



Ray Landers –President
Roy Roberts, Position 1
Craig O’Sullivan, Position 2
George Pinder, Position 3

Dianna Taylor, Position 4
Shannon Burke, Position 5
Bob Hotten, Position 6

CALL TO ORDER

NEW BUSINESS

1. Announcement of appointments to the CCPD Board of Directors. [APT 16-013](#)

Recommended Action: Acknowledge the appointments and express condolences on the passing of Board Member Roberts.
2. Consideration of and action on election of officers for 2016-2017. [OFC 16-003](#)

Recommended Action: Elect Officers.
3. Approval of minutes of regular meeting of July 11, 2016. [MIN 16-144](#)

Recommended Action: Approval
Attachments: [CD MR 071116](#)
4. Presentation of the Quarterly Financial Report for the FY 2015-2016 Fourth Quarter Ended September 30, 2016. [RPT 16-069](#)

Recommended Action: Accept the quarterly financial report for the FY 2015-2016 fourth quarter ended September 30, 2016.
Department: Finance Director Todd
Attachments: [CCPD - 2016 4Q Financials](#)
5. Consideration and action on a quarterly plan for expenditures for the period of October 1, 2016 through December 31, 2016. [AUT 16-108](#)

Recommended Action: Approval of Plan
Attachments: [1st quarter expenditures ccpd 2017](#)
6. Discussion of issues relating to a clarification regarding the FY 2016-2017 CCPD Budget. [BUD 16-020](#)

Recommended Action: Discussion only. No action needed.

The Mission of the City of Deer Park is to deliver exemplary municipal services that provide the community a high quality of life consistent with our history, culture and unique character.

7. Consideration of and action on an agreement with the City of Deer Park for CCPD Personnel, Vehicles, Facilities, Equipment, and Investments.

[AGR 16-053](#)

Recommended Action: Approve the agreement.

Department: City Manager's Office

Attachments: [Agreement-City & CCPD.2016-2017](#)

[Exhibit A to Agreement-CCPD Budget-2016-2017](#)

8. Consideration of and action on the annual review and an order to adopt the Investment Policy for the Deer Park Crime Control and Prevention District.

[POL 16-005](#)

Recommended Action: Review and adopt the Investment Policy.

Department: Finance

Attachments: [CCPD Investment Policy - 2016](#)

[CCPD Investment Policy Review - 10.17.16](#)

Shannon Bennett, TRMC
Acting City Secretary

Posted on Bulletin Board
October 14, 2016

City Hall is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 72 hours prior to any meeting. Please contact the City Secretary's office at 281.478.7248 for further information.

The Mission of the City of Deer Park is to deliver exemplary municipal services that provide the community a high quality of life consistent with our history, culture and unique character.



Legislation Details (With Text)

File #: APT 16-013 **Version:** 1 **Name:**
Type: Appointment **Status:** Agenda Ready
File created: 10/14/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Announcement of appointments to the CCPD Board of Directors.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Announcement of appointments to the CCPD Board of Directors.

Summary:

The terms of Board Members Roy Roberts, Shannon Burke and Bob Hotten expired in September 2016. At the October 3, 2016 City Council Meeting, Councilmember Patterson re-appointed Mr. Roberts, Councilmember Martin re-appointed Mrs. Burke and Councilmember Sinor re-appointed Mr. Hotten to the Board.

Subsequently, we received the very sad news of the passing of Mr. Roberts. Councilmember Patterson plans to announce his appointment to fill this vacancy on the Board at the November 1, 2016 City Council Meeting.

These appointments are for a term of two (2) years and the right to terminate the aforesaid appointments is subject to Section 344.101(f) of Chapter 344 of the Texas Local Government Code.

Fiscal/Budgetary Impact:

N/A

Acknowledge the appointments and express condolences on the passing of Board Member Roberts.



Legislation Details (With Text)

File #: OFC 16-003 **Version:** 1 **Name:**
Type: Election of Officers **Status:** Agenda Ready
File created: 10/14/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Consideration of and action on election of officers for 2016-2017.
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Consideration of and action on election of officers for 2016-2017.

Summary:

The Board shall elect from among its members a president and vice president.

The board shall appoint a secretary.

The person who performs the duties of auditor for the municipality shall serve as treasurer of the district.

Each officer of the board serves for a term of one year.

A vacancy in a board office shall be filled by the board for the unexpired term.

Current officers are:

President - Ray Landers

Vice-President - Shannon Burke

Secretary - Sandra Watkins. (Shannon Bennet is Acting Board Secretary)

Treasurer - Donna Todd

Fiscal/Budgetary Impact:

N/A

Elect Officers.



Legislation Details (With Text)

File #: MIN 16-144 **Version:** 1 **Name:**
Type: Minutes **Status:** Agenda Ready
File created: 10/12/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Approval of minutes of regular meeting of July 11, 2016.
Sponsors:
Indexes:
Code sections:
Attachments: [CD_MR_071116](#)

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Approval of minutes of regular meeting of July 11, 2016.

Summary:

Fiscal/Budgetary Impact:

None

Approval

CITY OF DEER PARK

CD 1-114

710 EAST SAN AUGUSTINE STREET

DEER PARK, TEXAS 77536

MINUTES

OF

THE REGULAR MEETING OF THE DEER PARK CRIME CONTROL AND PREVENTION DISTRICT BOARD OF DIRECTORS HELD AT CITY HALL COUNCIL CHAMBERS, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS, ON JULY 11, 2016 BEGINNING AT 5:15 P.M., WITH THE FOLLOWING MEMBERS PRESENT:

RAY LANDERS	PRESIDENT
SHANNON BENNETT	ACTING BOARD SECRETARY
DONNA TODD	TREASURER
GEORGE PINDER	MEMBER
DIANNA TAYLOR	MEMBER
BOB HOTTEN	MEMBER

1. MEETING CALLED TO ORDER – President Ray Landers called the meeting to order at 5:15 p.m.
2. APPROVAL OF MINUTES – Motion was made by George Pinder and seconded by Bob Hotten to approve the minutes of the regular meeting on April 18, 2016. Motion carried unanimously.
3. APPROVAL OF MINUTES – Motion was made by Dianna Taylor and seconded by Bob Hotten to approve the minutes of the special meeting on June 13, 2016. Motion carried unanimously.
4. APPROVAL OF MINUTES – Motion was made by Dianna Taylor and seconded by Bob Hotten to approve the minutes of the public hearing on June 13, 2016. Motion carried unanimously.
5. CONSIDERATION OF AND ACTION ON APPROVING THE FY 2016-2017 DEER PARK CRIME CONTROL AND PREVENTION DISTRICT BUDGET AND SUBMISSION TO CITY COUNCIL – Assistant City Manager Gary Jackson advised the Board of some revisions to the budget. Sergeant Tyron was moved to the CCPD from the General Fund. The initial budget also included a 10% estimate for health insurance, which is now reduced to 8%. The revisions made a reduction in the overall budget.

Motion was made by Bob Hotten and seconded by George Pinder to approve the FY 2016-2017 Deer Park Crime Control and Prevention District Budget and submission to City Council. Motion carried unanimously.

6. PRESENTATION OF THE QUARTERLY FINANCIAL REPORT FOR THE FY 2015-2016 THIRD QUARTER ENDED JUNE 30, 2016 – Treasurer Donna Todd presented the Financial Report and highlighted the statement of revenues and expenditures. (Exhibit A1-A2)

Motion was made by Dianna Taylor and seconded by George Pinder to accept the Financial Report. Motion carried unanimously.

