



CITY OF GRAPEVINE, TEXAS
REGULAR CITY COUNCIL MEETING AGENDA
TUESDAY, SEPTEMBER 1, 2020

GRAPEVINE CITY HALL, COUNCIL CHAMBERS
200 SOUTH MAIN STREET
GRAPEVINE, TEXAS

In accordance with Orders of the Office of the Governor of the State of Texas, the Grapevine City Council will conduct the meeting scheduled at 7:30 pm on September 1, 2020 in the Council Chambers at 200 South Main Street, by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). The Mayor and Members of City Council may attend this meeting in person.

There will be no public access to the location described above. The meeting will be livestreamed on the City’s website at www.grapevinetexas.gov.

This supplemental written notice, the meeting agenda, and the agenda packet are posted online at www.grapevinetexas.gov.

The public toll-free dial-in number to participate in the telephonic meeting is 1-210-469-4097. The audio conference PIN is 684 917 203#.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. Starting at 5:00 pm on Monday, August 31, citizens can submit a Citizen Appearance request form from the City’s website at <https://www.grapevinetexas.gov/89/Agendas-Minutes>. During the meeting, the names of those that have submitted a form will be called on to speak in the order the forms were received. The deadline to submit requests will be 5:00 pm on Tuesday, September 1.

A recording of the telephonic meeting will be made, and will be available to the public in accordance with the Open Meetings Act upon written request.

6:45 p.m.	Dinner - City Council Conference Room
7:15 p.m.	4B Economic Development Board Meeting – City Council Chambers
7:15 p.m.	Crime Control and Prevention District Board Meeting – City Council Chambers (<i>Immediately following the 4B Meeting</i>)
7:30 p.m.	Regular Meeting - City Council Chambers

CALL TO ORDER: 7:30 p.m. - City Council Chambers

1. Invocation and Pledge of Allegiance: Council Member Leon Leal

CITIZEN COMMENTS

2. Any person who is not scheduled on the agenda may address the City Council under Citizen Comments or on any other agenda item by completing a Citizen Appearance Request form with the City Secretary. A member of the public may address the City Council regarding an item on the agenda either before or during the Council's consideration of the item, upon being recognized by the Mayor or upon the consent of the City Council. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action during Citizen Comments.

PUBLIC HEARINGS AND RELATED ITEMS

3. City Council to conduct a public hearing relative to the Fiscal Year 2020-2021 annual operating budget and take any necessary action.

NOTE: The City Council will consider adoption of the proposed Fiscal Year 2020-2021 tax rate of \$0.282601 per \$100 on Tuesday, September 15, 2020 at 7:30 p.m. in the Council Chambers in City Hall at 200 South Main Street, Grapevine, Texas.

4. Consider **Ordinance No. 2020-040** adopting the Fiscal Year 2020-2021 City of Grapevine Annual Operating Budget and take any necessary action.

NEW BUSINESS

5. Consider a contract for the installation of the Golf Course water line extension with Excel Trenching, **Ordinance No. 2020-041** to appropriate funds, and take any necessary action.

CONSENT AGENDA

Consent items are deemed to need little Council deliberation and will be acted upon as one business item. Any member of the City Council or member of the audience may request that an item be withdrawn from the consent agenda and placed before the City Council for full discussion. Approval of the consent agenda authorizes the City Manager, or his designee, to implement each item in accordance with Staff recommendations.

6. Consider the renewal of an annual contract for Laserfiche support with MCCI, LLC. Chief Financial Officer recommends approval.

7. Consider **Resolution No. 2020-016** authorizing the City Investment Policy pursuant to the provisions of the Public Funds Investment Act, Chapter 2256, Texas Government Code. Chief Financial Officer recommends approval.
8. Consider the renewal of an annual contract for Employee Assistance Program (EAP) services with Deer Oaks. Chief Financial Officer recommends approval.
9. Consider the award of RFP 498-2020 authorizing a Medical and Rx Stop Loss Insurance policy with Swiss Re. Chief Financial Officer recommends approval.
10. Consider the renewal of a service contract for the Public Safety Building Data Center system and network support and administration from LEAF TCS. Chief Technology Officer recommends approval.
11. Consider the renewal of an annual sole source contract for managed data storage services with One Safe Place Media Corporation. Chief Technology Officer recommends approval.
12. Consider the renewal of an annual contract for Police uniform cleaning services with Grapevine Cleaners. Police Chief recommends approval.
13. Consider the purchase of electrical services from Schneider Electric for the Animal Services Facility. Police Chief recommends approval.
14. Consider the renewal of an annual contract for water and wastewater analysis services from the Trinity River Authority of Texas. Public Works Director recommends approval.
15. Consider the renewal of annual contracts for water and wastewater chemicals with Brenntag Southwest, Chameleon Industries, DPC Industries and Fort Bend Services. Public Works Director recommends approval.
16. Consider the minutes of the August 18, 2020 Regular City Council meeting. City Secretary recommends approval.

Pursuant to the Texas Open Meetings Act, Texas Government Code, Chapter 551.001 et seq, one or more of the above items may be considered in Executive Session closed to the public. Any decision held on such matter will be taken or conducted in open session following conclusion of the executive session.

ADJOURNMENT

In accordance with the Open Meetings Law, Texas Government Code, Chapter 551, I hereby certify that the above agenda was posted on the official bulletin boards at Grapevine City Hall, 200 South Main Street and on the City's website on August 28, 2020 by 5:00 p.m.

Tara Brooks

Tara Brooks, TRMC, CRM
City Secretary



This meeting can be adjourned and reconvened, if necessary, the following regular business day.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: PUBLIC HEARING ON THE FY 2020-2021 OPERATING BUDGET

RECOMMENDATION: City Council to conduct a public hearing on the proposed Fiscal Year 2020-2021 annual operating budget.

FUNDING SOURCE:

BACKGROUND: Pursuant to the Charter of the City of Grapevine, Texas, Section 907, a public hearing on the annual budget shall be held to allow all interested persons to be heard for, or against any item, or the amount of any item therein contained. The public hearing shall commence on September 1, 2020 and final action on the budget shall be taken thereafter. A copy of the proposed FY 2021 budget summary is attached hereto.

The budget contains fund expenditures in the following amounts:

General Fund	\$64,519,648
Convention and Visitors Bureau Fund	20,345,029
Convention and Leisure Incentives Fund	4,716,651
Stormwater Drainage Fund	1,344,592
Crime Control & Prevention District Fund	17,808,172
Lake Parks Special Revenue Fund	2,879,687
4-B / Trinity Metro Fund	9,218,161
Economic Development Fund	3,763,721
Debt Service Fund	15,619,369
Utility Enterprise Fund	24,167,755
Golf Enterprise Fund	3,065,257
Permanent Capital/Street Maintenance Fund	1,790,000

The FY 2021 proposed budget is available for viewing on the City's website, in the City Secretary's Office at City Hall, and at the Grapevine Public Library.

GJ/gwl

FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	11,452,240	12,851,591	12,185,859	12,185,859	12,237,368
OPERATING REVENUE:					
Ad Valorem Taxes	11,332,790	11,765,848	13,043,001	12,995,000	13,494,517
Sales Taxes	28,286,627	29,863,646	29,616,580	23,450,000	24,581,761
Mixed Beverage Taxes	1,792,674	2,145,940	2,057,000	2,000,000	1,899,934
Franchise Fees	6,893,151	6,435,472	6,906,950	6,906,950	6,906,950
Licenses & Permits	1,631,113	1,987,404	1,924,422	1,381,794	1,617,296
Charges for Services	12,535,663	8,607,063	9,134,928	7,577,763	9,068,428
Intergovernmental	321,081	384,454	697,687	287,816	344,094
Fines and Forfeitures	1,584,241	1,542,241	1,728,702	1,230,899	1,377,500
Miscellaneous	3,486,795	2,253,113	1,409,000	1,067,582	999,934
Total Operating Revenue	67,864,135	64,985,182	66,518,270	56,897,804	60,290,414
TRANSFERS IN:					
Admin. Fee - Utility Fund	1,919,146	1,743,710	1,865,000	1,600,000	1,817,850
Admin. Fee - CVB Fund	1,347,770	1,498,333	1,455,526	1,000,000	1,213,537
Admin. Fee - Golf Fund	107,254	106,997	108,000	80,000	108,000
Administrative Fee - SDUS Fund	109,407	112,059	112,000	108,000	108,750
Administrative Fee - Lake Parks Fund	163,088	107,023	689,893	60,000	689,893
Administrative Fee - 4B Fund	326,478	339,626	306,000	250,000	291,204
Transfers In-Housing Authority	109,035	-	-	-	-
Total Transfers In	4,082,178	3,907,797	4,536,419	3,098,000	4,229,234
TOTAL REVENUE AND TRANSFERS	71,946,314	68,892,979	71,054,689	59,995,804	64,519,648
OPERATING EXPENDITURES:					
Personnel	32,014,323	33,462,248	34,466,915	30,500,000	34,239,023
Supplies	3,325,681	3,253,195	3,350,597	2,700,000	3,285,739
Maintenance	1,082,247	1,142,288	1,452,632	1,225,000	1,481,235
Services	11,673,960	13,124,614	12,271,761	11,000,000	11,574,422
Debt Service	138,071	122,768	-	-	-
Capital Outlay	109,711	264,387	105,000	503,467	115,000
Insurance	12,125,820	6,712,060	8,891,956	7,000,000	8,460,337
Total Operating Expenditures	60,469,813	58,081,560	60,538,861	52,928,467	59,155,756
TRANSFERS OUT:					
To Permanent Capital Maintenance	2,645,000	3,020,000	3,279,000	2,779,000	-
To Capital Equipment Acquisition Fund	-	3,200,000	830,004	830,004	-
To Community Quality of Life Fund	3,000,000	3,000,000	3,000,000	-	-
To Crime Control & Prevention District Fund	2,235,000	3,056,630	3,406,824	3,406,824	5,363,892
To Grants Fund	574,200	-	-	-	-
Total Transfers Out	8,454,200	12,276,630	10,515,828	7,015,828	5,363,892
TOTAL EXPENDITURES AND TRANSFERS	68,924,013	70,358,190	71,054,689	59,944,295	64,519,648
SURPLUS (DEFICIT)	3,022,301	(1,465,211)	-	51,509	-
ENDING FUND BALANCE:	12,851,591	12,185,859	12,185,859	12,237,368	12,237,368
FUND BALANCE REQUIREMENT:	10,501,860	10,770,099	11,372,574	9,875,361	11,831,151

* Fund balance requirement is 20% of total budgeted expenditures (72 days of operation).

The FY 2020-21 projected Ending Fund Balance represents 20% of total budgeted expenditures (72 days of operation).

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	10,922,698	8,918,787	7,749,784	7,749,784	7,652,910
OPERATING REVENUE:					
Property Taxes Current	11,132,714	12,209,962	13,001,947	13,001,947	13,000,000
Property Taxes Delinquent	176,492	61,832	70,000	70,000	70,000
Interest Income	195,190	202,653	150,000	150,000	150,000
Total Operating Revenue	11,504,395	12,474,446	13,221,947	13,221,947	13,220,000
TRANSFERS IN:					
Transfer from CVB Fund	1,195,210	1,057,691	985,670	985,670	998,850
Transfer from Economic Development Fund	1,592,714	1,396,444	1,401,394	1,401,394	1,400,519
Transfer from Capital Projects Fund	309,175	-	-	-	-
Bond Proceeds/Refunding/Premiums	-	5,984,173	-	-	-
Total Transfers In	3,097,099	8,438,308	2,387,064	2,387,064	2,399,369
TOTAL REVENUE AND TRANSFERS	14,601,494	20,912,754	15,609,011	15,609,011	15,619,369
OPERATING EXPENDITURES:					
G. O. Bond Interest Payments	3,032,008	2,837,771	3,732,977	3,732,977	3,265,983
G. O. Bond Principal Payments	6,650,000	6,885,000	7,740,000	7,740,000	6,935,000
C. O. Interest Payments	2,196,397	1,825,749	1,076,398	1,076,398	1,622,867
C. O. Principle Payments	2,893,694	2,295,590	1,142,553	1,142,553	2,395,000
Tax and Note Interest Payments	55,645	598,207	558,957	558,957	525,519
Tax and Note Principal Payments	792,599	1,410,000	1,455,000	1,455,000	875,000
Fiscal Agent and Bond Fees	15,064	6,229,440	-	-	-
Total Operating Expenditures	15,635,407	22,081,757	15,705,885	15,705,885	15,619,369
TRANSFERS OUT:	970,000	-	-	-	-
TOTAL EXPENDITURES AND TRANSFERS	16,605,407	22,081,757	15,705,885	15,705,885	15,619,369
SURPLUS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES:	(2,003,913)	(1,169,003)	(96,874)	(96,874)	-
ENDING FUND BALANCE:	8,918,787	7,749,784	7,652,910	7,652,910	7,652,910
FUND BALANCE REQUIREMENT:	3,084,245	4,355,853	3,098,147	3,098,147	3,081,081

* Fund balance requirement is 20% of total budgeted expenditures (72 days of operation).
The FY 2020-2021 projected Ending Fund Balance represents 49% of total budgeted expenditures (179 days of operation).

