CITY OF WEST LAKE HILLS, TEXAS
NOTICE OF CITY COUNCIL REGULAR MEETING
Wednesday, November 9, 2022 at 7:00 PM

Notice is hereby given that the City Council of the City of West Lake Hills, Texas, will hold a Regular Meeting on the 9 day of November 2022 at 7:00 p.m., in the Council Chambers, Municipal Building, 911 Westlake Drive, West Lake Hills, Texas, at which time the following items will be discussed, to-wit:

REMOTE ACCESS:
Due to the COVID-19 status in Travis County, any citizens or applicants that wish to speak at the meeting are encouraged to attend virtually, as the number of people in the chambers will be limited due to physical distancing. Facial Coverings are not required, but highly recommended, and will be available for any that need one.

Join Zoom Meeting:
https://us02web.zoom.us/j/3499549035

Meeting ID: 349 954 9035

If you wish to listen to the meeting via telephone: Dial (346) 248-7799, Meeting ID 349 954 9035.

If you wish to speak during the meeting or provide written comments, please email your name, phone number, comments, and the item number you wish to speak/comment on to citysec@westlakehills.gov by 1:00 P.M. on November 9, 2022.

1. Call to Order

2. Citizen Communications The City Council welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Council later in the meeting. The Council cannot respond to or discuss matters not listed on the agenda. The Council may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.

3. Consent Agenda All Consent Agenda items listed are considered to be routine by the City

Council and will be enacted by one (1) motion. No separate discussion or action on any of the items is necessary unless requested by a Council Member.

a. Approval of October 26, 2022 Regular Meeting Minutes.

b. Approval of a resolution amending the Investment Policy and Strategy, and the Financial Procedures and Controls.

4. Administration Discuss and consider action on an appointment to fill the unexpired term for City Council Member Place 1.

5. Adjournment

Approved by: Linda Anthony, Mayor

Certificate

I certify that the above Notice of the November 9, 2022 City Council Regular Meeting was posted on the bulletin board at the Municipal Building, 911 Westlake Drive, West Lake Hills, Texas on Friday, November 4, 2022 by 5:00 pm. and will remain posted continuously until said meeting is convened.

Signed by: Terry Blanchard, City Secretary

The City of West Lake Hills is committed to compliance with the Americans with Disabilities Act. Reasonable accommodations and equal access to communications will be provided upon request.

All items on the agenda are for discussion and/or action. City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), and 551.086 (Economic Development).

CITY OF WEST LAKE HILLS, TEXAS
MINUTES OF A CITY COUNCIL REGULAR MEETING
Wednesday, October 26, 2022 at 7:00 PM

1. Call to Order

   With a quorum present, Mayor Anthony called the meeting to order at 7:00 p.m.

CITY COUNCIL PRESENT:	**CITY STAFF PRESENT:**
Mayor Linda Anthony	City Administrator Trey Fletcher
Mayor Pro Tem Gordon Bowman	City Secretary Terry Blanchard
Rhonda McCollough	Finance Director Vonda Ragsdale
Brian Plunkett	Director of BDS Ashby Grundman
Beth South	Chief of Police Scott Gerdes
	City Attorney Patty Akers

2. Citizen Communications The City Council welcomes public comments at this point on any issue. If the issue is listed on the agenda, the speaker may choose to comment during the Public Comment period or when the specific agenda item is taken up by the Council later in the meeting. The Council cannot respond to or discuss matters not listed on the agenda. The Council may provide factual information, refer the item to a staff member, or request the item be added to a future meeting agenda. Speakers shall limit their comments to five (5) minutes each.

   Mayor Anthony opened the meeting for public comments. Hearing none, the public comment section was closed.

3. Consent Agenda All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one (1) motion. No separate discussion or action on any of the items is necessary unless requested by a Council Member.
   a. Approval of the October 12, 2022 Regular Meeting Minutes.
   b. Approval of FY 22 Q4 Building and Development Services Department Report.
   c. Approval of FY 22 Q4 Investment Report.
   d. Approval of FY 22 Q4 Municipal Court Report.
   e. Approval of FY 22 Q4 Public Safety Report.
   f. Approval of UniVista Comprehensive Service Level Agreement.