7. CONSIDERATION OF AND ACTION ON A QUARTERLY PLAN FOR EXPENDITURES FOR THE PERIOD OF JULY 1, 2016, THROUGH SEPTEMBER 30, 2016 - Captain Wade Conner commented, “There were a few changes in the plan. Basically, our expenditures are going to be what’s left over. We held onto the funds for the gun range. One change was for the Bicycle Patrol Unit. We had money left over from the application and we budgeted low for the unit so there was an offset. The fourth quarter projected purchases include the OSSI Consortium Fee, the Cellibrite UFED annual license renewal, furniture and equipment for the Training Facility and Gun Range, replacement of chairs, utility vehicle for the Gun Range, Narcotics, Vice & Street Crimes Supervisor Training, Rental vehicles for a Pro-Active Sergeant and an investigator and the FARO Focus 3D Scanner Crime Scene Mapping”

Motion was made by Dianna Taylor and seconded by seconded by George Pinder to accept the quarterly plan for expenditures period of July 1, 2016 through September 30, 2016. Motion carried unanimously.

8. CONSIDERATION OF AND ACTION ON APPROVING AN AMENDMENT TO THE FY 2015-2016 DEER PARK CRIME CONTROL AND PREVENTION DISTRICT BUDGET FOR A ONE-TIME SALARY COMPENSATION ADJUSTMENT FOR QUALIFYING DISTRICT EMPLOYEES - Assistant City Manager Gary Jackson advised the Board of the savings on the expenses side and the revenues greater than what was anticipated on the revenue side. “We wanted to share with employees in a way it would be an on-going part of the base salary. This is a one-time compensation adjustment. We are recommending you not use the word salary because salary is perceived to be more of the base salary. This is for full-time employees. If there is an employee that started yesterday, it may be that employee doesn’t qualify yet. We are trying to define what those exact qualifying criteria will be. If the Board agrees with the concept, we would like to amend the current year’s budget to pay to the employees in August. City Council will set the qualifying criteria at their July 19th meeting. This action would be contingent upon approving it for all City employees.”

Motion was made by Bob Hotten and seconded by George Pinder to amend the FY 2015-2016 CCPD budget to allow the one-time compensation adjustment for all qualifying employees contingent upon the City Council approval. Motion carried unanimously.

President Landers commented, “I would like to express to Chief Grigg and the Police Department our support. I understand what they are going through in Police Departments everywhere.”

9. ADJOURN – President Landers adjourned the meeting at 5:32 p.m.

ATTEST:

APPROVED:

Shannon Bennett, TRMC
Acting Board Secretary

Ray Landers
President



Legislation Details (With Text)

File #: RPT 16-069 **Version:** 1 **Name:**
Type: Report **Status:** Agenda Ready
File created: 10/10/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Presentation of the Quarterly Financial Report for the FY 2015-2016 Fourth Quarter Ended September 30, 2016.
Sponsors: Donna Todd
Indexes:
Code sections:
Attachments: [CCPD - 2016 4Q Financials](#)

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Presentation of the Quarterly Financial Report for the FY 2015-2016 Fourth Quarter Ended September 30, 2016.

Summary: Review and discussion of the preliminary and unaudited quarterly financial report for the District's FY 2015-2016 fourth quarter ended September 30, 2016.

Fiscal/Budgetary Impact:

N/A.

Accept the quarterly financial report for the FY 2015-2016 fourth quarter ended September 30, 2016.

CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
FISCAL YEAR 2016

September 30, 2016 PRELIMINARY

Authority for the Deer Park Crime Control Prevention District is provided by Texas Local Government Code, Chapter 36. The purpose of the District is to enhance the capability of law enforcement and further crime prevention programs in the City of Deer Park. The fund was established by a dedicated one-fourth of one percent (0.25%) sales and use tax approved by the voters in May 2011 and effective on October 1, 2011.

BALANCE SHEET (UNAUDITED)

<u>Assets</u>	
Cash	\$ 2,444,399.86
Accounts Receivable	-
Due To/Due From	166.95
Capital Assets	1,118,379.82
Depreciation	(639,464.00)
Construction-In-Progress	85,072.84
Deferred Outflows (Pension - GASB 68)	35,930.42
Total Assets	<u>\$ 3,044,485.89</u>
<u>Liabilities & Equity</u>	
Payables	\$ 16,935.30
Capital Leases Payable	48,934.14
Net Pension Obligation (GASB 68)	74,055.64
Due To/Due From	-
Total Liabilities	<u>139,925.08</u>
<u>Fund Equity</u>	
Fund Balance	2,655,983.44
Deferred Inflows (Pension - GASB 68)	7,300.31
Revenues Over/(Under) Expenditures	241,277.06
Total Fund Equity	<u>2,904,560.81</u>
Total Liabilities & Equity	<u>\$ 3,044,485.89</u>

STATEMENT OF REVENUES AND EXPENDITURES (UNAUDITED)

	Q1 <u>12/31/15</u>	Q2 <u>03/31/16</u>	Q3 <u>06/30/16</u>	Q4 <u>09/30/16</u>	YTD <u>Total</u>	Amended <u>Budget</u>	Remaining <u>Budget</u>
<u>Revenues</u>							
Sales Tax Revenue	\$ 130,881.95	\$ 393,045.71	\$ 409,522.78	\$ 460,100.14	\$ 1,393,550.58	\$ 1,260,000.00	\$ (133,550.58)
Investment Revenue	480.87	525.47	366.01	569.58	1,941.93	-	(1,941.93)
Prior Year Revenue (Reserves)	-	-	-	-	-	2,571,725.00	2,571,725.00
Total Revenue	<u>131,362.82</u>	<u>393,571.18</u>	<u>409,888.79</u>	<u>460,669.72</u>	<u>1,395,492.51</u>	<u>3,831,725.00</u>	<u>2,436,232.49</u>
<u>Expenditures</u>							
Salaries & Benefits	54,293.80	47,540.44	49,333.82	82,600.58	233,768.64	349,673.00	115,904.36
Services	42,284.53	3,370.00	2,400.75	18,111.32	66,166.60	92,740.00	26,573.40
Supplies	64.00	29,887.63	901.63	108,234.08	139,087.34	174,250.00	35,162.66
Other	-	-	-	-	-	-	-
Sub-total Operating Expenditures	<u>96,642.33</u>	<u>80,798.07</u>	<u>52,636.20</u>	<u>208,945.98</u>	<u>439,022.58</u>	<u>616,663.00</u>	<u>177,640.42</u>
Capital Expenditures	<u>49,971.71</u>	<u>23,905.80</u>	<u>340,115.36</u>	<u>301,200.00</u>	<u>715,192.87</u>	<u>3,215,062.00</u>	<u>2,499,869.13</u>
Total Expenditures	<u>146,614.04</u>	<u>104,703.87</u>	<u>392,751.56</u>	<u>510,145.98</u>	<u>1,154,215.45</u>	<u>3,831,725.00</u>	<u>2,677,509.55</u>
Revenue Over/(Under) Expenditures	<u>\$ (15,251.22)</u>	<u>\$ 288,867.31</u>	<u>\$ 17,137.23</u>	<u>\$ (49,476.26)</u>	<u>\$ 241,277.06</u>	<u>\$ -</u>	<u>\$ (241,277.06)</u>

CCPD FY 2015-2016 Sales Tax Revenue Comparison

<u>G/L</u>	<u>Actual</u>		
Oct 2015	\$ -		
Nov 2015	-		
Dec 2015	130,668.90		
Jan 2016	130,881.95		
Feb 2016	141,347.47		
Mar 2016	121,029.34		
Apr 2016	128,214.52		
May 2016	142,313.64		
Jun 2016	138,994.62		
Jul 2016	146,669.87		
Aug 2016	192,621.50		
Sep 2016	120,808.77		
YTD Total	<u>\$ 1,393,550.58</u>	<u>Budget</u>	<u>% of Budget</u>
Annual	<u>\$ 1,393,550.58</u>	<u>\$ 1,260,000.00</u>	110.60%