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
FUND 174 - CAPITAL/STREET MAINTENANCE PROGRAM**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	1,613,115	1,909,576	1,572,123	1,572,123	2,120,763
OPERATING REVENUE:					
Interest Income	30,226	53,803	24,000	24,000	24,000
Miscellaneous	67,128	66,516	-	-	-
Total Operating Revenue	97,354	120,319	24,000	24,000	24,000
TRANSFERS IN:	3,114,775	3,020,000	3,279,000	3,279,000	-
TOTAL REVENUE AND TRANSFERS	3,212,129	3,140,319	3,303,000	3,303,000	24,000
OPERATING EXPENDITURES:					
Facilities Maintenance	524,960	419,433	392,000	329,280	100,000
Parks Maintenance	699,695	1,088,587	1,162,000	976,080	690,000
Street Maintenance and Overlay	1,229,493	1,312,437	1,225,000	1,029,000	700,000
Traffic Signal, Striping and Signing Maint.	461,522	657,314	500,000	420,000	300,000
Total Operating Expenditures	2,915,670	3,477,771	3,279,000	2,754,360	1,790,000
TOTAL EXPENDITURES AND TRANSFERS	2,915,670	3,477,771	3,279,000	2,754,360	1,790,000
USE OF RESERVES	-	337,452	-	-	1,766,000
SURPLUS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES:	296,459	-	24,000	548,640	-
ENDING FUND BALANCE:	1,909,576	1,572,123	1,596,123	2,120,763	354,763

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
CONVENTION AND VISITORS BUREAU FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	13,025,855	3,886,038	6,559,708	6,559,708	5,599,349
OPERATING REVENUE:					
Occupancy Taxes	14,577,354	15,559,289	14,782,796	9,500,050	10,766,300
Facility Rental Income	874,336	774,255	815,000	530,000	762,000
Interest Income	261,730	364,374	181,550	221,550	178,100
Sales & Merchandise	747,459	764,585	748,800	535,179	702,040
Train Operations	2,402,155	2,416,532	2,100,000	3,100,000	2,720,000
Festivals & New Vintage	3,434,008	3,278,530	3,500,000	250,000	3,552,425
Visitor Shuttle System	103,346	77,350	90,000	45,000	60,000
Miscellaneous Income	368,345	353,119	356,173	276,038	359,226
Total Operating Revenue	22,768,732	23,588,033	22,574,319	14,457,817	19,100,091
TRANSFERS IN:					
Transfer In From 4B Fund	348,816	429,479	464,486	464,486	464,141
Operating Trnsfr In - Fund 114	2,261	-	-	-	-
Transfer In From Fund 200	-	100,000	-	-	-
Total Transfers In	351,077	529,479	464,486	464,486	464,141
TOTAL REVENUE & TRANSFERS	23,119,809	24,117,512	23,038,805	14,922,303	19,564,232
OPERATING EXPENDITURES:					
Personnel	6,019,864	6,050,074	7,009,317	5,361,718	6,568,222
Supplies	677,447	731,917	869,550	622,585	611,150
Maintenance	582,576	442,592	590,500	307,402	309,800
Services	4,945,946	4,039,794	4,692,725	3,258,577	3,955,625
Insurance	-	1,130,045	1,308,164	1,149,374	1,356,455
Festival & Train Operations	4,907,481	5,221,410	5,522,261	3,100,000	5,286,390
Capital Outlay	525,244	1,145,261	31,000	28,336	-
Total Operating Expenditures	17,658,558	18,761,093	20,023,517	13,827,992	18,087,642
TRANSFERS OUT:					
Transfer to General Fund - Admin Fee	1,347,770	1,498,333	1,455,526	1,000,000	1,213,537
Transfer to GTRP Fund	25,000	25,000	25,000	25,000	20,000
Trans. to Debt Service Fund	1,195,210	1,057,691	1,008,380	985,670	998,850
Transfer to Historic Preservation Fund	145,318	-	-	-	-
Transfer to Capital Projects Fund	12,000,000	-	-	-	-
Transfer to Heritage Fund	25,000	25,000	44,000	44,000	25,000
Total Transfers Out	14,738,298	2,606,024	2,532,906	2,054,670	2,257,387
TOTAL EXPENDITURES & TRANSFERS	32,396,856	21,367,117	22,556,423	15,882,662	20,345,029
SURPLUS / (DEFICIT)	(9,277,047)	2,750,395	482,382	(960,359)	(780,797)
ENDING FUND BALANCE:	3,886,038	6,559,708	7,042,090	5,599,349	4,818,552
FUND BALANCE REQUIREMENT:	2,902,777	3,084,015	3,291,537	2,273,095	2,973,311

* Fund balance requirement is 16.4% of total budgeted expenditures (60 days of operation).
The FY 2020-21 projected Ending Fund Balance represents 97 days of operation.

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
CONVENTION AND LEISURE INCENTIVES FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	10,774,995	13,131,802	13,706,975	13,706,975	11,375,757
OPERATING REVENUE:					
Occupancy Taxes - Gaylord	1,962,405	2,242,812	2,106,352	1,300,000	1,534,054
Occupancy Taxes - Great Wolf	499,584	-	-	-	-
Occupancy Taxes - All (1%)	2,836,114	2,965,201	2,814,858	1,300,000	2,050,059
Interest Income	186,823	79,413	75,000	50,000	50,000
Miscellaneous	(5,750)	3,440	-	5,000	75,000
Total Operating Revenue	5,479,177	5,290,865	4,996,210	2,655,000	3,709,113
TRANSFERS IN:	-	-	-	-	-
TOTAL REVENUE AND TRANSFERS	5,479,177	5,290,865	4,996,210	2,655,000	3,709,113
OPERATING EXPENDITURES:					
Personnel	-	-	-	-	-
Supplies	100,263	101,199	100,000	99,800	60,000
Services	3,022,107	4,614,493	4,896,210	4,886,418	4,656,651
Total Operating Expenditures	3,122,370	4,715,692	4,996,210	4,986,218	4,716,651
TRANSFERS OUT:	-	-	-	-	-
TOTAL EXPENDITURES AND TRANSFERS	3,122,370	4,715,692	4,996,210	4,986,218	4,716,651
SURPLUS / (DEFICIT)	2,356,807	575,173	-	(2,331,218)	(1,007,538)
ENDING FUND BALANCE:	13,131,802	13,706,975	13,706,975	11,375,757	10,368,219
RESERVES:					
Reserved for Incentive Packages	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Total Reserves	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
UNRESERVED FUND BALANCE	8,431,802	9,006,975	9,006,975	6,675,757	5,668,219

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
STORMWATER DRAINAGE UTILITY FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	1,552,470	1,860,977	1,989,073	1,989,073	2,059,504
OPERATING REVENUE:					
Drainage Utility Fees	1,435,920	1,571,370	1,440,000	1,437,120	1,420,000
Interest Income	21,420	25,969	22,500	22,455	22,500
Interest Income - 2000 C.O.	5,899	8,017	7,500	7,485	7,500
Miscellaneous	(567)	1,302	-	-	-
Total Operating Revenue	1,462,672	1,606,659	1,470,000	1,467,060	1,450,000
TRANSFERS IN:	-	-	-	-	-
TOTAL REVENUE AND TRANSFERS	1,462,672	1,606,659	1,470,000	1,467,060	1,450,000
OPERATING EXPENDITURES:					
Personnel	533,062	509,937	559,846	558,726	544,184
Supplies	19,676	21,894	29,700	29,641	29,700
Maintenance	115,988	138,868	125,000	124,750	125,000
Services	313,125	198,377	204,525	204,116	206,792
Insurance	-	159,824	162,060	161,736	120,166
Capital Outlay	62,911	342,343	210,000	209,660	210,000
Total Operating Expenditures	1,044,762	1,371,243	1,291,131	1,288,629	1,235,842
TRANSFERS OUT:					
Transfer to General Fund - Admin Fee	109,407	112,059	112,000	108,000	108,750
Total Transfers Out	109,407	112,059	112,000	108,000	108,750
TOTAL EXPENDITURES AND TRANSFERS	1,154,169	1,483,302	1,403,131	1,396,629	1,344,592
SURPLUS / (DEFICIT)	308,503	123,357	66,869	70,431	105,408
ENDING FUND BALANCE:	1,860,977	1,989,073	2,055,942	2,059,504	2,164,912
FUND BALANCE REQUIREMENT:	189,284	243,262	230,113	229,047	220,513

* Fund balance requirement is 16.4% of total budgeted expenditures (60 days of operation).
The FY 2020-21 projected Ending Fund Balance represents 639 days of operation.

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
CRIME CONTROL & PREVENTION DISTRICT**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	(343,841)	(759,398)	(1,045,343)	(1,045,343)	(3,817,190)
OPERATING REVENUE:					
Sales Tax (1/2 cent)	13,670,499	14,563,884	14,808,290	12,000,000	12,290,880
Commercial Vehicle Enforcement	106,396	80,510	107,000	106,786	107,000
Interest Income	64,703	187,402	100,000	99,800	35,000
Miscellaneous	28,316	33,878	6,500	6,500	11,400
Total Operating Revenue	13,869,915	14,865,674	15,021,790	12,213,086	12,444,280
TRANSFERS IN:					
Transfer from General Fund	2,235,000	3,056,630	3,406,824	3,406,824	5,363,892
Total Transfers In	2,235,000	3,056,630	3,406,824	3,406,824	5,363,892
TOTAL REVENUE AND TRANSFERS	16,104,915	17,922,304	18,428,614	15,619,910	17,808,172
OPERATING EXPENDITURES:					
Personnel	12,392,580	12,918,238	13,379,045	13,352,287	12,957,073
Supplies	518,211	573,055	566,339	565,206	566,339
Maintenance	200,695	113,535	154,300	153,991	134,300
Insurance	-	2,911,128	3,068,318	3,062,181	2,869,848
Services	3,408,984	1,674,119	1,260,612	1,258,091	1,280,612
Total Operating Expenditures	16,520,470	18,190,075	18,428,614	18,391,757	17,808,172
TOTAL EXPENDITURES AND TRANSFERS	16,520,470	18,190,075	18,428,614	18,391,757	17,808,172
SURPLUS / (DEFICIT)	(415,555)	(267,771)	-	(2,771,847)	-
ENDING FUND BALANCE:	(759,398)	(1,045,343)	(1,045,343)	(3,817,190)	(3,817,190)

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
LAKE PARKS SPECIAL REVENUE FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	(2,359,485)	(2,290,551)	(3,418,748)	(3,418,748)	(2,742,032)
OPERATING REVENUE:					
Boat Ramp Fees	97,783	61,037	92,800	92,614	50,000
Pavilion Fees	67,153	42,525	56,000	55,888	56,000
Camping Fees	1,947,840	923,070	2,240,000	2,235,520	2,260,000
Entrance Fees	234,154	89,260	155,000	154,690	205,000
Recreation Fees	125,966	153,212	338,000	337,324	298,000
Merchandise and Other Sales	68,895	63,853	88,000	87,824	101,000
Total Operating Revenue	2,541,791	1,332,958	2,969,800	2,963,860	2,970,000
TRANSFERS IN:	-	-	-	-	-
TOTAL REVENUE AND TRANSFERS	2,541,791	1,332,958	2,969,800	2,963,860	2,970,000
OPERATING EXPENDITURES:					
Personnel	286,052	380,182	440,402	439,521	377,262
Supplies	206,257	137,688	184,250	183,882	178,150
Maintenance	261,517	475,584	301,750	301,147	310,750
Services	1,489,300	1,193,851	1,062,416	1,060,291	1,092,029
Insurance	-	56,853	86,629	86,456	79,603
Capital Outlay	15,629	58,318	156,000	155,848	152,000
Finance Charges	-	-	-	-	-
Total Operating Expenditures	2,258,755	2,302,476	2,231,447	2,227,144	2,189,794
TRANSFERS OUT:					
Transfer to General Fund - Admin Fee	163,088	107,023	689,893	60,000	689,893
Total Transfers Out	163,088	107,023	689,893	60,000	689,893
TOTAL EXPENDITURES AND TRANSFERS	2,421,843	2,409,499	2,921,340	2,287,144	2,879,687
SURPLUS / (DEFICIT)	119,948	(1,076,541)	48,460	676,716	90,313
ENDING FUND BALANCE:	(2,290,551)	(3,418,748)	(3,370,288)	(2,742,032)	(2,651,719)

FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
4B TRANSIT FUND

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	357	8,784	16,961	16,961	26,961
OPERATING REVENUE:					
Sales Tax	9,815,379	10,476,439	11,106,218	9,000,000	9,218,161
Interest Income	8,427	8,176	10,000	7,000	10,000
Total Operating Revenue	9,823,806	10,484,616	11,116,218	9,007,000	9,228,161
TRANSFERS IN:					
TOTAL REVENUE AND TRANSFERS	9,823,806	10,484,616	11,116,218	9,007,000	9,228,161
OPERATING EXPENDITURES:					
Contractual Services - Trinity Metro	9,466,562	10,046,960	10,641,732	8,532,514	8,754,020
Total Operating Expenditures	9,466,562	10,046,960	10,641,732	8,532,514	8,754,020
TRANSFERS OUT:					
Transfer to Visitor Shuttle Fund	348,816	429,479	464,486	464,486	464,141
Total Transfers Out	348,816	429,479	464,486	464,486	464,141
TOTAL EXPENDITURES AND TRANSFERS	9,815,378	10,476,439	11,106,218	8,997,000	9,218,161
SURPLUS / (DEFICIT)	8,428	8,177	10,000	10,000	10,000
ENDING FUND BALANCE:	8,784	16,961	26,961	26,961	36,961

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT FUND (122, 124)**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING FUND BALANCE:	17,500,237	5,201,059	5,773,970	5,773,970	6,339,885
OPERATING REVENUE:					
Sales Tax	4,256,509	4,393,875	4,402,073	3,000,000	3,653,721
Interest Income	179,326	144,127	125,000	90,000	110,000
Miscellaneous	16,930,000	4,232,422	-	-	-
Total Operating Revenue	21,365,834	8,770,425	4,527,073	3,090,000	3,763,721
TRANSFERS IN:	627,905	-	-	-	-
TOTAL REVENUE AND TRANSFERS	21,993,739	8,770,425	4,527,073	3,090,000	3,763,721
OPERATING EXPENDITURES:					
Personnel Services	487,265	512,099	523,466	522,419	533,637
Supplies	6,678	9,233	6,300	6,287	5,600
Maintenance	-	6,712	-	-	-
Services	1,098,204	707,735	2,231,816	286,004	1,481,620
Insurance	-	66,293	58,097	57,981	51,141
Debt Service	17,212,082	-	-	-	-
Total Operating Expenditures	18,804,229	1,302,072	2,819,679	872,692	2,071,998
TRANSFERS OUT	14,591,741	1,736,070	1,707,394	1,651,394	1,691,723
TOTAL EXPENDITURES AND TRANSFERS	33,395,970	3,038,142	4,527,073	2,524,086	3,763,721
SURPLUS / (DEFICIT)	(11,402,231)	5,732,283	-	565,915	-
ENDING FUND BALANCE AVAILABLE:	5,201,059	5,773,970	5,773,970	6,339,885	6,339,885

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
UTILITY ENTERPRISE FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING UNRESTRICTED FUND BALANCE:	17,230,681	16,629,044	14,139,853	14,139,853	14,931,772
OPERATING REVENUE:					
Water Sales	16,577,391	14,607,637	15,700,000	15,668,600	15,650,000
Wastewater Sales	8,371,685	8,033,819	8,000,000	7,984,000	8,000,000
Tap & Inspection Fees	143,010	151,124	77,000	76,846	85,000
Reconnects & Transfers	201,264	196,299	203,000	202,594	203,000
Interest Income	302,191	307,081	300,000	299,400	300,000
Miscellaneous Income	7,170,113	6,935,920	200,500	200,099	200,500
Total Operating Revenue	32,765,654	30,231,881	24,480,500	24,431,539	24,438,500
TRANSFERS IN/CONTRIBUTIONS:	6,506	556,794	-	-	-
TOTAL REVENUE AND TRANSFERS	32,772,160	30,788,674	24,480,500	24,431,539	24,438,500
OPERATING EXPENDITURES:					
Personnel	3,334,962	3,609,966	3,847,850	3,840,154	3,892,334
Supplies	684,184	699,016	890,960	889,178	1,184,760
Maintenance	1,016,244	920,689	1,512,100	1,509,076	1,525,900
Services	14,008,448	11,543,196	13,300,200	13,273,600	13,266,549
Debt Service	584,747	1,534,798	1,130,569	1,128,308	1,122,619
Insurance	-	920,619	952,109	950,205	1,027,743
Capital Outlay	369,658	544,005	450,000	449,100	330,000
Total Expenditures	19,998,243	19,772,289	22,083,788	22,039,620	22,349,905
TRANSFERS OUT:	8,003,880	6,843,710	1,865,000	1,600,000	1,817,850
TOTAL EXPENDITURES AND TRANSFERS	28,002,123	26,615,999	23,948,788	23,639,620	24,167,755
SURPLUS / (DEFICIT)	4,770,037	4,172,675	531,712	791,919	270,745
ENDING UNRESTRICTED WORKING CAPITAL:	16,629,044	14,139,853	14,671,565	14,931,772	15,202,517
WORKING CAPITAL REQUIREMENT:	3,199,719	3,163,566	3,533,406	3,526,339	3,575,985

* Working capital requirement is 16% of total net budgeted expenditures or 60 days of operation.
The FY 2020-21 projected Ending Working Capital Balance represents 248 days of operation.

**FY 2020-21 PROPOSED OPERATING BUDGET
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOLF FUND**

	2017-18 Actual	2018-19 Actual	2019-20 Budget	2019-20 Estimate	2020-21 Proposed
BEGINNING WORKING CAPITAL:	(1,086,616)	(856,471)	(856,471)	(856,471)	(828,687)
OPERATING REVENUES:					
Cart and Club Rentals	657,058	644,914	664,000	662,672	637,440
Tournament Fees	2,250	1,920	4,000	3,992	3,840
Driving Range	198,286	192,725	193,654	193,267	185,908
Golf Pro Shop Sales	247,092	244,364	245,000	244,510	230,000
Golf Course Green Fees	1,430,023	1,426,621	1,425,000	1,422,150	1,369,556
Annual Green Fee Memberships	273,157	266,750	326,000	325,348	312,960
Restaurant % of Sales	35,889	31,396	37,000	36,926	35,520
Lesson Income	27,366	15,381	35,000	34,930	33,600
Interest Income	2,712	2,962	3,000	2,994	3,000
Golf Sub-Lease	244,961	267,491	242,000	241,516	232,320
Miscellaneous Income	13,361	235,333	23,608	23,561	22,664
Total Operating Revenue	3,132,154	3,329,856	3,198,262	3,191,865	3,066,808
TRANSFERS IN/CONTRIBUTIONS:					
	-	-	-	-	-
TOTAL REVENUES AND TRANSFERS	3,132,154	3,329,856	3,198,262	3,191,865	3,066,808
OPERATING EXPENDITURES:					
Personnel	1,357,987	1,337,802	1,490,231	1,487,251	1,485,633
Supplies	392,073	819,182	385,600	384,829	387,000
Maintenance	103,274	107,131	110,400	110,179	112,333
Services	830,566	333,792	404,045	403,237	395,135
Insurance	-	426,979	457,986	457,070	432,156
Capital Outlay	87,051	149,104	242,000	241,516	145,000
Total Operating Expenditures	2,770,951	3,173,990	3,090,262	3,084,081	2,957,257
TRANSFERS OUT:					
Transfer to General Fund - Admin Fee	107,254	106,997	108,000	80,000	108,000
Total Transfers Out	107,254	106,997	108,000	80,000	108,000
TOTAL EXPENDITURES AND TRANSFERS	2,878,205	3,280,987	3,198,262	3,164,081	3,065,257
SURPLUS / (DEFICIT)	253,949	48,869	-	27,784	1,551

* Fund balance requirement is 25% of total net budgeted expenses or 90 days of operation.
City Council has suspended the fund balance requirement for the Golf Fund for FY 2020-21.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: BRUNO RUMBELOW, CITY MANAGER *BR*
MEETING DATE: SEPTEMBER 1, 2020
SUBJECT: ADOPTION OF FISCAL YEAR 2020-2021 OPERATING BUDGET

RECOMMENDATION: City Council to consider an ordinance adopting the Fiscal Year 2020-2021 City of Grapevine Annual Operating Budget.

FUNDING SOURCE:

BACKGROUND: The FY 2020-2021 budget, as proposed, is presented for your consideration.

The budget includes the programs discussed at the City Council Budget Workshop held on July 28 and the Public Hearing held on September 1.

The budget contains fund expenditures in the following amounts:

General Fund	\$64,519,648
Convention and Visitors Bureau Fund	20,345,029
Convention and Leisure Incentives Fund	4,716,651
Stormwater Drainage Fund	1,344,592
Crime Control & Prevention District Fund	17,808,172
Lake Parks Special Revenue Fund	2,879,687
4-B / Trinity Metro Fund	9,218,161
Economic Development Fund	3,763,721
Debt Service Fund	15,619,369
Utility Enterprise Fund	24,167,755
Golf Enterprise Fund	3,065,257
Permanent Capital/Street Maintenance Fund	1,790,000

The budget presented requires a tax rate of \$0.282601. The required Notice of Meeting to Adopt Tax Rate was published on August 23 and the ordinance to adopt the tax rate will be considered at the September 15 Joint City Council Meeting.

Staff recommends approval.
 GJ/gwl

ORDINANCE NO. 2020-040

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS ADOPTING THE BUDGET FOR THE CITY OF GRAPEVINE, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021; PROVIDING FOR INTRA- AND INTERDEPARTMENTAL FUND TRANSFERS; PROVIDING FOR INVESTMENT OF CERTAIN FUNDS; DECLARING AN EMERGENCY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, a notice of public hearing on the budget for the City of Grapevine, Texas for the Fiscal Year 2020-2021 (FY 2021) was heretofore published in accordance with law; and

WHEREAS, a public hearing was duly held and all interested persons were given an opportunity to be heard for or against any item therein; and

WHEREAS, all constitutional and statutory prerequisites for the approval of this ordinance have been met, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council deems the adoption of this ordinance is in the best interests of the health, safety, and welfare of the public.

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

Section 1. That all matters stated herein above are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Section 2. That the appropriation amounts for the FY2020-2021 budget for the different funds of the City of Grapevine are hereby fixed as follows:

General Fund	\$64,519,648
Convention and Visitors Bureau Fund	20,345,029
Convention and Leisure Incentives Fund	4,716,651
Stormwater Drainage Fund	1,344,592
Crime Control & Prevention District Fund	17,808,172
Lake Parks Special Revenue Fund	2,879,687
4-B / Trinity Metro Fund	9,218,161
Economic Development Fund	3,763,721
Debt Service Fund	15,619,369
Utility Enterprise Fund	24,167,755
Golf Enterprise Fund	3,065,257
Permanent Capital/Street Maintenance Fund	1,790,000

Section 3. That the City Council hereby adopts the revised budget for the fiscal year ending September 30, 2020 and the proposed Annual Operating Budget for the fiscal year ending September 30, 2021 and appropriates the funds contained therein.

Section 5. That a copy of the official adopted FY2019-2020 budget document shall be kept on file in the office of the City Secretary and the City of Grapevine website.

Section 6. That the City Manager be and is hereby authorized to make intra and inter-departmental fund transfers during the fiscal year as becomes necessary in order to avoid over-expenditure of a particular object code.