   MOTION: Upon a motion made by Councilmember South and a second by Councilmember Bowman, the Council voted four (4) for and none (0) opposed to approve the Consent Agenda as presented. Motion carried.

4. Land Use **902 Redbud Trail (Stonehedge Estates Replat):** Discuss and consider action on a request for an amended plat at 902 Redbud Trail, Stonehedge Estates Replat (Chapter 36 of the West Lake Hills Code). Applicant Samy Aboel-Nil.

Ashby Grundman gave a brief summary. Staff and ZAPCO recommend approval.

MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember Plunkett, the Council voted four (4) for and none (0) opposed to approve the request as presented. Motion carried.

5. Land Use **800 Rock Creek:** Discuss and consider action on variances to remove three trees with trunk diameters of fourteen inches or greater (Section 22.03.304 of the West Lake Hills Code). Applicant Representative Renee Godinez.

   Ashby Grundman gave a brief summary. Staff and ZAPCO recommend approval. General Contractor Taylor Holt provided an update.

   MOTION: Upon a motion made by Councilmember Plunkett and a second by Councilmember South, the Council voted four (4) for and none (0) opposed to approve the request as presented. Motion carried.

6. Finance Discuss and consider action on an ordinance amending the budget for fiscal year 2021-22.

   Vonda Ragsdale gave a brief overview of the amended budget.

   MOTION: Upon a motion made by Councilmember Plunkett and a second by Councilmember Bowman, the Council voted four (4) for and none (0) opposed to approve the ordinance as presented. Motion carried.

7. Administration Discuss and consider action to change the following regular City Council Meetings:
   a. Reschedule the November 23, 2022 meeting to Tuesday, November 22, 2022; and
   b. Cancel the December 28, 2022 meeting.

   MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember South, the Council voted four (4) for and none (0) opposed to reschedule the November 23rd meeting to Tuesday, November 22, 2022 and to cancel the December 28, 2022 meeting. Motion carried.

8. Administration Discuss and consider action on the Appointment/Reappointment of members of the Zoning and Planning Commission.

   Staff proposed staggered terms for ZAPCO as follows:

   Place 1 - Robert Meisel - 2 year term to expire in October 2024
   Place 2 - James Vaughan - 1 year term to expire in October 2023
   Place 3 - Laurie Maccini - 1 year term to expire in October 2023

Place 4 - James Pledger - 1 year term to expire in October 2023
Place 5 - Karen Bartoletti - 2 year term to expire in October 2024
Place 6 - Patrick Stewart - 2 year term to expire in October 2024

MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember McCollough, the Council voted four (4) for and none (0) opposed to approve reappointments with staggered terms as presented. Motion carried.

9. Administration Discussion and update on Bond items regarding Proposition A New City Hall and Proposition B Street and Drainage Projects.

   Trey Fletcher and Ashby Grundman gave updates on bond projects.

10. Administration Discuss and consider action on accepting the resignation of City Councilmember Rhonda McCollough (Place 1), including the process for appointment of a replacement.

    MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember South, the Council voted four (4) for and none (0) opposed to accept the resignation effective at the end of tonight's meeting (October 26, 2022). Motion carried.

    The Council may appoint a candidate to fill the remainder of the unexpired term (expires May 2023). Staff was asked to post a candidate application on-line for two (2) weeks and to post the vacancy on social media. Applications will be due by 5:00 PM on November 8th. A sub-committee will review the applications and make a recommendation to Council at the November 9, 2022 meeting.

11. Executive Session Convene into executive session under Section 551.071 of the Texas Government Code and Texas Disciplinary Rules of Professional Conduct Section 1.05 for consultation with attorney regarding:
    a. Pending litigation and possible settlement of Cause No. D-1-GN-21-002632; Moore et al. v. City of West Lake Hills, 98th Judicial District Court, Travis County, Texas; and
    b. Contemplated litigation against Robert Lambert regarding the property at 1600 Westlake Drive.

    Council convened into Executive Session at 7:41 p.m. to discuss item 11 b. and reconvened in Open Session at 8:10 p.m.

    Council convened into Executive Session at 8:11 p.m. and reconvened in Open Session at 8:13 p.m. to revise the motion for item 11 b.