CCPD Sales Tax Revenue History

<u>Month</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Oct	\$ -	\$ -	\$ -	\$ -
Nov	-	-	-	-
Dec	130,668.90	116,792.74	100,928.90	95,422.01
Jan	130,881.95	111,141.87	96,504.69	89,519.24
Feb	141,347.47	139,476.02	113,250.18	99,380.15
Mar	121,029.34	106,445.57	93,943.30	94,062.60
Apr	128,214.52	105,133.86	95,671.88	90,190.39
May	142,313.64	124,611.02	107,184.22	107,584.62
Jun	138,994.62	119,163.37	109,037.34	99,467.67
Jul	146,669.87	131,549.29	100,056.45	93,457.45
Aug	192,621.50	136,548.35	113,778.00	102,868.75
Sep *	120,808.77	442,191.55	318,340.69	303,034.09
Annual	<u>\$ 1,393,550.58</u>	<u>\$ 1,533,053.64</u>	<u>\$ 1,248,695.65</u>	<u>\$ 1,174,986.97</u>
YTD Total	\$ 1,393,550.58	\$ 1,533,053.64	\$ 1,248,695.65	\$ 1,174,986.97

* Sales taxes are deposited to the CCPD two months after collection. Collections in October, for example, are deposited in December. Because of this timing difference, the amount recorded in September will include the deposit for the month of July collections and an accrual at fiscal year end for the months of August and September that will be deposited in October and November, respectively.

This preliminary report does not reflect the current year's accrued sales tax revenue for the month of September.



Legislation Details (With Text)

File #: AUT 16-108 **Version:** 1 **Name:**
Type: Authorization **Status:** Agenda Ready
File created: 9/14/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Consideration and action on a quarterly plan for expenditures for the period of October 1, 2016 through December 31, 2016.
Sponsors:
Indexes:
Code sections:
Attachments: [1st quarter expenditures ccpd 2017](#)

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Consideration and action on a quarterly plan for expenditures for the period of October 1, 2016 through December 31, 2016.

Consideration and action on a quarterly plan for expenditures for the period of October 1, 2016 through December 31, 2016.

Budget for these expenditures was adopted on August 16, 2016.

Summary:

Approval of quarterly plan for expenditures through CCPD budget

Fiscal/Budgetary Impact:

Approximately \$604,023.00 excluding salaries and gun range fees. See attached.

Approval of Plan

Projected expenditures 1st Quarter CCPD -2017

Crime Prevention Officer position

One dispatch position, 2 positions not filled at this time due to one dispatcher retirement.

Expenditures for contract with G2 Griggs Group Inc. and IKLO Construction for services for firing range construction.

Vehicle Registrations for PD Fleet for CCPD purchased vehicles

OSHA High Voltage Training for ProAct Member	828.00
OSSI Agency Licensing Fee	74,650.00
Cellebrite UFED Annual License Renewal	3,988.00
Extended Warranty for Dispatch Equipment	5,549.00
Watch Guard DVD Burner Supplies/ DVD's & Ink	699.00
Watch Guard DVD Burner for Records	4,554.00
Task Chairs for Dispatch (3)	1,816.00
Radars for Patrol Tahoes (4)	8,723.00
Equipment for new Tahoes (5)	67,041.00
Plastix Plus Cargo Boxes for new Tahoes (5)	12,936.00
New Crossing Guard Radios (25)	13,850.00
Portable Alert System	9,233.00
Watch Guard In-Car Video System (8)	51,409.00
Data Lux Computer System for Patrol Tahoes (8)	74,611.00
LPR Hardmounted Devices (4)	68,340.00
Vehicles	
Patrol Tahoes (5) & Ford Taurus (1)	205,796.00



Legislation Details (With Text)

File #: BUD 16-020 **Version:** 1 **Name:**
Type: Budget **Status:** Agenda Ready
File created: 10/14/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Discussion of issues relating to a clarification regarding the FY 2016-2017 CCPD Budget.
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Discussion of issues relating to a clarification regarding the FY 2016-2017 CCPD Budget.

Summary:

The FY 2016-2017 CCPD Budget was approved by the CCPD Board on July 11, 2016 and the City Council on August 16, 2016. The total approved budget amount is \$1,320,000. The summary of the budget is below:

Type of Expenditure	Amount
Personnel & Related	\$ 445,902.00
Services	93,460.00
Supplies	121,420.00
Capital Outlay	400,156.00
Transition Fund	259,062.00
Total Expenditures	\$ 1,320,000.00

Subsequent to the budget approval it was determined that three (3) Program Service Level Options (PSLOs) were inadvertently included in the "Transition Fund" category as opposed to the "Services" category. The total of these PSLOs is \$38,838 and are summarized below:

OSSI Agency Licensing Fee Increase	\$ 33,172
OSSI Consortium Fee Increase	\$ 2,777
Cellebrite Annual License Renewal Increase	\$ 2,889
Total	\$ 38,838

There is no net budget impact. The bottom line is the same but the expenses will be approximately \$38,838 higher than reflected in the approved budget in the "Services" category, which will come from the "Transition Fund" category.

Fiscal/Budgetary Impact:

Clarification only. No net budget impact

Discussion only. No action needed.



Legislation Details (With Text)

File #: AGR 16-053 **Version:** 1 **Name:**
Type: Agreement **Status:** Agenda Ready
File created: 10/14/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Consideration of and action on an agreement with the City of Deer Park for CCPD Personnel, Vehicles, Facilities, Equipment, and Investments.
Sponsors: City Manager's Office
Indexes:
Code sections:
Attachments: [Agreement-City & CCPD.2016-2017](#)
[Exhibit A to Agreement-CCPD Budget-2016-2017](#)

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Consideration of and action on an agreement with the City of Deer Park for CCPD Personnel, Vehicles, Facilities, Equipment, and Investments.

Summary:

In May of 2011 the citizens of Deer Park voted to create the Deer Park Crime Control Prevention District (CCPD). In November of 2011 the City Council and the CCPD Board of Directors entered into an agreement for Personnel, Vehicles, Facilities and Equipment. The CCPD has no staff and rather than duplicate services, the City and CCPD entered into this agreement, whereby, the City performs administrative services for the district such as purchasing and hiring and supervising employees. The original agreement was for the 2011-2012 fiscal year but contained a provision allowing the parties to amend the agreement. The agreement was amended four times as follows: in 2012 for FY 2012-2013, in 2013 for FY 2013-2014, in 2014 for FY 2014-2015, in 2015 for FY 2015-2016.

In May of 2016 the citizens of Deer Park voted to continue the CCPD for a period of ten (10) years. It is now proposed that a new agreement between the City and the CCPD be considered as opposed to continuing to amend the original agreement each year. The proposed new agreement is attached. The adopted FY 2016-2017 Budget is also attached as Exhibit A. Funding comes from the dedicated 1/4% sales and use tax.

Fiscal/Budgetary Impact:

The cost of all of the CCPD's programs for FY 2016-2017 will come from the dedicated CCPD 1/4% sales and use tax.

Approve the agreement.

AGREEMENT FOR PERSONNEL, VEHICLES, FACILITIES, EQUIPMENT, AND INVESTMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This Agreement for Personnel, Vehicles, Facilities, Equipment, and Investments (the “Agreement”) is made as of the 1st day of October, 2016, by and between the CITY OF Deer Park, a municipal corporation located in Harris County, Texas, (the “City”) and the DEER PARK CRIME CONTROL AND PREVENTION DISTRICT, a crime control and prevention district created under Chapter 363 of the Texas Local Government Code, as amended, (the “Act”) and located in Harris County, Texas, (the “District”). For and in consideration of the mutual covenants herein contained, it is agreed as follows:

Section 1. Representations and Warranties of District.