Section 7. That the City Manager is authorized to approve expenditures up to \$15,000. Any expenditure over the \$15,000 limit requires the approval of the City Council. Each expenditure authorized by the City Manager in Account 100-44701-120-001 in FY2020 and FY2021 is approved.

Section 8. That the City Manager is authorized to reclassify personnel positions within city service as warranted.

Section 9. That the City Manager, and/or Assistant City Manager and/or Chief Financial Officer and/or designated investment officer are authorized to invest any funds not needed for current use, whether operating funds or bond funds in Official City Depositories, in any investment instrument authorized by the City's Investment Policy and Investment Strategy and allowed by the Texas Public Funds Investment Act.

Section 10. That the reserve requirement for the Golf Enterprise Fund is suspended for FY2020 and FY2021.

Section 11. That the fact that the fiscal year begins on October 1, 2020 requires that this ordinance be effective upon its passage and adopted to preserve the public peace, property, health and safety and shall be in full force and effect from and after its passage and adoption, and an emergency is hereby declared.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS on this the 1st day of September, 2020.

APPROVED:

William D. Tate
Mayor

ATTEST:

Tara Brooks
City Secretary

APPROVED AS TO FORM:

City Attorney

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL OF CONSTRUCTION CONTRACT FOR THE GOLF COURSE WATER LINE EXTENSION

RECOMMENDATION: City Council to consider approving a contract for the installation of a water line extension with Excel Trenching and an ordinance to appropriate funds.

FUNDING SOURCE: Upon approval, funds in an estimated amount of \$ 1,070,000 will be available in the Utility Enterprise Capital Fund 201.

BACKGROUND: On June 18, 2019 Council approved a contract with the firm of Baird, Hampton & Brown to design a new water line to provide redundancy in the City's water utility as well as providing service to the renovated Golf facilities. Once constructed, it serves as a northern loop to our water distribution system, identified in the water master plan, to serve the State Highway 2499 corridor. In addition, the new 8" line will serve the new golf course clubhouse providing much improved fire protection. Baird Hampton & Brown completed the plans and bids were opened on July 9, 2020 and only one bid was received.

Excel Trenching - \$919,835
Engineer's opinion of probable cost - \$1,120,755

Since there was only one bidder, Baird, Hampton & Brown, conducted additional research on the bidder, reviewed supplementary information provided by the bidder and contacted four references. The review indicated that the bid was reasonable and Excel Trenching has completed several similar projects and has similar on-going utility projects. The four references interviewed, consisting of two governmental entities and two engineering consultants did not raise any concern on Excel Trenching's ability to successfully complete the project. The bid bond provided was acceptable.

City staff recommends award the water line extension in the amount of \$919,835 to Excel Trenching with a contingency amount of \$150,615 for a total amount of \$1,070,000. The contractor has 175 calendar days to complete the project after notice to proceed which will have this project completed and in service to be able to serve the new clubhouse which is slated to be complete at the end of March 2021. This project is shown on the water and wastewater impact fee plan and is eligible to use water impact fees for funding.

Staff recommends approval.

ORDINANCE NO. 2020-041

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, AUTHORIZING THE APPROPRIATION OF \$1,070,000 IN THE UTILITY ENTERPRISE CAPITAL FUND; DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Grapevine desires to complete a waterline extension to the Grapevine Golf Course Clubhouse; and

WHEREAS, this line will be a portion the northern loop to the water distribution system identified on the water master plan; and

WHEREAS, funding is available in the Utility Enterprise Capital Fund; and

WHEREAS, all constitutional and statutory prerequisites for the approval of this ordinance have been met, including but not limited to the Open Meetings Act and Chapter 211 of the Local Government Code; and

WHEREAS, the City Council deems the adoption of this ordinance to be in the best interests of the health, safety, and welfare of the public.

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

Section 1. That all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Section 2. That the City Council hereby authorizes \$1,070,000 be appropriated in the Utility Enterprise Capital Fund for the Grapevine Golf Course Clubhouse waterline.

Section 3. That the terms and provisions of this ordinance shall be deemed to be severable, and that if the validity of any section, subsection, word, sentence or phrase shall be held to be invalid, it shall not affect the remaining part of this ordinance.

Section 4. That the fact that the present ordinances and regulations of the City of Grapevine, Texas, are inadequate to properly safeguard the health, safety, morals, peace and general welfare of the inhabitants of the City of Grapevine, Texas, creates an emergency for the immediate preservation of the public business, property, health, safety and general welfare of the public which requires that this ordinance shall become effective from and after the date of its final passage, and it is accordingly so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS on this the 1st day of September, 2020.

APPROVED:

William D. Tate
Mayor

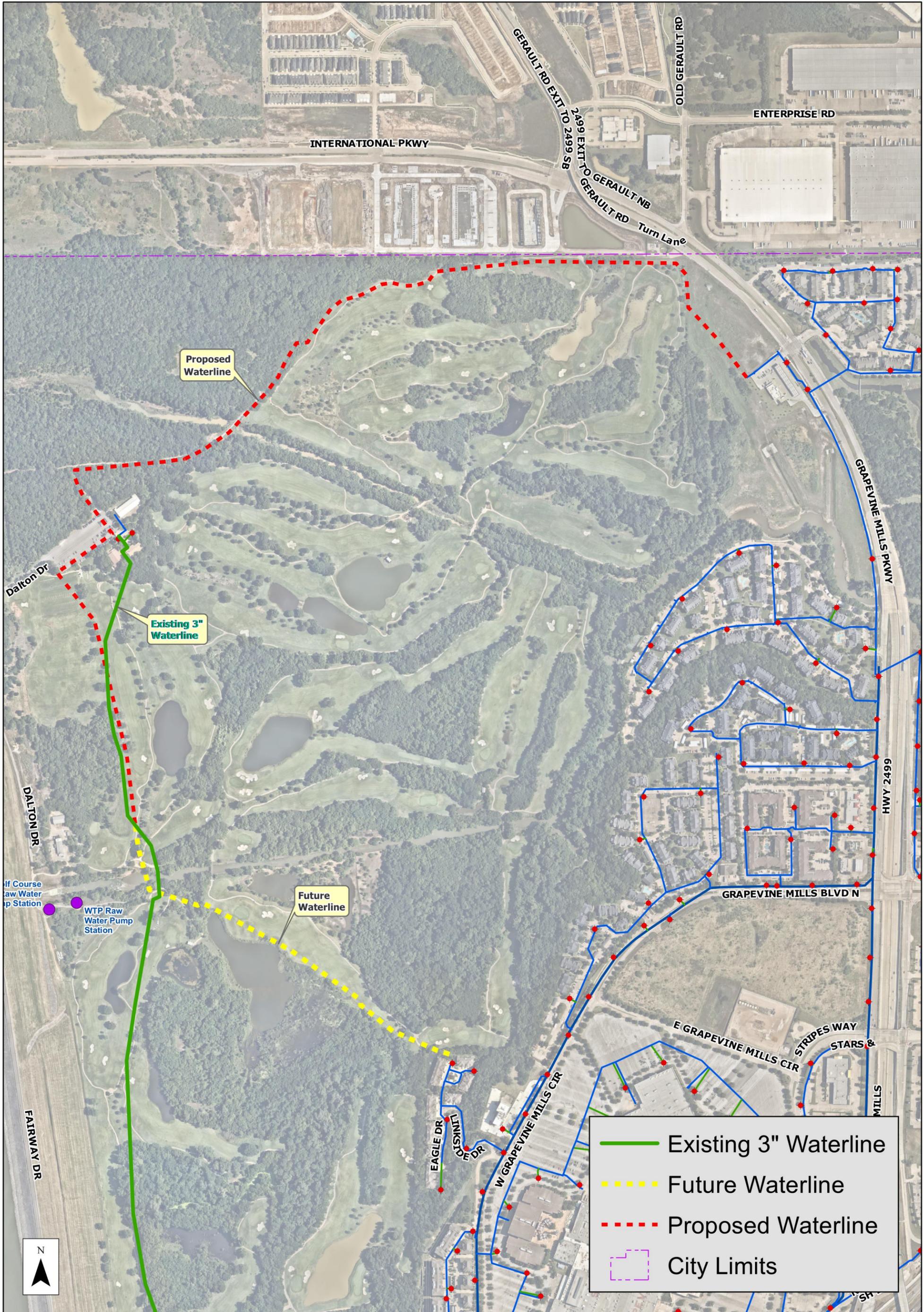
ATTEST:

Tara Brooks
City Secretary

APPROVED AS TO FORM:

City Attorney

Proposed Golf Course Waterline



0 500 1,000 2,000 Feet

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER **BR**

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL OF ANNUAL CONTRACT FOR LASERFICHE SUPPORT SERVICES

RECOMMENDATION: City Council approve an annual contract for Laserfiche support services with MCCi, Inc.

FUNDING SOURCE: Funds are available in the Grant Fund in an amount not to exceed \$165,000.

BACKGROUND: Laserfiche is a system that automates, streamlines, and manages digital records in a way that makes them easily retrievable, searchable, and shareable while adhering to common record management principles.

The City began the process of digitizing and cataloging documents in 2016. Since that time, over four million pages have been stored digitally. The catalog includes documents such as: City Charter, ordinances, budgets, Human Resources records, agendas, minutes, contracts, development plans and permits, fire prevention data, inspections, public safety training records, Police records, Public Works plats, and much more.

It also provides for secure staff access to initiate, route, and approve documents ranging from agenda memos to invoices and performance reviews. These functions have been extremely valuable during COVID-19 by providing secure staff access regardless of location.

This purchase will be made in accordance with an existing interlocal agreement with The Local Government Purchasing Cooperative (BuyBoard) as allowed by Texas Local Government Code, Chapter 271 and Texas Government Code, Chapter 791.

IT, the City Secretary's Office, and Purchasing staff reviewed the contract for departmental specifications compliance and pricing and determined that this contract would provide the best service and pricing for meeting the needs of the City.

Staff recommends approval.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL OF RESOLUTION APPROVING THE INVESTMENT POLICY

RECOMMENDATION: City Council to consider a resolution authorizing the City Investment Policy pursuant to the provisions of the Public Funds Investment Act, Chapters 2256, Texas Government Code.

FUNDING SOURCE:

BACKGROUND: Chapter 2256 of the Texas Government Code, the Public Funds Investment Act (PFIA), requires an annual City Council review of the City's Investment Policy. The Council initially adopted the policy in 1997 and has amended it several times.

No changes have been made to the attached investment policy.

Staff recommends approval.

RESOLUTION NO. 2020-016

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, APPROVING THE CITY'S INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City's Investment Policy requires adoption annually by resolution; and

WHEREAS, all constitutional and statutory prerequisites for the approval of this resolution have been met, including but not limited to the Open Meetings Act; and

WHEREAS, the City Council hereby declares that the approval of this resolution is in the best interests of the health, safety, and welfare of the public.

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

Section 1. That all matters stated hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

Section 2. The Investment Policy attached as Exhibit "A" is hereby adopted.

Section 3. That this resolution shall take effect from and after the date of its passage.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS on this the 1st day of September, 2020.

APPROVED:

William D. Tate
Mayor

ATTEST:

Tara Brooks
City Secretary

APPROVED AS TO FORM:

City Attorney

CITY OF GRAPEVINE

INVESTMENT POLICY

Adopted:

May 6, 1997

Most Recent Revision/Review:

September 1, 2020

PREFACE

It is the policy of City of Grapevine that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, adopted Investment Policy and adopted Investment Strategy.

Effective cash management is recognized as essential to good fiscal management. Aggressive cash management and effective investment strategy development will be pursued to take advantage of interest earnings as viable and material revenue to all City funds. The portfolio of the City shall be designed and managed in a manner responsive to the public trust and consistent with this Policy.

Investments shall be made with the primary objectives of:

- Preservation and safety of city funds,
- Maintenance of sufficient liquidity,
- Preservation of Public Trust through Prudent Investment Activities,
- Maximization of return within acceptable risk constraints, and
- Diversification of investments.

INVESTMENT POLICY

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I. PURPOSE

A. Formal Adoption

This Investment Policy is authorized by the City of Grapevine in accordance with Chapter 2256, Texas Government Code, the Public Funds Investment Act, and the Public Funds Collateral Act Chapter 2257, Texas Government Code.