    Council convened into Executive Session at 8:16 p.m. to discuss item 11 a. and reconvened in Open Session at 8:54 p.m.

12. Executive Session Reconvene into open session and take action if and as deemed appropriate in the City Council's discretion regarding consultation with attorney.

Council reconvened in Open Session at 8:10 p.m. and made the following motion regarding item 11 b.

MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember Plunkett, the Council voted four (4) for and none (0) opposed to authorize the city attorney with the firm of Messer, Fort and McDonald, LLC to bring suit against Robert Lambert, et al to enforce zoning and code violations. Motion carried.

Council reconvened in Open Session at 8:13 p.m. and made the following revised motion regarding item 11 b.

MOTION: Upon a motion made by Councilmember Bowman and a second by Councilmember Plunkett, the Council voted four (4) for and none (0) opposed to authorize the city attorney with the firm of Messer, Fort and McDonald, LLC to bring suit against the owners of the property at 1600 Westlake Drive to enforce zoning and code violations. Motion carried.

Council reconvened in Open Session at 8:54 p.m. and made the following motion regarding item 11 a.

MOTION: Upon a motion made by Councilmember McCollough and a second by Councilmember Plunkett, the Council voted four (4) for and none (0) opposed to approve the settlement terms and authorize the mayor to execute the settlement agreement. Motion carried.

13. Adjournment

MOTION: Upon a motion made by Councilmember Plunkett and a second by Councilmember South, the Council voted four (4) for and none (0) opposed to adjourn the meeting at 8:55 p.m. Motion carried.

Respectfully submitted,

____
LINDA ANTHONY, MAYOR

ATTEST:

____
Terry Blanchard, TRMC
City Secretary

These minutes were approved on November 9, 2022.

City *of* West Lake Hills
City Council
AGENDA REPORT

Meeting Date:	November 9, 2022	**Item Number:**	3b
Department:	Finance		
Prepared By:	Vonda Ragsdale	**Cost / Budget:**	N/A
Exhibits:	Investment Policy/Financial Procedures & Controls	**Source of Funds:**	N/A

Subject

RESOLUTION NO. 2022-11-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS AMENDING BOTH THE (1) INVESTMENT POLICY AND STRATEGY, AND (2) FINANCIAL PROCEDURES AND CONTROLS.

Recommendation

Approval of amending Resolution No. 2022-11-01 as presented.

Discussion

Policy Amendment: The Council hereby amends the City's Investment Policy and Strategy, and Financial Procedures and Control Policy as follows:

1. Investment Policy and Strategy Changes:
   a. Under V. Delegation of Authority - Delete City Secretary as an Investment Officer and add Assistant City Administrator as an Investment Officer
   b. Under XI. Quarterly Investment Reporting – "signed by all of the City Investment Officers"; change to – "signed by any two of the City Investment Officers"

2. Financial Procedures and Control Changes:
   a. Disbursement of Funds – Delete City Secretary and Add Assistant City Administrator as one of the two required signers
   b. Add Wastewater/Accounting Manager (WW/Accounting Manager) to Cash Management, Cash Handling, Checking Account Controls and Disbursement of Funds

Approved By

	Signature	*Date*
Department Head	Vonda Ragsdale	11/3/2022
City Administrator	[signature]	11/3/2022

RESOLUTION NO. 2022-11-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST LAKE HILLS AMENDING BOTH THE (1) INVESTMENT POLICY AND STRATEGY, AND (2) FINANCIAL PROCEDURES AND CONTROLS.

WHEREAS, the City Council of the City of West Lake Hills ("City Council") seeks to promote the timely, effective, and efficient administration of City business; and

WHEREAS, the City Council finds that it is necessary and proper for good government, peace, and order of the City of West Lake Hills to adopt the following.

NOW, THEREFORE, BE IT RESOLVED by the City Council of West Lake Hills:

1. **Findings of Fact:** The foregoing recitals are incorporated into this Resolution by reference as findings of fact as if expressly set forth herein.

2. **Effective Date:** This Resolution shall be effective immediately upon passage.