- a) The District is engaged in an on-going effort to provide new resources to fight crime and enhance public safety throughout the City.
- b) The District covenants that it shall actively work to productively coordinate its activities with the City in an effort to reduce duplication of services.
- c) The District represents and warrants that it has been properly created and is duly authorized pursuant to the Act to enter into this Agreement.

Section 2. Description of Programs.

The City, with the assistance of the District as herein specified, agrees to develop, organize and manage, including entering into and administering all contracts incident thereto, all the costs of a crime control and crime prevention program, including personnel, administration, expansion, enhancement, and capital expenditures.

Election and audit expense. This District will provide reimbursement to the City for the costs incurred by the City in conducting the election for the District and for annual audit fees.

Persons filling any of the positions created, in part, by the District’s programs mentioned hereinabove shall be employees of the City; and, therefore, subject to the City’s personnel policies and procedures and entitled to the benefits offered by the City to other similarly situated employees, as determined by the City in its sole discretion. As such, the City shall be responsible for the supervision and control of such employees.

Section 3. Program Reports.

If requested by the District, the City shall prepare and submit to the District within 30 days after the end of the fiscal year during the term of this Agreement a verbal or brief written report describing the services performed by the City pursuant to this contract during the previous year along with a summary of expenditures for the previous fiscal year.

Section 4. Funds to be provided by the District.

For and in consideration of the services to be provided by the City in furtherance of the District's programs identified in Section 2, the District shall provide the funds to the City for the actual costs of such programs. A summary of the funds to be provided by the District for FY 2016-17 is below. The adopted budget for FY 2016-17 is included in the attached Exhibit A.

Type of Expenditure	Amount
Personnel & Related	\$ 445,902.00
Services	93,460.00
Supplies	121,420.00
Capital Outlay	400,156.00
Transition Fund	259,062.00
Total Expenditures	\$ 1,320,000.00

Unless otherwise provided, all payments required to be made herein shall be payable on or before 30 days after the District receives the sales and use tax levied pursuant to the provisions of the Act from the State comptroller. While the District receives such funds from the State on a monthly basis, the District's obligations under this Agreement are on a yearly basis. As such, any funds received by the District during an agreement year and/or any prior year shall be applied to the actual expenses incurred during each year, regardless of when they are received.

The City understands and agrees that the District's obligation for payment under this Agreement shall at no time exceed the amount of sales and use tax revenue received by the District in any agreement year. If adequate funds are not received, the District shall have the obligation to pay the revenues actually received and the City shall be obligated to expend only to the extent that such revenues cover the programs enumerated hereinabove.

Section 5. Term.

This Agreement shall be effective for a period commencing on October 1, 2016, and ending on September 30, 2017, unless sooner terminated by either party hereto pursuant to the terms hereof. The parties reserve the right to extend the term or amend this agreement upon mutual consent of the

governing bodies of both parties. Any such extension or amendment of this agreement will be in writing.

Section 6. Investments

The District has adopted an investment policy in compliance with the Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the "Investment Act"). This investment policy may be amended from time to time but any such amendments shall be in compliance with the Investment Act. The District and the City agree that the City's Director of Finance shall be designated as the investment officer for the District and that all investments of District funds shall be in compliance with Ch. 363, Section 363.206 of the Texas Local Government Code and the Investment Act.

Section 7. Termination for Cause.

A party may terminate its performance under this contract only upon default by the other party. Default by a party shall occur if the party fails to perform or observe any of the terms and conditions of this Agreement required to be performed or observed by that party. Should such a default occur, the party against whom the default has occurred shall have the right to terminate all or part of its obligations under this contract as of the 30th day following the receipt by the defaulting party of a notice describing such default and intended termination, provided: (1) such termination shall be ineffective if within said 30-day period the defaulting party cures the default, or (2) such termination may be stayed, at the sole option of the party against whom the default has occurred, pending cure of the default.

Upon the termination of this Agreement, both parties shall be relieved of their respective obligations herein stated. This Agreement shall not be subject to termination for convenience.

Section 8. Force Majeure.

Any prevention, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for the period of any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Agreement for the payment of funds allocated for the District's programs. The causes referred to above are strikes, lockouts, labor disputes, failure of power, acts of God, acts of public enemies of this State or of the United States, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, governmental restrictions or regulations or controls, casualties or other causes beyond the reasonable control of the party obligated to perform.

Section 9. Refund and Payment upon Termination.

Upon termination of this Agreement pursuant to Section 7 hereof due to an uncured default by the City, the City hereby agrees to refund all unexpended, unappropriated monies previously paid

by the District to the City pursuant to this Agreement. If at the time of termination the District owes the City monies, the District shall remit to the City the appropriate amount computed as of the effective date of the termination.

Section 10. Parties in Interest.

This contract shall bind and benefit the City and the District and shall not bestow any rights upon any third parties.

Section 11. Non-waiver.

Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce, by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

Section 12. Compliance with Applicable Laws.

The parties hereto shall comply with all rules, regulations, and laws of the United States of America, the State of Texas, and all laws, regulations, and ordinances of the Deer Park as they now exist or may hereafter be enacted or amended.

Section 13. Choice of Law; Venue.

This contract is subject to and shall be construed in accordance with the laws of the State of Texas, the laws of the federal government of the United States of America and all rules and regulations of any regulatory body or officer having jurisdiction. This contract is performable in Harris County, Texas.

Section 14. Notices.

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address described below or at such other address as the receiving party may have theretofore prescribed by notice to the sending party:

District
Deer Park Crime Control and Prevention District
Attn: President, Board of Directors

City
City of Deer Park
Attn: City Manager
P. O. Box 700
Deer Park, Texas 77536-0700
Fax: (281) 478-7218

Section 15. Ambiguities.

In the event of any ambiguity in any of the terms of this contract, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

Section 16. Captions.

The captions of the sections and subsections, if any, of this Agreement are for convenience and ease of reference only and do not define, limit, augment or describe the scope, content or intent of this Agreement or of any part or parts of this Agreement.

Section 17. Entire Agreement.

This Agreement contains all the agreements of the parties relating to the subject matter hereof and is the full and final expression of the agreement between the parties. Any oral representations or modifications concerning this instrument are of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

Section 18. Assignment or Transfer of Rights or Obligations.

The City shall not sell, assign, or transfer any of its rights or obligations under this Agreement in whole or in part without prior written prior consent of the District.

Section 19. Severability.

All parties agree that should any provision of this Agreement be determined to be invalid or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect.

Section 20. Authority.

The officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he/she represents.

IN WITNESS WHEREOF, the parties have made and executed this contract in multiple copies, each of which shall be an original.