B. Scope

This Investment Policy applies to all of the investment activities of the City. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund
- Special Revenue Funds
- Capital Projects Funds
- Enterprise Funds
- Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- Debt Service Funds, including reserves and sinking funds, to the extent not required by law or existing contract to be kept segregated and managed separately
- 4B Economic Development Corp. Sales Tax Fund
- Crime Control District Sales Tax Fund
- Community Quality of Life Fund
- Any new fund created by the City, unless specifically exempted from this Policy by the City Council or by law

This Policy establishes guidelines for: 1) who can invest City funds, 2) how City funds will be invested, and 3) when and how a periodic review of investments will be made. In addition to this Policy, bond funds (as defined by the Internal Revenue Service) shall be managed in accordance with their issuing documentation and all-applicable State and Federal Law.

This Investment Policy shall apply to all transactions involving the financial assets and related activity for all the foregoing and future funds. However, this policy does not apply to the assets administered for the benefit of the City by outside agencies under deferred compensation programs.

All investments made with City funds prior to the adoption of this Investment Policy shall be held or liquidated as determined by the Investment Officer to be in the best interest of the financial well-being of the City.

C. Review and Amendment

This Policy shall be reviewed and adopted by Resolution annually by the City Council.

D. Investment Strategy

In conjunction with the annual Policy review, the City Council shall review the separate written investment strategy for each of the City funds and adopt by Resolution. The investment strategy must describe the investment objectives for each particular fund according to the following priorities:

- 1) Investment suitability,
- 2) Preservation and safety of principal,
- 3) Liquidity,
- 4) Marketability prior to maturity of each investment,
- 5) Diversification, and
- 6) Yield.

Monitoring of market prices for investments will be accomplished by utilizing quotations from a third party service TexPool and JP Morgan.

II. INVESTMENT OBJECTIVES

A. Safety of Principal

The City shall manage and invest its cash with five primary objectives, listed in order of priority: safety, liquidity, public trust, diversification and yield, expressed as optimization of interest earnings. The safety of the principal invested always remains the primary objective. All investments shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit and interest rate risk.

1. Credit Risk – The City will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment, by:
 - a. Limiting investments to the highest credit quality investments.
 - b. Pre-qualifying the financial institutions with which the City will do business.
 - c. Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.
2. Interest Rate Risk – The City will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates, by:
 - a. Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
 - b. Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
 - c. Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

B. Maintenance of Adequate Liquidity

The City's investment portfolio will remain sufficiently liquid to meet the cash flow requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; investing in securities with active secondary markets; and maintaining appropriate portfolio diversification.

A portion of the portfolio will be invested in shares of money market mutual funds or local government investment pools that offer same-day liquidity. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

C. Preservation of Public Trust

All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively.

D. Diversification

Diversification of the portfolio will include diversification by maturity and market sector and the use of a number of institutions and brokers. The City will diversify its investments to avoid unreasonable and avoidable risks

E. Yield

The investment portfolio shall be designed with the objective of maintaining a reasonable market yield throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

III. INVESTMENT POLICIES

A. Authorized Investments

Only investments described below authorized by the Public Funds Investment Act are eligible securities for the City. The City's funds governed by this Policy may be invested in:

1. Obligations of Governmental Entities

The following are authorized investments for obligations of governmental agencies:

- a. Obligations of the United States or its agencies and instrumentalities;
- b. Direct obligations of the State of Texas or its agencies and instrumentalities;
- c. Other obligations, the principal and interest on which are unconditionally guaranteed, 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;
- d. Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; and
- e. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.
- f. Guaranteed investment contracts will be authorized for bond proceeds if the guaranteed investment contract:
 - (1) has a defined termination date,
 - (2) is secured by obligations described by Section 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and
 - (3) is pledged to the City and deposited with the City or with a third party approved by the City.
- g. The stated maturities may not exceed five years.

2. Certificates of Deposit

Certificates of deposit issued by state and national banks that has its main office or branch office in Texas that are:

- a. Organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas, or by a savings bank organized under Texas law, the laws of another state, or federal law, that has its main office or a branch office in Texas;
- b. The depository institution selected by the City and arranges for the deposit of the funds in certificates of deposits in one or more federally insured depository institutions, wherever located for the account of the City as amended by H.B. 2226.
- c. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successors; or
- d. Secured by obligations that are described by A.1. above, which are intended to include all direct Federal agency or instrumentality issued mortgage backed securities, but excluding those mortgage backed securities of the nature described in 1.f. above, that have a market value of not less than the principal amount of the certificates; or
- e. Secured in any other manner and amount provided by law for deposits of the City of Grapevine; or
- f. Governed by a Depository Agreement, as described in B.4. of this section, that complies with Federal and State regulation to properly secure a pledged security interest.
- g. Certificates of Deposit may have stated maturities of no greater than five years.

3. Repurchase Agreements

- a. Fully collateralized repurchase agreements and reverse repurchase agreements as defined by the Public Funds Investment Act, with a defined termination date that are placed with a primary government securities dealer or financial institution doing business in the State of Texas, and which are secured by obligations of the United States or its agencies and instrumentalities and which are pledged in the City's name and deposited with a third party custodian bank approved by the City. A Master Repurchase Agreement must be signed by the bank/dealer prior to investment in a repurchase agreement. All repurchase agreement transactions will be on a delivery vs. payment basis. Securities received for repurchase agreements must have a market value greater than or equal to 102 percent at the time funds are disbursed. Repurchase agreements should not exceed 120 days and reverse repurchase agreements should not exceed 90 days, provided an executed PSA Master Repurchase Agreement is on file with the City and the counter party bank or dealer.

4. Money Market Mutual Funds

Money market mutual funds regulated by the Securities & Exchange Commission, with a maximum dollar weighted average portfolio maturity of 60 days or less whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. Money Market Mutual funds that are 1) registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 60 days or less, 3) rated AAA by at least one nationally recognized rating service, and 4) seek to maintain a net asset value of \$1.00 per share. The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund or exceeds 15% of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service in money market mutual funds;

5. Investment Pools

Eligible investment pools organized and operating in compliance with the Public Funds Investment Act that have been authorized by Resolution by the City Council; and local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act and 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by resolution or ordinance by the Board, and whose investment philosophy and strategy are consistent with this Policy and the City's ongoing investment strategy. In addition, a local government investment pool created to function as a money market mutual fund must mark its portfolio to the market daily and, to the extent reasonably possible, stabilize at \$1.00 net asset value. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.

6. Commercial Paper

Commercial Paper is an authorized investment under the Public Funds Investment Act.

Commercial Paper which meets Sec. 2256.013 of the Public Funds Investment Act and

(1) has a stated maturity of 270 days or fewer from the date of its issuance; and

(2) is rated not less than A-1 or P-1 or an equivalent rating by at least:

(A) two nationally recognized credit rating agencies; or

(B) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

7. Unauthorized Investments

The following are **not** authorized investments for the City:

- (1) Obligations whose payments represent the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (Interest Only CMO);
- (2) Obligations whose payments represent the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (Principal Only CMO);
- (3) Collateralized mortgage obligations that have a stated final maturity date of greater than 2 1/2 years; and
- (4) Collateralized mortgage obligations, the interest rate of which is determined by an index that adjusts opposite to the changes in the market index (Inverse Floater CMO).

B. Protection of Principal

The City shall seek to control the risk of loss due to the failure of a security issuer or grantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy; by collateralization as required by law; and through portfolio diversification by maturity and type.

The purchase of individual securities shall be executed “delivery versus payment” (DVP) through the City’s Safekeeping Agent. By so doing, City’s funds are not released until the City has received, through the Safekeeping Agent, the securities purchased.

1. Diversification by Investment Type

Diversification by investment type shall be maintained by ensuring an active and efficient secondary market in portfolio investments and by controlling the market and opportunity risks associated with specific investment types.

Diversification by investment type shall be guided by the following maximum percentages of investment type as compared to the total investment portfolio at the time of each investment transaction:

a. U.S. Treasury Bills/Notes/Bonds	100%
b. U. S. Agencies & Instrumentalities	100%
c. States, Counties, Cities, & Other	75%
d. Certificates of Deposit	75%
e. Money Market Mutual Funds	20%

- f. Eligible Investment Pools 100%
 - g. Commercial Paper 20%
2. **Bond Proceeds**
- Bond proceeds may be invested in a single security or investment if the City Manager determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.
3. **Diversification by Investment Maturity**
- In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by fund are as follows (Investment transactions made prior to the adoption of this Policy are not subject to these guidelines):
- a. Limiting investments to avoid overconcentration in investments from a specific issuer or business sector (excluding obligations of governmental agencies under III(A) and certificates of deposit that are fully insured and collateralized in accordance with state and federal law,
 - b. Limiting investments that have higher credit risks (example: commercial paper),
 - c. Diversify through investments with varying maturities, and
 - d. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

A. **Operating Funds**

The weighted average days to maturity for the operating fund portfolio shall be less than 360 days and the maximum allowable maturity shall be 5 years.

B. **Construction and Capital Improvement Funds**

The investment maturity of construction and capital improvement 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. The maximum maturity for construction or capital improvement funds investments shall generally be no longer than the construction time required for a particular project, with no single security instrument exceeding the life of authorized investments as described above.

C. Debt Service Funds

Debt Service Funds shall be invested to ensure adequate funding for each consecutive debt service payment. The Investment Officers shall invest in such a manner as not to exceed an “unfunded” debt service date with the maturity of any investment. An unfunded debt service date is defined as a coupon or principal payment date that does not have cash or investment securities available to satisfy said payment.

Funds that are considered “bond proceeds” for arbitrage purposes may be invested using a more conservative approach than the standard investment strategy when arbitrage rebate rules require rebating excess earnings. All earnings in excess of the allowable arbitrage earnings (“rebate liability”) will be segregated and made available for any necessary payments to the U.S. Treasury.

4. Ensuring Liquidity

Liquidity shall be achieved by anticipating cash flow requirements, by investing in securities with active secondary markets and by investing in eligible money market mutual funds and local government investment pools.

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or otherwise to adjust the portfolio.

5. Depository Agreements

Consistent with the requirements of State law, the City requires all bank and savings and loan association deposits to be federally insured or collateralized with eligible securities or approved letter of credit issued by Federal Home Loan Bank. Financial institutions serving as the City’s Depositories will be required to sign a Depository Agreement with the City and the City’s safekeeping agent. The safekeeping portion of the Agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- the Agreement must be in writing;
- the Agreement must be approved by the Board of Directors or the loan committee of the Depository and a copy of the meeting minutes must be delivered to the City of Grapevine;

- the Agreement must be part of the Depository’s “official record” continuously since its execution.

a. **Allowable Collateral and Policy**

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, other than investments. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits. At its discretion, the City may require a higher level of collateralization for certain investment securities. Securities pledged as collateral shall be held by an independent third party. The Chief Financial Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable investment securities for collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities, and the method of valuation of securities. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate.

Collateral Defined

The City shall accept only the following types of collateral:

- Obligations of the United States or its agencies and instrumentalities,
- Direct obligations of the state of Texas or its agencies and instrumentalities,
- Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of five (5) years or less,
- A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A,
- A letter of credit issued to the City by the Federal Home Loan Bank.

b. **Collateral Levels**

The market value of the principal and interest portion of collateral pledged for certificates of deposit and bank balances on deposit must at all times be equal to or greater than the par value of the certificate of deposit plus accrued interest.

c. Monitoring Collateral Adequacy

The City shall require monthly reports with market values of pledged securities from all financial institutions with which the City has collateralized deposits. The Investment Officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

d. Additional Collateral

If the collateral pledged for a deposit falls below the par value of the deposit, plus accrued interest and less FDIC insurance, the institution holding the deposit will notify the City and must pledge additional securities no later than the end of the next succeeding business day.

e. Security Substitution

Collateralized deposits often require substitution of securities. Any financial institution requesting substitution must contact the Investment Officers for approval and settlement. The substituted security's value will be calculated and substitution approved if the substitution maintains a pledged value equal to or greater than the required security level. An Investment Officer must provide written notification of the decision to the bank or the safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

6. Safekeeping

a. Safekeeping Agreement

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 custody to secure demand or time deposits. Securities owned by the City shall be evidenced by safekeeping receipts of the institution holding the securities.

b. Safekeeping of Deposit Collateral

All collateral securing deposits must be held by a third party banking institution acceptable to and under contract with the City of Grapevine, or by the Federal Reserve Bank.

c. Subject to Audit

All collateral shall be subject to inspection and audit by the Chief Financial Officer or the City's independent auditors.