3. **Policy Amendment:** The Council hereby amends the City's Investment Policy and Strategy, and Financial Procedures and Control Policy as follows:

    1. Investment Policy and Strategy Changes:
        a. Under V. Delegation of Authority - Delete City Secretary as an Investment Officer and add Assistant City Administrator as an Investment Officer
        b. Under XI. Quarterly Investment Reporting – "signed by all of the City Investment Officers"; change to – "signed by any two of the City Investment Officers"

    2. Financial Procedures and Control Changes:
        a. Disbursement of Funds – Delete City Secretary and Add Assistant City Administrator as one of the two required signers
        b. Add Wastewater/Accounting Manager (WW/Accounting Manager) to Cash Management, Cash Handling, Checking Account Controls and Disbursement of Funds

(See Exhibit "A" & "B")

4. **Repealer:** Any conflicting policy or rule of the City's is hereby repealed to the extent necessary to give effect to this Resolution.

5. **Filing:** The Council directs the City Secretary to include this Resolution in and among the City's official records, and to transmit an executed copy to the City's depository.

6. **Proper Notice & Meeting:** It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & ADOPTED this, the ______ day of ____________, 2022

____
Linda Anthony, Mayor

ATTEST:

____
Terry Blanchard, City Secretary

(ATTACH EXHIBIT "A" – INVESTMENT POLICY AND STRATEGY)

(ATTACH EXHIBIT "B" – FINANCIAL PROCEDURES AND CONTROLS)

CITY OF WEST LAKE HILLS, TEXAS

INVESTMENT POLICY AND STRATEGY
November 9, 2022

I. INTRODUCTION

It is the policy of the City of West Lake Hills (the "City") that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal while meeting the daily cash flow needs of the City and conforming to the Texas Government Code Chapter 2256, the Public Funds Investment Act (the "Act"). The purpose of this Policy is to set specific investment policy and strategy guidelines. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public Texas funds deposits.

The receipt of a market return will be secondary to the requirements for safety and liquidity. The earnings from investment will be used in a manner that best serves the interests of the City.

II. SCOPE

This Policy applies to the investment of all City funds under the City's control and any new funds created unless specifically exempted by the City Council and this Policy.

III. OBJECTIVES

The policy of the City is to invest public funds in a manner which will provide a reasonable market yield with the maximum security of principal while meeting the daily cash fund demands of the City and conforming to all bond covenants. Investments are to be chosen in a manner which promotes diversification. To match anticipated cash flow requirements the maximum dollar-weighted average maturity (WAM) of the overall portfolio may not exceed one year. All purchases of securities will be made on a competitive basis. The primary objectives of City investments are, in priority order:

Safety. Safety of principal is the foremost objective of City investments. Investments shall be made so as to ensure the preservation of principal. Each investment transaction shall be conducted in a manner to avoid capital losses, whether from security defaults, safekeeping, or erosion of market value. Investments in high credit quality securities and decisions based on anticipated cash needs are primary factors in providing safety.

Liquidity. The City investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated on a timely basis. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities. Securities with active and efficient secondary markets will be used to assure liquidity.

Diversification. The portfolio shall be diversified by institution, market sector and maturity as much as possible according to market conditions. Diversification will minimize market, liquidity and credit risk and limit potential losses on individual securities.

Yield. The City investment portfolio will be designed to attain a market yield commensurate with City investment risk constraints and cash flow needs for operating expenses. The benchmark for the commingled portfolio shall be the comparable period six month U.S. Treasury Bill, designated for its comparability to the expected average cash flow pattern. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified and the City's prudent investment strategy.

IV. STRATEGY

The City may maintain one commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The City shall pursue a pro-active and conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. The maximum maturity of any security will be two years and the maximum dollar weighted average maturity of one year or less will be calculated using the stated final maturity date of each security.

The investment strategy for debt service funds shall have as its primary objective the timely payment of debt service obligations. Successive debt service dates will be fully funded before any investment extensions are made for debt service.

General Fund. Investments will be diversified in suitable, high credit quality, short-term investments to maintain liquidity and assure adequate cash flow. Anticipated liabilities will be matched with a laddered portfolio structure. Diversification requirements may be met through use of an investment pool.

