or employee of CITY. ENTITY shall have exclusive control of its operations and performance of services hereunder, and such persons, entities, or organizations performing the same, and ENTITY shall be solely responsible for the acts and omissions of its directors, officers, employees, agents, and subcontractors. ENTITY shall not be considered a partner or joint venturer with CITY, nor shall ENTITY be considered, nor in any manner hold itself out as, an agent or official representative of CITY.

5.3 Indemnification. ENTITY AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR INJURIES, DAMAGE, LOSS, OR LIABILITY OF WHATEVER KIND OR CHARACTER, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE BY ENTITY OF THOSE SERVICES CONTEMPLATED BY THIS

AGREEMENT, INCLUDING ALL SUCH CLAIMS OR CAUSES OF ACTION BASED UPON COMMON, CONSTITUTIONAL OR STATUTORY LAW, OR BASED, IN WHOLE OR IN PART, UPON ALLEGATIONS OF NEGLIGENT OR INTENTIONAL ACTS OF ENTITY, ITS OFFICERS, EMPLOYEES, AGENTS, SUBCONTRACTORS, LICENSEES AND INVITEES.

5.4 Assignment. ENTITY shall not assign this Agreement without first obtaining the written consent of CITY.

5.5 Notice. Any notice required to be given under this Agreement or any statute, ordinance, or regulation, shall be effective when given in writing and deposited in the United States mail, certified mail, return receipt requested, or by hand-delivery, addressed to the respective parties as follows:

CITY

Lee Ann Bunselmeyer
CITY OF CORINTH
3300 Corinth Pkwy
Corinth TX 76208

ENTITY

LAKE CITIES CHAMBER OF
COMMERCE
3101 Garrison Street
Corinth, TX 76210

5.6 Inurement. This Agreement and each provision hereof, and each and every right, duty, obligation, and liability set forth herein shall be binding upon and inure to the benefit and obligation of CITY and ENTITY and their respective successors and assigns.

5.7 Application of Laws/Venue. All terms, conditions, and provisions of this Agreement are subject to all applicable federal laws, the laws of the State of Texas, the Charter of the City of Corinth, all ordinances passed pursuant thereto, and all judicial determinations relative thereto. Exclusive venue for any cause of action that may arise pursuant to this Agreement shall lie in Denton County, Texas.

5.8 Exclusive Agreement. This Agreement contains the entire understanding and constitutes the entire agreement between the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, express or implied, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein. The terms and conditions of this Agreement shall prevail, notwithstanding any variance in this Agreement from the terms and conditions of any other document relating to this transaction or these transactions.

5.9 Duplicate Originals. This Agreement is executed in duplicate originals.

5.10 Headings. The headings and subheadings of the various sections and paragraphs of this Agreement are inserted merely for the purpose of convenience and do not express or imply any limitation, definition, or extension of the specific terms of the section and paragraph so designated.

5.11 Severability. If any section, subsection, paragraph, sentence, clause, phrase or word in this Agreement, or application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Agreement, and the parties hereby declare they would have enacted such remaining portions despite any such invalidity.

5.12 Insurance. ENTITY shall provide insurance as follows:

1. \$500,000 Commercial General Liability, or \$1,000,000 Event Insurance, covering all events taking place on City-owned property,
2. \$250,000 Liquor/Dram Shop Liability for any event occurring on City-owned property where alcohol will be provided or served.
3. Municipality shall be named as an additional insured on ENTITY's insurance coverage. A waiver of subrogation shall be provided on all coverages.
4. Prior to commencement of services pursuant to this Agreement, ENTITY shall submit certificates of insurance acceptable to CITY.

THE CITY OF CORINTH, TEXAS

By: _____
Bob Hart
City Manager

Date of Execution: _____

ATTEST:

By: _____
Lana Wylie
City Secretary

Date of Execution: _____

LAKE CITIES CHAMBER OF COMMERCE

By: [Signature] _____

Name: Tina President _____

Title: President _____

Date of Execution: 12-29-21 _____

Exhibit A



CITY OF CORINTH
Staff Report

Meeting Date:	1/20/2022	Title:	Ordinance Oncor Franchise
Ends:	<input type="checkbox"/> Resident Engagement <input checked="" type="checkbox"/> Proactive Government <input type="checkbox"/> Organizational Development <input checked="" type="checkbox"/> Health & Safety <input checked="" type="checkbox"/> Regional Cooperation <input type="checkbox"/> Attracting Quality Development		
Governance Focus:	<i>Focus:</i> <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Customer <input type="checkbox"/> Stakeholder		
	<i>Decision:</i> <input type="checkbox"/> Governance Policy <input checked="" type="checkbox"/> Ministerial Function		
Owner Support:	<input type="checkbox"/> Planning & Zoning Commission <input type="checkbox"/> Economic Development Corporation <input type="checkbox"/> Parks & Recreation Board <input type="checkbox"/> TIRZ Board #2 <input type="checkbox"/> Finance Audit Committee <input type="checkbox"/> TIRZ Board #3 <input type="checkbox"/> Keep Corinth Beautiful <input type="checkbox"/> Ethics Commission N/A		

Item/Caption

Consider and act on the current electric power franchise between the City and Oncor Electric Delivery Company, LLC to authorize the use by Oncor Electric Delivery of the present and future streets, alleys, highways, public utility easements, public ways and public property of the City in accordance with the terms of the existing franchise, providing for compensation to City; directing publication of a summary of the purpose of the Ordinance in the official City newspaper as required by City Charter; and providing an effective date.

Item Summary/Background/Prior Action

The franchise ordinance was first adopted on in 1961 and has been renewed regularly every 20 years with periodic amendments. The most recent ordinance expires on January 31, 2022.

Financial Impact

Applicable Owner/Stakeholder Policy

Staff Recommendation/Motion