C. Investment Advisors and Investment Providers

Investment Advisors shall adhere to the spirit, philosophy and specific term of this Policy and shall invest within the same “Standard of Care.” Investment Providers shall adhere to the spirit and philosophy of this Policy and shall avoid recommending or suggesting transactions outside that “Standard of Care.”

Selection of Investment Advisors and Investment Providers will be performed by the Investment Committee. The Investment Committee will establish criteria to evaluate Investment Advisors and Investment Providers, including:

- a. Adherence to the City’s policies and strategies,
- b. Investment performance and transaction pricing within accepted risk constraints,
- c. Responsiveness to the City’s request for services, information and open communication,
- d. Understanding of the inherent fiduciary responsibility of investing public funds, and
- e. Similarity in philosophy and strategy with the City of Grapevine’s objectives.

Selected Investment Advisors and Investment Providers shall provide timely transaction confirmations and monthly activity reports.

Business organizations eligible to transact investment business with the City shall be presented a written copy of this Investment Policy. Additionally, the qualified representative of the business organization seeking to transact investment business shall execute a written instrument substantially to the effect that the registered principal has:

- 1) received and thoroughly reviewed this Investment Policy, and
- 2) (a) Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City’s investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio or requires an interpretation of subjective investment standards.
- (b) Such instrument must be accepted by a qualified representative of the business. Such qualified representative must meet the following criteria:
 - (1) “Qualified representative” means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:
 - (2) for a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the National Association of Securities Dealers;

- (3) for a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or
- (4) for an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool.

The City shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

3)The list of approved brokers to be utilized for the purchase of allowed securities is to be selected by the investment committee with such list of selected brokers to be provided to the City Council on an annual basis or at any time the list is modified. All such brokers so selected will meet the criteria set forth in the other provisions of this Investment Policy.

D. Responsibility and Controls

1. Delegation of Authority to Invest

The City Council hereby designates the “Investment Officers” by Resolution to be the City Manager, with overall responsibilities to see that investment objectives are accomplished and that the Assistant City Manager, Chief Financial Officer, the Controller, or their designees who are designated as Public Fund Investment Officers are vested and authorized with specific day-to-day performance of managing and investment of the funds of the City of Grapevine.

Per Ordinance 98-127 the City Council has established an Investment Committee consisting of the City Council representative to the audit committee, City Manager or Assistant City Manager, the Chief Financial Officer and the Controller of the City of Grapevine. The committee shall perform the following duties:

- (a) Establish and modify from time to time a list of approved brokers and dealers for the purchase of allowed securities. The list of approved brokers to be utilized for the purchase of allowed securities is to be selected by the Investment Officers, with such list of selected brokers to be provided to the City Council on an annual basis or at any time the list is modified.
- (b) Review the City’s investment portfolio on a regular basis and determine appropriate portfolio adjustments, oversee the City’s investment advisor, monitor compliance with the City’s Investment Policy and Strategy statements and perform other duties as necessary to maintain the City’s investment program.

2. Training

- (a) All Certified Public Funds Investment Officers of the City of Grapevine shall have a

minimum of 10 classroom hours of Investment Training during the first consecutive 24 month period and eight hours for each consecutive 24 month period thereafter following the effective date of this Ordinance.

- (b) Training as required in 2.(a) above is authorized to be provided from one or more of the following sources:

The Texas Municipal League (TML)

The North Central Texas Council of Governments (NCTCOG)

Courses sponsored by the Government Finance Officers Association

Area Universities and Colleges

Qualified training institutions not affiliated with any financial institution with which the City does business.

3. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and internal procedures. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the investment of all funds over which the Investment Officer had responsibility; rather than the prudence of a single investment shall be considered. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of personal liability.

4. Standard of Care

The standard of care used by the City shall be the “prudent investor rule” and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

“Investments shall be made with judgment and care, under circumstances then prevailing, 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.”

5. Standards of Ethics

The designated Investment Officers 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. Investment Officers shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Additionally, all Investment Officers shall file with the Texas Ethics Commission and the City a statement disclosing any personal business relationship with an entity seeking to sell investments to the City.

Each City Investment Officer shall disclose if he has a personal business relationship with any investment firm doing business with the City, if the extent of business relationship meets any of the following conditions:

- (a) the Investment Officer 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 Officers from the business organization exceed 10% of the Investment Officer's gross income for the previous year; or
- (c) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.
- (d) If the Investment Officer is related within the second degree by affinity or consanguinity, as determined under the Government Code, to an individual seeking to sell an investment to the City.

6. Establishment of Internal Controls

The City of Grapevine's Investment Officer will maintain a system of internal controls over the investment activities of the City.

7. Reporting

Investment performance will be monitored and evaluated by the Investment Officer. The Investment Officers will provide a quarterly comprehensive report signed by all Investment Officers to the City Council. This investment report shall:

- (a) describe in detail the investment position of the City,
- (b) state the reporting period beginning book and market value, additions or changes to the book and market value during the period and ending book and market value for the period of each pooled fund group,
- (c) state the reporting period beginning book and market value and reporting period ending book and market value for each investment security by asset type and fund type,
- (d) state the maturity date of each investment security,
- (e) accrued interest and total earnings for reporting period,
- (f) state the percentage of total portfolio that each type of investment represents, and
- (g) state the compliance of the investment portfolio with the City's Investment Policy and

strategy and the Public Funds Investment Act.

The City of Grapevine, in conjunction with its Annual Financial Audit, shall perform a compliance audit of management controls on investments and adherence to the City's Investment Policy and Investment Strategy Statement. The City's independent auditor is required to review the Quarterly Investment Reports during the annual audit of the City's Financial System.

8. Performance Standards

The City's investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of obtaining a rate of return through budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow requirements of the City.

CITY OF GRAPEVINE, TEXAS
BROKER/DEALER LIST

The following is a list of approved and authorized broker/dealers used for the City of Grapevine, Texas. Each of the firms used from this list will provide compliance materials and a complete file of those materials will be maintained by the City.

In accordance with Section 2256.025 of the Public Funds Investment Act, the list below is approved by the Investment Committee and shall be maintained by the Chief Financial Officer and corresponding staff.

Primary Broker/Dealers

J.P. Morgan Securities
Cantor Fitzgerald

Regional/Local Brokers

Coastal Securities
Duncan Williams
Hilltop Securities
Multi-Bank Securities
Ladenburg Thalmann

CITY OF GRAPEVINE

INVESTMENT STRATEGY STATEMENT

Adopted:

May 6, 1997

Last Revised:

September 1, 2020

PREFACE

It is the policy of the City of Grapevine that, giving due regard to the safety and risk of investment, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Resolution requirements, the city's adopted Investment Policy and adopted Investment Strategy.

In accordance with the Public Funds Investment Act, the City of Grapevine's investment strategies shall address the following priorities (in order of importance):

- Understanding the suitability of the investment to the financial requirements of the City,
- Preservation and safety of principal,
- Liquidity,
- Marketability of the investment prior to maturity,
- Diversification of the investment portfolio, and
- Yield.

Effective investment strategy development coordinates the primary objectives of the City of Grapevine's Investment Policy and cash management procedures to enhance interest earnings and reduce investment risk. Aggressive cash management will increase the available "investment period" and subsequently interest earnings. Maturity selections shall be based on cash flow and market conditions to take advantage of various interest rate cycles. The City's investment portfolio shall be designed and managed in a manner responsive to the public trust and consistent with the Investment Policy.

Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the fund's unique requirements. The City's funds shall be analyzed and invested according to the following major fund types:

- a. Operating Funds
- b. Construction and Capital Improvement Funds
- c. Debt Service Funds

INVESTMENT STRATEGY

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

a. **Operating Funds**

The City of Grapevine's Operating Funds are as follows:

General Fund	Heritage Foundation Fund
Water and Sewer Fund	Occupancy Tax Fund
TIF 1 & 2 Operating Fund	Grant Fund
Lake Enterprise Fund	Trust and Agency Fund
4B Economic Development Corp. Sales Tax Fund	Special Revenue Fund
Crime Control District Sales Tax Fund	Capital Project Fund
Community Quality of Life Fund	All Non-Major Governmental Funds

Suitability - Any investment eligible in the Investment Policy is suitable for the Operating Funds.

Safety of Principal - All investments shall be of highest credit quality securities with no perceived default risk. Market price fluctuations will occur. By managing the weighted average days to maturity for the Operating Fund portfolio to less than 360 days and restricting the maximum allowable maturity to 5 years, the price volatility of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - The Operating Funds require the greatest short-term liquidity of any of the fund types. Short-term investment pools and money market mutual funds shall provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities shall 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.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of rolling one year Treasury bill portfolio shall be the minimum yield objective.

b. Construction and Capital Improvement Funds

The City of Grapevine's Construction and Capital Improvement funds are as follows:

- Capital Projects - Streets
- Capital Projects - General Facilities and Equipment
- Capital Projects - Recreation
- Capital Projects - Street Maintenance and Capital Replacement
- Capital Projects - Tax Increment Financing Districts #1 and #2
- Capital Projects - Community Quality of Life Fund

Suitability - Any investment listed as eligible in the Investment Policy is suitable for Construction and Capital Improvement Funds.

Safety of Principal - All investments shall be of highest credit quality securities with no perceived default risk. Market price fluctuations will, however, occur. By managing the Construction and Capital Improvement Fund's portfolio to the anticipated expenditure schedule market risk shall be reduced.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point shall define an efficient secondary market.

Liquidity - The City's funds used for construction and capital improvement programs have reasonably predictable draw down schedules. Therefore, investment maturities shall generally follow the anticipated cash flow requirements. Investment pools and money market mutual funds shall provide readily available funds generally equal to one month's anticipated cash flow needs. A flexible repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request.

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds and other construction and capital improvement funds. With bond proceeds, if investment rates exceed the applicable arbitrage yield, the City is best served by locking in most investments. If the arbitrage yield 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 with any City funds.

Yield - Achieving a positive spread to the applicable arbitrage yield is the desired objective for bond proceeds. Non-bond proceed construction and capital project funds will target a rolling portfolio of six month Treasury bills.

c. Debt Service Funds

The City's Debt Service Fund includes:

Debt Service Fund - General Obligations

Debt Service Fund - Tax Increment Financing Districts #1 and #2

Suitability - Any investment listed as eligible in the Investment Policy is suitable for the Debt Service Fund.

Safety of Principal - All investments shall be of high quality securities with no perceived default risk. Market price fluctuations will however occur. By managing the Debt Service Fund's portfolio to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Marketability - Securities with active and efficient secondary markets are less necessary, as the event of an unanticipated cash requirement is not probable.

Liquidity - Debt service funds have predictable payment schedules. Therefore, investment maturities shall not exceed the anticipated cash flow requirements. Investment pools and money market mutual funds may provide a competitive yield alternative for short term fixed maturity investments. A flexible repurchase agreement may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment.

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next "unfunded" payment date. Generally if investment rates are trending down, the City is best served by locking in most investments. If interest rates are flat or trending up, then concurrent market conditions will determine the attractiveness of extending maturity or investing in shorter- term alternatives. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

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 shall be the minimum yield objective.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL TO RENEW AN ANNUAL CONTRACT FOR EMPLOYEE ASSISTANCE PROGRAM (EAP) SERVICES

RECOMMENDATION: City Council to consider the renewal of an annual contract for Employee Assistance Program (EAP) services with Deer Oaks for the Risk Management Department.

FUNDING SOURCE: Funds are available in the Health Insurance Premium budget for an estimated amount of \$20,100.

BACKGROUND: The EAP is a voluntary, confidential program which helps employees work through various life challenges that may adversely affect job performance, health and personal well-being to optimize their success with the City of Grapevine.

The City's consultants McGriff, Seibels, and Williams secured the renewal of this program with Deer Oaks. The pricing was guaranteed for five years. City staff determined that the renewal contract will provide the best service for meeting the needs of the City. The contract was for an initial one-year period with four, one-year renewal options. If approved, this will be the second renewal available.

Staff recommends approval.

MH/LW

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER ^{BR}

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL FOR THE AWARD OF RFP 498-2020 FOR MEDICAL AND RX STOP LOSS INSURANCE

RECOMMENDATION: City Council to consider approval for the award of RFP 498-2020 for a Medical and Rx Stop Loss insurance policy with Swiss Re for the Risk Management Department.