CITY OF DEER PARK

**DEER PARK CRIME CONTROL AND
PREVENTION DISTRICT**

JERRY MOUTON, Mayor

RAY LANDERS, President

ATTEST:

ATTEST:

SANDRA WATKINS, City Secretary

SANDRA WATKINS, Secretary

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EXHIBIT A

**CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
2016-2017 ANNUAL BUDGET**

REVENUE SUMMARY

DESCRIPTION	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROJECTED 16-17
Tax Revenue	\$ 1,533,054	\$ 1,260,000	\$ 1,385,000	\$ 1,320,000
Other Revenue	17,424	-	1,600	-
Prior Year Revenue	-	1,484,863	1,225,251	-
Total Revenue	<u>\$ 1,550,478</u>	<u>\$ 2,744,863</u>	<u>\$ 2,611,851</u>	<u>\$ 1,320,000</u>

**CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
2016-2017 ANNUAL BUDGET**

DESCRIPTION	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROJECTED 16-17
<u>3100 TAX REVENUE</u>				
3120 Sales Tax Revenue	\$ 1,533,054	\$ 1,260,000	\$ 1,385,000	\$ 1,320,000
Total Tax Revenue	<u>1,533,054</u>	<u>1,260,000</u>	<u>1,385,000</u>	<u>1,320,000</u>
<u>3600 OTHER REVENUE</u>				
3620 Investment Revenue	1,774	-	1,600	-
3630 Insurance Reimbursement	<u>15,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Revenue	<u>17,424</u>	<u>-</u>	<u>1,600</u>	<u>-</u>
 Prior Year Revenue	 <u>-</u>	 <u>1,484,863</u>	 <u>1,225,251</u>	 <u>-</u>
 TOTAL REVENUE	 <u>\$ 1,550,478</u>	 <u>\$ 2,744,863</u>	 <u>\$ 2,611,851</u>	 <u>\$ 1,320,000</u>

**CITY OF DEER PARK
2016-2017 ANNUAL BUDGET
CRIME CONTROL AND PREVENTION DISTRICT EXPENDITURE SUMMARY**

DEPARTMENT	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROPOSED 16-17
Total Police Services	\$ 443,329	\$ 2,744,863	\$ 2,611,851	\$ 1,320,000
TOTAL EXPENDITURES	<u>\$ 443,329</u>	<u>\$ 2,744,863</u>	<u>\$ 2,611,851</u>	<u>\$ 1,320,000</u>

**CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
2016-2017 ANNUAL BUDGET**

EXPENDITURE SUMMARY

DESCRIPTION	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROPOSED 16-17
Personnel & Related	\$ 278,970	\$ 343,911	\$ 240,097	\$ 445,902
Services	65,176	92,740	72,796	93,460
Supplies	97,130	174,250	168,372	121,420
Repairs & Maintenance	-	-	-	-
Capital Outlay	2,054	2,133,962	2,130,586	400,156
Transition Fund	-	-	-	259,062
Total Expenditures	\$ 443,329	\$ 2,744,863	\$ 2,611,851	\$ 1,320,000

PERSONNEL SCHEDULE

Crime Prevention Officer	1	1	1	1
Sergeant - Investigations	0	1	1	1
Dispatcher	3	3	3	3

PROGRAM DESCRIPTION

The purpose of this special revenue district is to enhance the capability of law enforcement and to further crime prevention programs in Deer Park.

CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
2016-2017 ANNUAL BUDGET

DESCRIPTION	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROPOSED 16-17
<u>4100 PERSONNEL & RELATED</u>				
4101 Salaries - Full Time	\$ 174,220	\$ 233,858	\$ 144,635	\$ 290,532
4104 Salaries - Overtime	30,818	5,000	15,350	13,840
4106 Social Security/Medicare	15,176	18,143	10,780	23,154
4107 TMRS	30,073	34,695	26,152	43,511
4108 Health & Life Insurance	27,379	50,200	42,055	72,324
4109 Workers Compensation	1,256	1,880	1,066	2,361
4114 Section 125 Admin Fee	48	135	59	180
4117 Health Savings Account	-	-	-	-
Total Personnel & Related	278,970	343,911	240,097	445,902
<u>4200 SERVICES</u>				
4231 Equipment Rental	-	21,600	7,200	21,600
4239 Audit Fee	2,000	2,000	2,000	2,000
4250 Training & Travel	5,980	6,323	6,270	828
4252 Dues & Fees	-	-	-	-
4252 Vehicle Registrations	-	-	57	1,436
4279 Software - Other	57,196	62,817	57,269	65,626
4290 Contract Labor	-	-	-	1,970
Total Services	65,176	92,740	72,796	93,460
<u>4300 SUPPLIES</u>				
4304 Data Processing Supplies	-	-	-	699
4305 Printing	-	8,500	1,842	-
4307 Postage	2	135	1,751	185
4308 Small Tools & Minor Equipment	90,379	164,815	164,779	120,536
4311 Uniforms	-	800	-	-
4314 Protective Clothing	6,750	-	-	-
Total Supplies	97,130	174,250	168,372	121,420
<u>4400 REPAIRS & MAINTENANCE</u>				
4402 Machinery & Equipment	-	-	-	-
Total Repairs & Maintenance	-	-	-	-
<u>4900 CAPITAL OUTLAY</u>				
4902 Buildings	-	1,650,000	1,648,906	-
4904 Machinery & Equipment	-	168,672	168,500	194,360
4906 Automobiles & Light Trucks	-	265,318	263,208	205,796
4908 Lease Purchase	2,054	49,972	49,972	-
Total Capital Outlay	2,054	2,133,962	2,130,586	400,156

CITY OF DEER PARK
CRIME CONTROL AND PREVENTION DISTRICT (CCPD)
2016-2017 ANNUAL BUDGET

DESCRIPTION	ACTUAL 14-15	BUDGET 15-16	ESTIMATED 15-16	PROPOSED 16-17
TOTAL OPERATING BUDGET	443,329	2,744,863	2,611,851	1,060,938
Transition Fund	-	-	-	259,062
TOTAL EXPENDITURES	<u>\$ 443,329</u>	<u>\$ 2,744,863</u>	<u>\$ 2,611,851</u>	<u>\$ 1,320,000</u>

CITY OF DEER PARK
2016 - 2017 CRIME CONTROL DISTRICT BUDGET

4100 - PERSONNEL & RELATED			
4101	Salaries - Full Time		\$ 290,532
	Various Benefits (Total)		141,530
4104	Overtime		13,840
	TOTAL PERSONNEL		445,902
4200 - SERVICES			
4231	Rental Vehicles for ProAct Team & CID Sergeant		21,600
4239	Annual Audit		2,000
4250	Training		828
	OSHA High Voltage Training for ProAct Member	828	
4252	Vehicle Registrations for PD Fleet		1,436
4279	Software - Other		65,626
	OSSI Agency Licensing Fee	41,478	
	OSSI Consortium Fee	17,500	
	Cellebrite UFED Annual License Renewal	1,099	
	Extended Warranty for Dispatch Equipment	5,549	
4290	Contract Labor		1,970
	Programming Dispatch Consolettes (2)	1,970	
	TOTAL SERVICES		93,460
4300 - SUPPLIES			
4304	Supplies		699
	Watch Guard DVD Burner Supplies/ DVD's & Ink	699	
4307	Postage		185
4308	Equipment		120,536
	Watch Guard DVD Burner for Records	4,554	
	Task Chairs for Dispatch (3)	1,816	
	Desk for new CID office	2,383	
	Radars for Patrol Tahoes (4)	8,723	
	Equipment for new Tahoes (5)	67,041	
	Plastix Plus Cargo Boxes for new Tahoes (5)	12,936	
	New Crossing Guard Radios (25)	13,850	
	Portable Alert System	9,233	
	TOTAL SUPPLIES		121,420
4900 - CAPITAL OUTLAY			
4904	Specialized Equipment		194,360
	Watch Guard In-Car Video System (8)	51,409	
	Data Lux Computer System for Patrol Tahoes (8)	74,611	
	LPR Hardmounted Devices (4)	68,340	
4906	Vehicles		205,796
	Patrol Tahoes (5) & Ford Taurus (1)	205,796	
	TOTAL CAPITAL OUTLAY		400,156
0000 - TRANSITION FUND			
	Transition Fund	259,062	
	TOTAL TRANSITION FUND		259,062
	TOTAL BUDGETED EXPENDITURES		\$ 1,320,000



Legislation Details (With Text)

File #: POL 16-005 **Version:** 1 **Name:**
Type: Policy **Status:** Agenda Ready
File created: 10/11/2016 **In control:** Crime Control District
On agenda: 10/17/2016 **Final action:**
Title: Consideration of and action on the annual review and an order to adopt the Investment Policy for the Deer Park Crime Control and Prevention District.
Sponsors: Finance
Indexes:
Code sections:
Attachments: [CCPD Investment Policy - 2016](#)
[CCPD Investment Policy Review - 10.17.16](#)

Date	Ver.	Action By	Action	Result
10/17/2016	1	Crime Control District		

Consideration of and action on the annual review and an order to adopt the Investment Policy for the Deer Park Crime Control and Prevention District.