Capital Project Funds. To meet construction needs investments will be diversified in suitable, high credit quality, short-term investments. Anticipated construction liabilities will be matched with a laddered portfolio structure and not exceed the planned expenditure schedule of the projects.

V. DELEGATION OF AUTHORITY

No unauthorized person may engage in an investment transaction and all transactions shall be executed as provided under the terms of this Policy and its supporting procedures.

Investment Officers. Authority to manage the City's investment program is derived from state statutes and City resolutions. Council will designate the City Administrator, Finance Director, Assistant City Administrator and WW/Accounting Manager as Investment Officers by resolution. These officers have authority to invest funds in accordance with the City's Investment Policy. The officers shall be responsible for all transactions made and records maintained. The Investment Officer(s) are responsible for creating and maintaining the portfolio in accordance with this Policy, providing timely quarterly reporting to the Council, and establishing supporting procedures.

All investment officers shall attend at least ten (10) hours of training within twelve months of designation as investment officer and shall attend eight (8) hours of training every two successive fiscal years. Such training shall include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act. The City will pay for the training of investment officers as required by the Public Funds Investment Act.

Investment Officers shall refrain from personal and business activity that could conflict with 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 within two levels of affinity or consanguinity with an organization seeking to sell an investment to the City, shall file a statement disclosing that relationship to the City Council and the Texas Ethics Commission.

City Council. By law, the City Council holds ultimate fiduciary responsibility for the portfolio. It will designate investment officer(s), receive and review quarterly reporting, approve and provide for investment officer training, approve broker/dealers, and review and adopt the Investment Policy and Strategy as needed.

VI. PRUDENCE AND CONTROLS

Standard of Care. The standard of care to be applied to all City investments shall be the "prudent person rule", which states:

> *"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."*

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds under the City's control, over which the officer has responsibility rather than a consideration as to the prudence of a single investment. The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall be responsible but not liable for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

Internal Controls. The Investment Officer is responsible for establishing and maintaining internal controls to reasonably assure that assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and, the valuation of costs and benefits requires ongoing estimates and judgments by management.

The internal controls shall address the following points at a minimum:

- Control of collusion,
- Separation of transaction authority from accounting and record keeping,
- Custodial safekeeping,
- Clear delegation of authority,
- Written confirmation for all transactions, and
- Review, maintenance and monitoring of security procedures both manual and automated.

The City, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the City Investment Policy. If City funds are invested in other than CDs or local government investment pools; the auditor shall also review the quarterly reports as part of the annual audit.

Cash Flow Forecasting. Cash flow forecasting is designed to protect and sustain cash flow requirements of the City. The Investment Officer will analyze cash flows to monitor and forecast cash positions for investment purposes.

Competitive Bidding. All security transactions will be made on a documented competitive bid basis to assure the City is receiving good market rates.

Monitoring Credit Ratings. The Investment Officer shall monitor, on no less than a quarterly basis, the credit rating on all authorized investments in the portfolio which require credit ratings based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within two days.

Monitoring FDIC Status for Mergers and Acquisitions. The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CD securities owned by the City based upon information from the FDIC (fdic.gov). If any bank has been acquired or merged with another bank in which brokered CDs are owned by the City, the Investment Officer shall immediately liquidate any brokered CD which places the City above the FDIC insurance level.

VII. AUTHORIZED INVESTMENTS

Assets of the City may be invested only in the following investments, as further defined by the Act. . If changes are made to the Act they will not be authorized until this Policy is modified and adopted by the City Council.

1. Obligations of the United States, its agencies and instrumentalities with a maximum stated maturity of two (2) years and excluding mortgage-backed securities. (Gov't Code 2256.009)
2. Fully FDIC insured or collateralized depository certificates of deposit from banks or savings bank doing business in Texas with a maximum maturity of two (2) years. Certificates will be collateralized in accordance with this policy. (Gov't Code 2256.010)
3. Fully insured share certificates from credit unions doing business in Texas, with a maximum maturity of two (2) years and insured by the National Credit Union Insurance Fund.
4. AAA rated, Texas local government investment pools which strive to maintain a $1 net asset value and are continuously rated no lower than AAA or an equivalent by at least one nationally recognized rating service. (Gov't Code 2256.016 and 2256.019)
5. AAA-rated money market mutual funds which comply with SEC Rule 2a-7 and which strive to maintain a $1 net asset value. (Gov't Code 2256.014(a)).
6. FDIC insured, brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank on www.fdic.gov to assure that the bank is FDIC insured.
7. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas.