FUNDING SOURCE: Funds are available in the General Fund Health Insurance Premium budget for an estimated amount of \$830,000.

BACKGROUND: The City of Grapevine is self-funded for employee and pre-65 retiree medical and prescription insurance. Therefore, the City assumes all or a portion of the risk for medical and prescription drug claims for all covered members on its health plan. Stop Loss Insurance is designed to offer effective protection against excessive claims by limiting the amount of risk on any one individual insured.

An RFP was issued in accordance with Local Government Code Chapter 252, Subchapter B, Section 252.021(a) and Section 252.041(a) and in conjunction with the City's insurance consultants; McGriff, Seibels and Williams. The RFP was advertised in the Fort Worth Star Telegram on July 23 and July 30, 2020. Three vendors submitted responses. The RFP was opened publicly at the offices of McGriff, Seibels and Williams on August 6 at 2 pm.

The City's insurance consultants, McGriff, Seibels and Williams evaluated the three proposals from Swiss Re, Berkley and Sun Life based on the City's requirements and the services offered. City staff reviewed the proposals and determined that Swiss Re would provide the best service and pricing for meeting the needs of the City.

Staff recommends approval.

MH/LW

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL TO RENEW A SERVICE CONTRACT FOR THE PUBLIC SAFETY BUILDING DATACENTER SYSTEM SUPPORT AND NETWORK ADMINISTRATION

RECOMMENDATION: City Council to consider the renewal of a service contract for the Public Safety Building Data Center system and network support and administration from LEAF TCS for the IT Department.

FUNDING SOURCE: Funds are available in the General and Utility Enterprise Funds for an estimated amount of \$180,000.

BACKGROUND: This purchase request is to continue a contract for system and network administration services in support of the City of Grapevine Public Safety Building Data Center. LEAF TCS will provide services to support the City of Grapevine Information Technology Department in its oversight responsibilities on maintenance and administration of physical and virtual information technology infrastructure systems.

The functional areas of expertise required include: virtual network system administration and support, data center physical network support and maintenance, network infrastructure planning/troubleshooting, and system and network monitoring.

Staff recommends approval.

AP/LW

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL TO RENEW AN ANNUAL SOLE SOURCE CONTRACT FOR MANAGED DATA STORAGE SERVICES

RECOMMENDATION: City Council to consider the renewal of an annual sole source contract for managed data storage services with One Safe Place Media Corporation for the IT Department.

FUNDING SOURCE: Funds are available in the General Fund 100 IT License & Maintenance Fees budget for an amount not to exceed \$22,056.

BACKGROUND: The purpose of this contract is for disaster recovery of all City data stored in an electronic form. The data is located and stored in fully encrypted form in a secure data center off-site. The daily transfer of new and changed data occur nightly over the internet with full data encryption. This service keeps the City in compliance with industry compliance standards, federal, state and local laws which guarantees the City will not lose any data due to a disaster or equipment failure.

This procurement was made as a sole source in accordance with Local Government Code Chapter 252, Subchapter B, § 252.022. General Exemptions (a)(7)(A). The contract is for an initial one-year period with ten optional, one-year renewals. If approved, this will be for the first renewal available.

Staff recommends approval.

AP/LW

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL TO RENEW AN ANNUAL CONTRACT FOR POLICE UNIFORM CLEANING SERVICES

RECOMMENDATION: City Council to consider the renewal of an annual contract for Police uniform cleaning services with Grapevine Cleaners for the Police Department.

FUNDING SOURCE: Funds are available in the Crime Control District Fund for an estimated annual amount of \$30,000.

BACKGROUND: The purpose of this contract is to establish fixed annual pricing for cleaning Department issued uniforms on an as-needed basis for the Police Department.

The City of Grapevine solicited "Best Value" bids in accordance with Local Government Code Chapter 252, Subchapter B, Section 252.021 (a) and Section 252.041 (a). The award was made to Grapevine Cleaners. The contract was for an initial one-year period with four, one-year renewal options. If approved, this will be the first renewal available.

Staff recommends approval.

MB/LW

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL OF OWNER FURNISHED AGREEMENT WITH SCHNEIDER ELECTRIC SERVICES

RECOMMENDATION: City Council to consider approval of the purchase of electrical services from Schneider Electric for the Animal Services Facility.

FUNDING SOURCE: Funds are available in the Capital Equipment Fund 325 for an estimated amount of \$54,000.

BACKGROUND: This purchase will provide for the installation of security doors at the renovated Animal Services Facility. These security doors and locks fully integrate with other City facilities and were included in the project plan. The project scope and budget provided for the acquisition of several owner-furnished/owner-installed items as a way to reduce total project costs.

Staff recommends approval.

JB

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER *BR*

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL OF RENEWAL OF AN ANNUAL CONTRACT FOR WATER AND WASTEWATER ANALYSIS SERVICES

RECOMMENDATION: City Council to consider the renewal of an annual contract for water and wastewater analysis services from the Trinity River Authority of Texas for the Public Works Department.

FUNDING SOURCE: Funds are available in the Utility Enterprise Fund for an amount not to exceed \$25,000.

BACKGROUND: The Trinity River Authority (TRA) provides a variety of lab testing services for the City. The City sends samples to TRA from the water and wastewater plants for testing to meet EPA and TCEQ requirements. While the City is able to meet its daily testing obligations internally, monthly EPA and TCEQ testing must be conducted by a certified laboratory. The period covered by the contract is October 1, 2020 to September 30, 2021.

This purchase will be made as a sole source from Trinity River Authority of Texas in accordance with Local Government Code Chapter 252, Subchapter B, §252.022. General Exemptions (a) (2). This contract can be renewed annually at the City's option.

Staff recommends approval.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: BRUNO RUMBELOW, CITY MANAGER **BR**

MEETING DATE: SEPTEMBER 1, 2020

SUBJECT: APPROVAL TO RENEW ANNUAL CONTRACTS FOR WATER AND WASTEWATER CHEMICALS

RECOMMENDATION: City Council to consider the renewal of annual contracts for water and wastewater chemicals with Brenntag Southwest, Chameleon Industries, DPC Industries and Fort Bend Services for the Public Works Department.

FUNDING SOURCE: Funds are available in the Utility Enterprise Fund 200 for an annual estimated amount of \$195,000.

BACKGROUND: The purpose of this contract is to establish fixed annual pricing for water and wastewater chemicals on an as-needed basis for the Public Works Department. Purchasing and the Public Works Department awarded products based on the lowest responsible and responsive bids submitted.

Bids were taken in accordance with Local Government Code Chapter 252, Subchapter B, Section 252.021 (a) and Section 252.041 (a). Based on the evaluation of the bids submitted by each company, the Public Works Department and Purchasing, determined the award be made based on the lowest responsible and responsive bids meeting specifications for each line item awarded.

The original contracts were for an initial one-year period with four, one-year optional renewals. If approved, this will be for the first renewal available.

Staff recommends approval.

KM/LW



CITY OF GRAPEVINE, TEXAS
 REGULAR JOINT MEETING OF
 CITY COUNCIL AND PLANNING AND ZONING COMMISSION
 TUESDAY, AUGUST 18, 2020

GRAPEVINE CITY HALL, COUNCIL CHAMBERS
 200 SOUTH MAIN STREET
 GRAPEVINE, TEXAS

In accordance with Orders of the Office of the Governor of the State of Texas, the Grapevine City Council meeting was conducted by telephone. Members of City Council and the Planning and Zoning Commission were present in person in the City Council Chambers, Second Floor, 200 South Main Street.

Members of the public were invited to participate by telephone by a number posted on the agenda. The meeting was live streamed on the City's website.

The City Council of the City of Grapevine, Texas met in Regular Session on this the 18th day of August, 2020 in the City Council Chambers, Second Floor, 200 South Main Street, with the following members present:

William D. Tate	Mayor
Darlene Freed	Mayor Pro Tem
Sharron Rogers	Council Member
Chris Coy	Council Member
Duff O'Dell	Council Member
Paul Slechta	Council Member
Leon Leal	Council Member

constituting a quorum, with the following members of the Planning and Zoning Commission:

Larry Oliver	Chairman
B.J. Wilson	Vice Chairman
Monica Hotelling	Member
Jim Fechter	Member
Beth Tiggelaar	Member
Dennis Luers	Member
Traci Hutton	Member
David Hallberg	Alternate Member

constituting a quorum, and the following members of the City Staff:

Bruno Rumbelow	City Manager
Jennifer Hibbs	Assistant City Manager

Matthew C.G. Boyle
Tara Brooks

Assistant City Attorney
City Secretary

Call to Order

Mayor Tate called the meeting to order at 7:31 p.m. in the City Council Chambers.

Item 1. Invocation and Pledge of Allegiance

Vice-Chairman B.J. Wilson delivered the Invocation and led the Pledge of Allegiance.

JOINT PUBLIC HEARINGS

Item 2. Conditional Use Permit **CU20-01** and Planned Development Overlay **PD20-02**
(Dove Road Country Store)

Development Services Assistant Director Ron Stombaugh reported the applicant, Crown Architecture & Development LLC, was requesting a conditional use permit to allow for the possession, storage, retail sales, and off-premise consumption of alcoholic beverages (beer and wine only) and gasoline services in conjunction with a convenience store. The applicant is also requesting a planned development overlay to deviate from, but not be limited to, a reduction in front yard setback requirements and eliminating the south and east landscape buffer adjacent to the Corp of Engineers property. The subject property is located at 1414 North Dove Road and is currently zoned "CN" Neighborhood Commercial District.

Applicant, A.K. Pirani, gave a presentation and answered questions from the Commission and Council.

Development Services Director Scott Williams answered questions from Council.

Jonathan Armenta, 1408 Savannah Court, Grapevine spoke in opposition to this item.

There was one letter in opposition and four letters of concern provided to the Commission and Council.

Motion was made to close the public hearing.

Motion: Luers

Second: Freed

Ayes: Oliver, Wilson, Hotelling, Fechter, Tiggelaar, Hutton and Hallberg

Nays: None

Approved: 7-0

Motion was made to close the public hearing.

Motion: Coy

Second: O'Dell

Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

Item 3. Conditional Use Permit **CU20-14** (Grapevine Volkswagen)

Development Services Assistant Director Stombaugh reported the applicant, Principle Auto, was requesting a conditional use permit to establish an automobile dealership with sales and service of new and used vehicles and a 40-foot pole sign. The subject property is located at 2351 William D. Tate Avenue and is currently zoned "CC" Community Commercial District.

The applicant, Ken Clayton, presented the proposed project.

No one spoke during the public hearing. There was one letter in support and one letter in opposition to the request provided to the Commission and Council.

Motion was made to close the public hearing.

Motion: Wilson
Second: Luers
Ayes: Oliver, Wilson, Hotelling, Fechter, Tiggelaar, Luers, and Hutton
Nays: None
Approved: 7-0

Motion was made to close the public hearing.

Motion: O'Dell
Second: Slechta
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

Item 4. Conditional Use Permit **CU20-15** (Marriott Courtyard/Townplace Suites/Hilton Garden Inn)

Development Services Assistant Director Stombaugh reported the applicant, Grapevine Metro Hotel GP LLC, was requesting a conditional use permit to amend the previously approved site plan of CU19-16 (Ordinance No. 2019-037) for a master site development plan, specifically to allow additional surface parking for the existing Marriott Courtyard/TownePlace Suites/Hilton Garden Inn hotel complex. The subject property is located at 2200 Bass Pro Court and is currently zoned "CC" Community Commercial District.

Applicant Mike Patel presented this item and answered questions from the Council and Commission.

Council discussed this item.

Development Services Assistant Director Stombaugh answered questions from Council.

No one spoke during the public hearing and there was one letter in opposition.

Motion was made to close the public hearing.

Motion: Luers
Second: Hotelling
Ayes: Oliver, Wilson, Hotelling, Fechter, Tiggelaar, Luers, and Hutton
Nays: None
Approved: 7-0

Motion was made to close the public hearing.