Summary: In compliance with the Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the "Act"), the Board has established an Investment Policy. The Act also requires that the Board, not less than annually, adopt a written instrument stating that it has reviewed the Investment Policy and investment strategies. The written instrument must record any changes made to the policy or strategies. The District's Investment Policy was last reviewed in October 2015.

The District, having entered into an agreement with the City of Deer Park (the "City") whereby the City shall perform administrative services for the District, has elected to comply with the Act and has established a policy comparable to the investment policy of the City. The City has recently updated and adopted its investment policy in accordance with the Act making several changes to consolidate or improve policy language, remove duplicate references, etc. These changes have been incorporated in the District's investment policy and are summarized on the attached CCPD Investment Policy Review.

Fiscal/Budgetary Impact: N/A.

Review and adopt the Investment Policy.

ORDER NO. _____

AN ORDER TO REVIEW AND ADOPT THE DEER PARK CRIME CONTROL AND PREVENTION DISTRICT INVESTMENT POLICY.

THE BOARD OF DIRECTORS OF THE DEER PARK CRIME CONTROL AND PREVENTION DISTRICT hereby reviews and adopts the following Investment Policy, which conforms with all current State and Federal regulations:

I. POLICY

It is the policy of the Deer Park Crime Control and Prevention District (the "District") to invest funds in a manner that will ensure the preservation of capital, meet the daily cash flow needs of the District, conform to all applicable state statutes and provide reasonable investment returns.

The Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the "Act") prescribes that each city shall adopt rules to govern its investment practices and to define the authority of the investment officer(s). The City of Deer Park (the "City") has adopted a policy in accordance with the Act to address the methods, procedures, and practices established to ensure effective and judicious fiscal management of the City's funds worthy of the public trust. The District, having entered into an agreement with the City whereby the City shall perform administrative services for the District, including cash and investment management, hereby elects to comply with the Act and to establish a policy comparable to the investment policy of the City.

II. SCOPE

This investment policy shall apply to all financial assets and funds under control of the District, other than those expressly excluded herein or by applicable law or valid agreement. These funds include tax revenues, charges for services, and interest earnings.

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Board of Directors of the District (the "Board") and the investment officers shall recognize that the investment activities of the District are a matter of public record.

III. OBJECTIVES AND STRATEGY

The District strives to invest funds in a manner where the rate of return is secondary to safety and liquidity. To accomplish this, the District's principal investment objectives, in priority order, are as follows:

- A. *Suitability.* Each investment must be in conformance with all Federal regulations, state statutes, and other legal requirements—including any order or resolution of the Board and this investment policy.
- B. *Preservation and safety of principal.* Investments of the District shall be handled in a manner that seeks to ensure the preservation of capital and the protection of investment principal in the overall portfolio. All participants in the investment process shall act responsibly as custodians of the public trust.
- C. *Liquidity.* The District's investment portfolio will remain sufficiently liquid to enable the District to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by maintaining appropriate cash equivalent balances, matching investment

maturities with forecasted cash flow requirements, and investing in securities with active secondary markets.

- D. *Marketability.* The District's policy is to buy and hold investments until maturity; however, marketability is of great importance should the need arise to liquidate an investment before maturity.
- E. *Diversification.* Investments shall be diversified, as appropriate, by type and maturity to eliminate the risk of loss resulting from the concentration of assets in a specific maturity, a specific issuer or a specific class of securities. While investments of the District shall be selected to provide for stability of income and reasonable liquidity, the investments shall be structured to meet the projected cash flow needs of the District first, and then to enhance interest income. The stated maturity of any investment in the District's portfolio shall not exceed one year and the weighted average maturity of the District's portfolio shall not exceed 180 days.
- F. *Yield.* The District's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the District's risk constraints and the cash flow characteristics of the portfolio. Given this strategy, the basis used to determine whether reasonable yields are being achieved shall be the rolling average yield of the three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio.

IV. AUTHORIZATION

The authority of the District to manage the investment program is derived from Local Government Code, Chapter 363, Crime Control and Prevention Districts. Management responsibility for the investment program is hereby delegated to the Director of Finance of the City of Deer Park, including responsibility for all investment transactions and the related system of controls to regulate the activities of subordinate officials. The City's Director of Finance shall serve as the primary investment officer for the District and shall invest District funds in legally authorized and adequately secured investments in accordance with this policy and the Act. The City Manager and Assistant City Manager of the City of Deer Park shall also serve as investment officers of the District. The investment officers shall be bonded.

V. RESPONSIBILITY AND CONTROL

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

In determining whether investment decisions were made exercising prudence, consideration shall be given to the following: the investment of all funds, or funds under the District's control, taken as a whole, rather than the prudence of a single investment; and whether the investment decision is consistent with the written investment policy of the District at that time. Occasional measured losses are inevitable and must be considered within the context of the overall portfolio's return.

An investment officer acting as a "prudent person" exercising due diligence in accordance with written procedures and the investment policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse market effects.

The written procedures for the operations of the City's investment program shall also be consistent with this investment policy and shall apply to the investment of District funds. No person may engage in an investment transaction except as provided under the terms of this policy or these established procedures.

VI. ETHICS AND CONFLICTS OF INTEREST

In addition to any other requirements of law, the investment officers shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. An investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the District or who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement with the District's Board of Directors and with the Texas Ethics Commission disclosing that relationship.

An investment officer has a personal business relationship with a business organization if the investment officer owns 10 percent (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, the investment officer receives funds from the business organization exceeding 10 percent (10%) of the investment officer's gross income for the previous year, or 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.

VII. INVESTMENT TRAINING

The investment officers shall attend at least one training session relating to the investment officers' responsibilities under the Act within 12 months after taking office or assuming the duties of investment officer and accumulate not less than 10 hours of instruction relating to investment responsibilities under the Act. Further, the investment officer shall attend an investment training session not less than once in a two-year period (beginning on the first day of the District's fiscal year and consisting of the two consecutive fiscal years after that date) and accumulate not less than 8 hours of instruction relating to investment responsibilities under the Act.

Designated training sponsored by any of the following organizations is approved:

- A. Government Finance Officers Association of Texas
- B. Government Treasurer's Organization of Texas
- C. Texas Municipal League
- D. The University of North Texas Center for Public Management

Training must include education in investment controls, security risks, strategy risks, market risks, diversification of the investment portfolio, and compliance with the Act.

VIII. AUTHORIZED INVESTMENTS

In accordance with Federal and state laws, including Section 2256.005(b) of the Act, the following are authorized investments:

- 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 of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States;
- D. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- E. A certificate of deposit, or other form of deposit, issued by a state or national bank that has its main office or branch office in the State of Texas and that is placed and secured in accordance with Section 2256.010 of the Act;
- F. An investment pool to the extent and manner provided by law if the District by rule, order or resolution authorizes investment in the particular pool and if the investment pool conforms to the requirements of the Act. To maintain eligibility, an investment pool must conform to the requirements of the Act. Further, the investment pool must be continuously rated no lower than AAA or AAA-m or its equivalent by at least one nationally recognized rating service and must post on their website the specific disclosures required by the Act.