8. General debt obligations of any US state or political subdivision rated AA or better with a stated maturity not to exceed one year.
9. Bonds issued, assumed, or guaranteed by the State of Israel.

VIII. COLLATERALIZATION

Time and Demand Deposits Pledged Collateral. All bank time and demand deposits shall be collateralized above the FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The bank shall monitor and maintain the margin on a daily basis.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository. The collateral agreement with the depository shall be approved by resolution of the Bank Board or Bank Loan Committee. The Custodian shall provide a monthly report of collateral directly to the City. All collateral shall be subject to inspection and audit by the City or its independent auditors.

Authorized Collateral. Only the following securities are authorized as collateral for time and demand deposits:

A. Obligations of the United States, its agencies or instrumentalities, or evidence of indebtedness of the United States guaranteed as to principal and interest including MBS and CMO which pass the bank test.
B. Obligations of any US state or of a county, City or other political subdivision of any state having been rated A or equivalent by two nationally recognized rating agencies.
C. Letters of Credit from the FHLB.

IX. SAFEKEEPING

All securities owned by the City will be cleared on a delivery versus payment (DVP) basis and held by an independent third party safekeeping agent approved by the City. The independent third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, CUSIP number, and other pertinent information.

X. FINANCIAL COUNTER-PARTIES

Depository

At least every five years, a banking services depository shall be selected through a competitive request for proposal process. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. If securities require safekeeping, the RFP/bid will request information on safekeeping services. The depository contract will provide for collateral if balances exceed the FDIC insurance balance per tax identification number.

Other banking institutions, from which the City may purchase certificates of deposit or place interest bearing accounts, will also be designated as a depository for depository/collateral purposes. All depositories will execute a depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement if collateral is required.

Security Broker/Dealers. All broker/dealers who desire to transact business with the City must supply the following documents to the Investments Officer(s).

- Financial Industry Regulatory Authority (FINRA) certification and CRD #
- proof of Texas State Securities registration

Each broker/dealer will be sent a copy of the City's investment policy. If material changes are made to the policy, the new policy will also be sent.

A list of qualified broker/dealers will be reviewed and adopted at least annually by the City Council.

Investment Pools. Each pool must be provided a copy of the City's current Investment Policy and certify to a review of the Policy. An authorized representative shall execute a written instrument substantially to the effect that the pool has received and thoroughly reviewed the City's Investment Policy and acknowledges that the firm has implemented reasonable procedures and controls to preclude investment transactions conducted between the City and the pool that are not authorized by the Policy.

XI. QUARTERLY INVESTMENT REPORTING

Not less than quarterly, the Investment Officers shall prepare and submit to the City Council a quarterly written investment report in compliance with the Public Funds Investment Act (Gov't Code 2256.023). The report must:

- describe in detail the investment position of the City on the date of the report,
- state the book value and fair market value of each separately invested asset at the beginning and the end of the quarter by the type of asset and fund type invested,
- state the change in market value during the quarter,
- state the accrued interest received in the period,
- state the final maturity date of each separately invested asset that has a maturity date,
- state the fund for which each individual investment was acquired, and state the compliance of the investment portfolio of the City as it relates to the Investment Policy and the Public Funds Investment Act, and
- be prepared jointly and signed by any two of the City Investment Officers.

Market prices will be obtained from an independent source.

XII. INVESTMENT POLICY ADOPTION

The City's Investment Policy shall be reviewed and adopted by resolution of the City Council no less than annually. Any changes made to the Policy must be noted in the adopting resolution.

CITY OF WEST LAKE HILLS

FINANCIAL PROCEDURES AND CONTROLS
November 9, 2022

I. FINANCIAL POLICIES

The City should focus on prudent long-term financial policies which address key areas such as:

- long-term financial stability and accountability
- avoidance of deficit financing
- budgets based on realistic revenues and expenditures
- establishment of a fund balance policy
- competitive and value-based procurement

II. BUDGETING

Long term financial plans and strategic planning should be linked to the budget process.