Motion: Coy
Second: Freed
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

Item 5. Conditional Use Permit **CU20-16** (Wine Fusion Winery)

Development Services Assistant Director Stombaugh reported the applicant, Wine Fusion Winery LLC, was requesting a conditional use permit to amend the previously approved site plan of CU15-18 (Ordinance No. 2015-028) specifically to allow for the possession, storage, retail sales and on-premise consumption of alcoholic beverages (beer, wine and mixed beverages) and outdoor dining in conjunction with a restaurant in the Central Business District. The subject property is located at 603 South Main Street #304 and is currently zoned "CBD" Central Business District.

Danielle Kaufman presented the proposed changes to her business.

Nicholas Kaufman answered questions from Council.

Council discussed this item.

No one spoke during the public hearing. There were 23 letters received in support of the permit request.

Motion was made to close the public hearing.

Motion: Tiggelaar
Second: Hutton
Ayes: Oliver, Wilson, Hotelling, Fechter, Tiggelaar, Luers, and Hutton
Nays: None
Approved: 7-0

Motion was made to close the public hearing.

Motion: O'Dell

Second: Slechta
Ayes: Oliver, Wilson, Hotelling, Fechter, Tiggelaar, Luers, and Hutton
Nays: None
Approved: 7-0

Planning and Zoning Commission recessed to the Planning and Zoning Commission Conference Room, Second Floor, to consider published agenda items.

City Council remained in session in the Council Chambers to consider published business.

Item 6. Citizen Comments

There were no requests to speak during Citizen Comments.

NEW BUSINESS

Item 7. Consider Resolution No. 2020-015 approving the use of the proposed ad valorem tax rate of 0.282601 per \$100 to calculate property tax revenue for the Fiscal Year 2021 Budget and take any necessary action.

Chief Financial Officer Greg Jordan presented this item and answered questions from Council. Senate Bill 2 added a requirement that Council must approve the tax rate that will be used to calculate the property tax revenue for the budget. The vote on the adoption of the tax rate will be held during the regular City Council meeting scheduled for September 15, 2020.

Motion was made to approve Resolution No. 2020-015 approving the use of the proposed ad valorem tax rate of 0.282601 per \$100 to calculate property tax revenue for the Fiscal Year 2021 Budget.

Motion: Coy
Second: Freed
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

RESOLUTION NO. 2020-015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, APPROVING THE PROPOSED TAX RATES FOR TAX YEAR 2020 ON PROPERTY WITHIN THE CITY; AND PROVIDING AN EFFECTIVE DATE

CONSENT AGENDA

Consent items are deemed to need little Council deliberation and will be acted upon as one business item. Any member of the City Council or member of the audience may request that an item be withdrawn from the consent agenda and placed before the City Council for full discussion. No one requested to remove any items from the consent agenda.

Approval of the consent agenda authorizes the City Manager, or his designee, to implement each item in accordance with Staff recommendations.

Item 8. Consider the renewal of an annual contract for fiber internet access and video services from Spectrum Enterprises.

Chief Technology Officer Tessa Allberg recommended approval of the annual contract for fiber internet access and video services for the Public Safety Building for an estimated annual amount of \$30,169.

Motion was made to approve the consent agenda as presented.

Motion: Rogers
 Second: Coy
 Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
 Nays: None
 Approved: 7-0

Item 9. Consider the renewal of an annual sole source contract for multimedia services for streaming and archiving of public meetings with Swagit Productions, LLC for City Council and Planning and Zoning Commission meetings.

City Secretary Tara Brooks recommended approval of the renewal of the agreement for streaming and archiving services of public meetings for an estimated annual amount of \$16,200.

Motion was made to approve the consent agenda as presented.

Motion: Rogers
 Second: Coy
 Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
 Nays: None
 Approved: 7-0

Item 10. Consider the minutes of the August 4, 2020 Regular City Council meeting.

City Secretary Brooks recommended approval of the minutes as presented.

Motion was made to approve the consent agenda as presented.

Motion: Rogers

Second: Coy
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

Mayor Tate called for a break at 9:21 p.m. Mayor Tate reconvened the meeting at 9:55 p.m.

PLANNING AND ZONING COMMISSION RECOMMENDATIONS

Item 11. Conditional Use Permit **CU20-01** (Dove Road Country Store)

Chairman Oliver reported the Planning and Zoning Commission approved the conditional use permit by a vote of 7-0.

Motion was made to approve Conditional Use Permit CU20-01 Dove Road Country Store and Ordinance No. 2020-035.

Motion: Freed
Second: Slechta
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

ORDINANCE NO. 2020-035

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, ISSUING CONDITIONAL USE PERMIT CU20-01 TO ALLOW FOR THE POSSESSION, STORAGE, RETAIL SALES AND OFF-PREMISE CONSUMPTION OF ALCOHOLIC BEVERAGES (BEER AND WINE ONLY), IN CONJUNCTION WITH A CONVENIENCE STORE WITH GASOLINE SALES IN A DISTRICT ZONED "CN" NEIGHBORHOOD COMMERCIAL DISTRICT REGULATIONS ALL IN ACCORDANCE WITH A SITE PLAN APPROVED PURSUANT TO SECTION 47 OF ORDINANCE NO. 82-73 AND ALL OTHER CONDITIONS, RESTRICTIONS AND SAFEGUARDS IMPOSED HEREIN; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS, MORALS AND GENERAL WELFARE DEMAND THE ISSUANCE OF THIS CONDITIONAL USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00);

DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

Item 12. Planned Development Overlay **PD20-02** (Dove Road Country Store)

Chairman Oliver reported the Planning and Zoning Commission approved the conditional use permit by a vote of 7-0.

Motion was made to approve Conditional Use Permit PD20-02 Dove Road Country Store and Ordinance No. 2020-036.

Motion: Coy
Second: Freed
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

ORDINANCE NO. 2020-036

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, ISSUING PLANNED DEVELOPMENT OVERLAY PD20-02 TO DEVIATE FROM FRONT YARD SETBACK AND LANDSCAPED BUFFERING REQUIREMENTS IN THE "CN" NEIGHBORHOOD COMMERCIAL DISTRICT AND LANDSCAPING REGULATIONS ALL IN ACCORDANCE WITH A SITE PLAN APPROVED PURSUANT TO SECTION 47 OF ORDINANCE NO. 82-73 AND ALL OTHER CONDITIONS, RESTRICTIONS AND SAFEGUARDS IMPOSED HEREIN; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS, MORALS AND GENERAL WELFARE DEMAND THE ISSUANCE OF THIS PLANNED DEVELOPMENT OVERLAY PERMIT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00); DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

Item 13. Conditional Use Permit **CU20-14** (Grapevine Volkswagen)

Chairman Oliver reported the Planning and Zoning Commission approved the conditional use permit by a vote of 7-0.

Motion was made to approve Conditional Use Permit CU20-14 Grapevine Volkswagen and Ordinance No. 2020-037.

Motion: Rogers

Second: Coy
 Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
 Nays: None
 Approved: 7-0

ORDINANCE NO. 2020-037

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, ISSUING CONDITIONAL USE PERMIT CU20-14 TO ESTABLISH AN AUTOMOTIVE DEALERSHIP WITH SALES AND SERVICE OF NEW AND USED VEHICLES AND 40-FOOT POLE SIGN IN A DISTRICT ZONED "CC" COMMUNITY COMMERCIAL DISTRICT ALL IN ACCORDANCE WITH A SITE PLAN APPROVED PURSUANT TO SECTION 47 OF ORDINANCE NO. 82-73 AND ALL OTHER CONDITIONS, RESTRICTIONS AND SAFEGUARDS IMPOSED HEREIN; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS, MORALS AND GENERAL WELFARE DEMAND THE ISSUANCE OF THIS CONDITIONAL USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00); DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

Item 14. Conditional Use Permit **CU20-15** (Marriott Courtyard/Townplace Suites/Hilton Garden Inn)

Chairman Oliver reported the Planning and Zoning Commission approved the conditional use permit by a vote of 7-0 with the condition that an additional 13 spaces are provided with landscaping and concrete surfacing according to Code, and requiring this plan be approved by the Site Plan Review Committee.

Motion was made to approve Conditional Use Permit CU20-15 Marriott Courtyard/Townplace Suites/Hilton Garden Inn and Ordinance No. 2020-038 with the condition than an additional 13 spaces are provided with landscaping and concrete surfacing according to Code, and requiring this plan be approved by the Site Plan Review Committee.

Motion: Freed
 Second: Coy
 Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
 Nays: None
 Approved: 7-0

ORDINANCE NO. 2020-038

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, ISSUING CONDITIONAL USE PERMIT CU20-15 TO AMEND THE PREVIOUSLY APPROVED SITE PLAN OF CU19-16 (ORDINANCE NO. 2019-037) FOR A MASTER SITE DEVELOPMENT PLAN, SPECIFICALLY TO ALLOW ADDITIONAL SURFACE PARKING FOR THE EXISTING MARRIOTT COURTYARD, TOWNEPLACE SUITES, HILTON GARDEN IN HOTEL COMPLEX IN A DISTRICT ZONED "CC" COMMUNITY COMMERCIAL DISTRICT ALL IN ACCORDANCE WITH A SITE PLAN APPROVED PURSUANT TO SECTION 47 OF ORDINANCE NO. 82-73 AND ALL OTHER CONDITIONS, RESTRICTIONS AND SAFEGUARDS IMPOSED HEREIN; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS, MORALS AND GENERAL WELFARE DEMAND THE ISSUANCE OF THIS CONDITIONAL USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00); DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

Item 15. Conditional Use Permit **CU20-16** (Wine Fusion Winery)

Chairman Oliver reported the Planning and Zoning Commission approved the conditional use permit by a vote of 6-1 stipulating the hours of operation would be 3:00 p.m. to 12:00 a.m. Monday-Friday and 10:00 a.m. to 12:00 a.m. Saturday and Sunday.

Motion was made to approve Conditional Use Permit CU20-16 Wine Fusion Winery and Ordinance No. 2020-039.

Motion: Slechta
Second: Coy

Council discussed this item.

Council Member Slechta amended his motion to approve CU20-16 (Wine Fusion Winery) stating the hours of operation may be 3:00 p.m. to 12:00 a.m. Monday-Friday and 10:00 a.m. to 12:00 a.m. Saturday and Sunday.

Council Member Coy amended his second.
Ayes: Coy, O'Dell, Slechta and Leal

Nays: Tate, Freed, and Rogers,
 Approved: 4-3

ORDINANCE NO. 2020-039

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS, ISSUING CONDITIONAL USE PERMIT CU20-16 TO AMEND THE PREVIOUSLY APPROVED SITE PLAN OF CU15-18 (ORDINANCE NO. 2015-28), TO ALLOW FOR THE POSSESSION, STORAGE, RETAIL SALES AND ON-PREMISE CONSUMPTION OF ALCOHOLIC BEVERAGES (BEER, WINE AND MIXED BEVERAGES) AND OUTSIDE DINING IN CONJUNCTION WITH A RESTAURANT ALL IN ACCORDANCE WITH A SITE PLAN APPROVED PURSUANT TO SECTION 47 OF ORDINANCE NO. 82-73 AND ALL OTHER CONDITIONS, RESTRICTIONS AND SAFEGUARDS IMPOSED HEREIN; CORRECTING THE OFFICIAL ZONING MAP; PRESERVING ALL OTHER PORTIONS OF THE ZONING ORDINANCE; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DETERMINING THAT THE PUBLIC INTERESTS, MORALS AND GENERAL WELFARE DEMAND THE ISSUANCE OF THIS CONDITIONAL USE PERMIT; PROVIDING A PENALTY NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00); DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

Item 16. Final Plat of Lot 1, Block 1, Miller Residence

Chairman Oliver reported the Planning and Zoning Commission approved the final plat of Lot 1, Block 1, Miller Residence that is located at 3712 Lakeridge Drive and is currently zoned "R-7.5" Single Family Residential District by a vote of 7-0.

Motion was made to approve the Statement of Findings and Final Plat of Lot 1, Block 1, Miller Residence.

Motion: Coy
 Second: Rogers
 Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
 Nays: None
 Approved: 7-0

ADJOURNMENT

Motion was made to adjourn the meeting at 10:07 p.m.

Motion: Rogers

Second: Coy
Ayes: Tate, Freed, Rogers, Coy, O'Dell, Slechta and Leal
Nays: None
Approved: 7-0

Passed and approved by the City Council of the City of Grapevine, Texas on this the 1st day of September, 2020.

APPROVED:

William D. Tate
Mayor

ATTEST:

Tara Brooks
City Secretary