Currently, the following investment pools are approved: TexPool, TexSTAR, and Texas CLASS.

IX. PROHIBITED INVESTMENTS

The following are not authorized investments and are prohibited under this investment policy:

- A. Obligations for which the payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (interest only bond);
- B. Obligations for which the payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (principal only bond);
- C. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years;
- D. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters);
- E. A securities lending program of the nature permitted by Section 2256.0115 of the Act; and
- F. Commercial paper, including pools which invest in commercial paper.

X. EXISTING INVESTMENTS AND MINIMUM RATING REQUIREMENTS

Investments held on the effective date of this investment policy that are no longer authorized investments under the Act and/or this investment policy do not need to be liquidated before the final stated maturity of the investment. An investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The investment officers shall take all prudent measures that are consistent with this investment policy to liquidate any investment that becomes a prohibited investment (e.g., through a rating downgrade after the purchase of the investment). In the event that the credit rating of any investment is publicly placed under review by the credit rating agency maintaining the rating, the primary investment officer shall closely monitor the investment and take such action as he/she deems prudent to protect the value of the investment.

XI. INVESTMENT ADVISORS

The City may from time to time employ qualified individuals or firms as an Investment Advisor to assist the investment officers in carrying out the investment program and complying with the requirements of this investment policy and the Act. Given the City's agreement with the District whereby the City shall perform administrative services for the District, including cash and investment management, the District's funds may also be subject to review by this Investment Advisor. Discretionary control over the District's investments shall remain with the investment officers.

XII. INVESTMENT LIMITS AND DIVERSIFICATION

The asset allocation in the portfolio should be flexible and responsive to the outlook for the economy and the securities markets. Risk management shall be addressed through portfolio diversification, as appropriate, by:

- A. Limiting investments to avoid over concentration by credit risk and maturity;
- B. Limiting investments in issuers that have higher credit risks;
- C. Investing in varying maturities; and
- D. Maintaining a minimum 10 percent (10%) of the total portfolio in cash equivalent instruments to meet ongoing obligations.

XIII. INVESTMENT MANAGEMENT

The investment officers shall exhibit prudence and discretion in the selection and management of investments in order that no individual or group of transactions undertaken shall jeopardize the total capital of the portfolio. The District will not allow speculation (e.g., anticipating an appreciation of capital through changes in market interest rates) in the selection of any investments. The investment officers shall monitor financial market indicators, study financial trends, and utilize available educational tools in order to maintain appropriate managerial expertise.

The investment officers are authorized to solicit quotes for investments orally, in writing, electronically, or in any combination of these methods. Each investment transaction – exclusive of cash equivalent transactions – must be based upon quotations received from multiple qualified financial institutions or authorized broker/dealers. Competing broker/dealers may not have access to the same securities in the secondary market. Therefore, competitive offerings may be evaluated for similar investments and/or a target maturity period rather than for a specific investment or maturity date.

While the District primarily utilizes a buy and hold strategy, active portfolio management may from time to time dictate the sale of securities to better position the overall portfolio. The City Manager or Assistant City Manager must approve the sale of any security prior to maturity or any sale of a security for less than the book value of the security.

XIV. QUALIFIED FINANCIAL INSTITUTIONS AND BROKER/DEALERS

Qualified financial institutions shall include financial institutions, broker/dealers, and other business organizations (e.g., investment pools) doing business in the State of Texas and licensed or otherwise registered and in good standing, as applicable, with the Texas Department of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Inc. ("FINRA"), or other applicable state or national regulatory organizations. If otherwise acceptable, the wholly owned subsidiary or affiliated companies of such regulated firms shall also be deemed qualified. Qualified financial institutions must have an office in Texas. Specifically, the District's depository bank, and any wholly owned subsidiary or affiliated company, is a qualified and authorized financial institution.

The investment officers shall maintain a list of security broker/dealers authorized by this investment policy. All broker/dealers shall maintain complete records of all transactions conducted on behalf of the District and shall make those records available for inspection at the District's request. At least annually, the investment officers shall review the list of broker/dealers authorized to engage in investment transactions with the District and shall make a recommendation as part of the Board's review of the investment policy. As part of this process, the investment officers shall review the quality of service of each broker/dealer. The investment officers may remove an authorized broker/dealer from the list if, in the opinion of the investment officers, the firm has not performed adequately or its financial condition has become unacceptable.

The following broker/dealers are authorized to engage in investment transactions with the District:

- A. Coastal Securities, Inc.
- B. Duncan-Williams, Inc.
- C. Hilltop Securities
- D. Wells Fargo Securities, LLC

Nothing in this section relieves the District of the responsibility for monitoring the investments made by the District to determine that they are in compliance with this investment policy.

XV. REPORTING

The investment officers shall prepare and submit to each member of the Board an investment report describing in detail the investment position of the District, signed by the investment officers, no less than on a quarterly basis. Currently, the District's investment activity is included on the quarterly report prepared for the City. In accordance with the Act, the report contains sufficient information to provide for a comprehensive review of investment activity, current investments and performance for the period, including any variations from the investment strategy. The report also includes a description of each investment, the maturity date, the beginning and ending book and market values, the accrued interest, and the changes during the period as well as a summary by pooled fund group, as applicable. The annual audit shall include a review of the quarterly reports and a compliance audit of management controls on investments and adherence to the District's established investment policy and procedures.

XVI. INTERNAL CONTROLS

The City maintains a system of internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and management. Controls deemed most important shall include: control of collusion, separation of duties, separation of transaction authority from accounting and recordkeeping, independent safekeeping and custodial duties, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses, written confirmation of telephone transactions, and limiting the number of authorized investment officials. These controls shall also be applicable to the District and shall be reviewed periodically by the City's independent audit firm.

XVII. DEPOSITORIES

The District maintains a separate depository account in the name of the District. Consistent with the requirements of the Texas Public Funds Collateral Act, Government Code Ch. 2257 as amended ("Public Funds Collateral Act"), the District shall require all depository institution deposits to be federally insured or collateralized with eligible securities. The District is served by the City's depository bank and is covered by the City's depository agreement and all other related documentation, which include these collateralization requirements. The current depository bank is Wells Fargo Bank, N.A.

XVIII. COLLATERAL

Eligible securities for collateralization of deposits are defined by the Public Funds Collateral Act. For pledged securities, the market value of the principal portion of collateral pledged for deposits must at all times be equal to or greater than 102 percent (102%) of the total amount of deposits plus any accrued interest, less the insurance amount provided by the Federal Deposit Insurance Corporation ("FDIC"). For certificates of deposit or other forms of deposit, the District may accept a letter of credit issued by a U.S. Agency or Instrumentality. The value of the letter of credit must be equal to or greater than 100 percent (100%) of the total amount of deposits plus any accrued interest.

Depository institutions with which the District maintains collateralized deposits shall require the custodian to provide a monthly report of the pledged securities. The investment officers shall monitor collateralization levels to verify market values and total collateral positions. If the value of the securities pledged falls below the required collateral level, the depository institution holding the deposit must pledge additional securities no later than the end of the next succeeding business day.

XIX. CUSTODY AND SAFEKEEPING

To protect against fraud, the deposits and investments of the District shall be secured in accordance with third-party custody and safekeeping procedures approved by the City.

A written collateral or custodial agreement shall be approved by the City with each custodian bank, such custodian being a permitted institution under the Public Funds Collateral Act. The City's agreement with the custodian bank shall also be applicable to the District. Upon receipt of pledged collateral, the custodian bank shall promptly issue and deliver to the District a pledge receipt identifying and evidencing receipt of the collateral.

All security transactions shall be completed on a delivery versus payment ("DVP") basis with the City's safekeeping agent. Securities shall be held with the safekeeping agent until liquidation or maturity.

The investment officers shall maintain the original pledge and safekeeping receipts. The investment officers shall routinely monitor that all securities owned by or collateral pledged to the District are held in an account(s) in the District's name. These records shall also be subject to an annual compliance audit of management controls on investments and adherence to the District's established investment policy and procedures.

XX. PROXY VOTING

The primary investment officer shall execute and deliver any proxies to be voted on behalf of the District based upon his or her judgment, as a prudent investor, as to the outcome of the voting that would be most beneficial to the District.

XXI. CERTIFICATION FORM

A written copy of the investment policy shall be provided to any person or business organization offering to engage in an investment transaction with the District. Every investment provider to the District must execute a certificate in favor of the District substantially in a form acceptable to the District and the business organization substantially to the effect that the business organization has:

- A. Received and reviewed the District's investment policy; and
- B. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

The investment officers may not acquire or otherwise obtain any authorized investment from any business organization until a signed document meeting the above stated requirements (e.g., certification form) has been delivered to the District.

XXII. ANNUAL REVIEW

The Board shall review the investment policy and investment strategies not less than annually and shall adopt a written instrument by order stating that it has reviewed the investment policy and investment strategies. The written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

**Deer Park Crime Control and Prevention District
Annual Investment Policy Review – 2016
Record of Changes**

To comply with the Texas Public Funds Investment Act, Government Code Ch. 2256 as amended (the "Act"), the governing body of an investing entity shall (1) review its investment policy and investment strategies not less than annually, and (2) adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies. The written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

The investment policy for the Deer Park Crime Control and Prevention District (the "District") was last reviewed and updated in October 2015.

The District, having entered into an agreement with the City of Deer Park (the "City") whereby the City shall perform administrative services for the District, has elected to comply with the Act and has established a policy comparable to the investment policy of the City. The City has recently updated and adopted its investment policy in accordance with the Act making several changes to consolidate or improve policy language, remove duplicate references, etc. These changes have been incorporated in the District's investment policy and are summarized below:

III. Objectives and Strategy – This section has been edited primarily for clarity, including better and more concise wording. Subsection (f) has been modified relative to the benchmark yield changing "average yield of the current three-month U.S. Treasury Bill" to "rolling average yield of the three-month U.S. Treasury Bill", which provides a more accurate focus for evaluating quarterly results.

IV. Authorization – This section has been changed to officially add the City Manager and Assistant City Manager as investment officers. Currently, the City's Director of Finance is named as the investment officer. With the addition of the City Manager and Assistant City Manager as investment officers, the Director of Finance is designated as the "primary" investment officer. Throughout the policy, references to "investment officer" have been updated to the either/or "investment officer(s)" prior to this change and the plural "investment officers" after this change.

VI. Ethics and Conflicts of Interest – This section has been edited to clarify that the statement related to personal business relationships shall also be filed with "the District's Board of Directors" rather than simply "the District."

VII. Investment Training – This section includes minor edits for better wording and formats the approved organizations and associations designated to provide the required investment training in a list rather than as part of the narrative. These designated organizations are as follows:

Government Finance Officers Association of Texas
Government Treasurer's Organization of Texas
Texas Municipal League
The University of North Texas Center for Public Management

VIII. Authorized Investments – The narrative was revised for better wording and (1) to remove Collateralized Mortgage Obligations because the City does not and does not plan to invest in these types of investments; (2) to simplify and consolidate language relative to the investment pools; and (3) to remove the catchall "such other investments as permitted by the Act and not specifically prohibited by this policy".

The following was better suited in another section of the policy and was moved and/or consolidated to eliminate duplicate references:

"Applicable investment transactions will be completed on a delivery versus payment ("DVP") basis. The investment officer is authorized to solicit bids for investments orally, in writing, electronically, or in any combination of these methods. No investment of District funds shall be authorized unless it conforms to this investment policy and the seller of the investment has executed a Certification Form in favor of the District as set forth in this policy." is now addressed in Sec. XIX. Custody and Safekeeping.

"An investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The investment officer shall take all prudent measures consistent with this policy to liquidate any investment that does not have the minimum rating." is now addressed in Sec. X. Existing Investments and Minimum Rating Requirements.

X. Existing Investments and Minimum Rating Requirements – This section includes the addition of "and Minimum Rating Requirements" to the section heading. In conjunction with the expanded section heading, "An investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating." was moved from Sec. VIII. Authorized Investments.

XI. Investment Advisors – This section heading was changed to the plural "Advisors" to better fit the narrative.

XII. Investment Limits and Diversification – This section has been edited primarily for clarity, including reorganization of the narrative for better and more concise wording.

XIII. Investment Management – This section includes minor edits for better wording. "The investment officers are authorized to solicit quotes for investments orally, in writing, electronically, or in any combination of these methods." was moved from Sec. VIII. Authorized Investments. Also added was the requirement that any sale of a security prior to maturity or for less than book value must be approved by the City Manager or Assistant City Manager.

XIV. Qualified Financial Institutions and Broker/Dealers – This section includes minor edits for better wording and revisions for terminology used in the Act (e.g., business organizations). Because broker/dealers are not required to have an office in Texas, that reference was deleted. Also, the authorized broker/dealers are now being presented in a list format rather than as part of the narrative.

The following broker/dealers are authorized to engage in investment transactions with the City:

Coastal Securities, Inc.
Duncan-Williams, Inc.
Hilltop Securities (formerly First Southwest Company)
Wells Fargo Securities, LLC

XV. Reporting – The references to specific information used to prepare the quarterly investment report were removed since the District's investments are included in the City's report and a separate report is not prepared for the District.

XVI. Internal Controls – This section includes minor edits only for better wording.

XVIII. Collateral – This section has been updated to address collateral requirements for different types of investments now that the City is investing in certificates of deposit and other forms of deposit. The requirement that collateral meet or exceed 102 percent of the market value ("haircut") is most applicable to pledged securities. As written, the policy does not address the use of letters of credit, which are typically used as collateral for a certificate of deposit. These letters of credit are written for the amount of the principal plus accrued interest and do suffice as collateral on these forms of deposit. The policy language has been updated as follows: "For pledged securities, the market value of the principal portion of collateral pledged for deposits must at all times be equal to or greater than 102 percent (102%) of the total amount of deposits plus any accrued interest, less the insurance amount provided by the Federal Deposit Insurance Corporation ("FDIC"). For certificates of deposit or other forms of deposit, the District may accept a letter of credit issued by a U.S. Agency or Instrumentality. The value of the letter of credit must be equal to or greater than 100 percent (100%) of the total amount of deposits plus any accrued interest."

Because the District's current depository is unable to fully comply with the provision related to substitution of collateral, the following was removed to avoid a compliance issue: "Collateralized deposits may require substitution of securities. Any depository institution requesting substitution of collateral must contact the City's Director of Finance for approval. Written approval is required before any pledged security is released. The value of the substituted security will be calculated and substitution approved if the substitution maintains the required collateral level." (Note: The bank has indicated it will notify the City if excess collateral is being removed from the account, but that has not happened. Presently, the District's current depository is the only bank available to serve the District because it is within the city limits. Other options may be explored in the future.

XIX. Custody and Safekeeping – This section has been edited primarily to better differentiate the functions and responsibilities of custody and safekeeping. Several minor edits result in better wording. The requirement for delivery versus payment ("DVP") was moved from Sec. VIII. Authorized Investments.

XXI. Certification Form – This section includes revisions for terminology used in the Act (e.g., business organizations). Additionally, the sample form has been removed and replaced with the reference to the form requirements as stated in the Act, which is more appropriate given that the different types of organizations may use different terminology while still prescribing to the requirements of the Act.