- the annual budget should be developed in terms of long-term solvency and sustainability
- the Mayor shall prepare and present the budget annually
- the Council should focus on policies, funding priorities at a macro level
- public involvement and transparent decision making is critical in the budget development
- modifications to the budget must be approved by Council and require timely updates

III. CASH MANAGEMENT

Collections and Receivables.

The City will invoice and collect all funds due on a timely basis.

- each department billing for services will create at a minimum a monthly invoice within five days of service provision (with the exception of the utility scheduled cycles)
- all invoices will be dated and numbered
- a copy of the invoice will be sent to the Finance Director and or the WW/Accounting Manager for entry and reconciliation
- the Finance Director will monitor the outstanding receivables and a second notice will be sent by Finance or the department that is responsible for the amount outstanding in 30 days
- aged receivables (over 60 days) will be reviewed with the City Administrator quarterly for further collection action
- if specific overdue fees are established for the City, those fees will be applied
- there will be a $35 fee placed on all NSF checks received, in addition to any other fees

Cash Handling.
All funds collected by departments throughout the City's operations will be given to the Finance Director and or WW/Accounting Manager and deposited in the City depository bank on a weekly basis, at a minimum.

Any department which receives funds must assign an administrator to that receivables function and the name of the fund administrator reported to the Finance Director. All funds collected by each department will require a receipt attached to the deposit copy given to the Finance Director and/or the WW/Accounting Manager.

Change funds, the change fund administrator and the stipulated size of the change fund are established within departments and approved by the City Administrator. If a change fund is used in a department for making change to citizens, then the amount of that change fund must be reconciled monthly and reported to the Finance Director. The amount in change funds will be established based on historical activity for that department.

- change accounts must be reconciled at least on a monthly basis - responsibility and liability for the change fund rests with the administrator of that fund
- excess funds in any change fund is deposited with the Finance Director with full details/reconciliation
- numbered receipts shall be given for all City funds received
- all funds shall be maintained in a locked receptacle at all times
- if a deposit to City Hall cannot be made weekly, funds must be safe-kept in a locked cabinet/safe and made as soon as possible
- access to the cabinet/safe used for deposits must be restricted and the names of all having access must be recorded by the administrator of that fund location with a copy to the Finance Director

Purchase Approval
Department heads shall ensure that expenditures are allocated to and paid from the correct budget accounts. It is the responsibility of department heads to assure that sufficient funds remain in the budget accounts to cover the expenditures. Over expenditures in any budgeted category are prohibited.

- the department head or their assignee must sign each request for payment
- the department head or their assignee will verify that funds are available for the purchase request
- request for payment should be forwarded to Finance in a timely manner and such that any discount terms can be utilized
- if requested by the vendor, purchase orders are issued by the Finance Director and the department head or their assignee are responsible to verify that funds are available for the purchase

Checking Account Controls
The City's checking account(s) shall be managed/reconciled by the Finance Director and/or the WW/Accounting Manager.

- all checking accounts will have positive pay service to protect the City from fraudulent checks
- vendors may require to receive City payments by ACH
- balances necessary to fund routine/recurring expenses shall be determined by the Finance Director based on operating expenses and encumbrances

- to avoid overdraft situations sufficient liquid cash shall be maintained as a liquidity buffer to pay for unforeseen expenses

Disbursement of Funds

The production of checks or ACH transfers is solely the responsibility of the Finance Director and/ or WW/Accounting Manager and no other checking accounts shall be established or used by any department.

- bank checking account shall be established for payment of all disbursements
- accounts which will not have more than six disbursements a month, should be styled as money market accounts to increase potential earnings
- debt service payments must be made (by wire or ACH), unless a check is required
- checks will be written at least weekly with a review of the check register by the Finance Director, WW/Accounting Manager or the City Administrator before printing
- available discounts in the payment of invoices shall be taken
- the City will move to increasing the use of ACH payments to all vendors to reduce costs and provide the best audit trail possible
- the check register (and listing of ACH debits) to be written from the general ledger system (InCode), will be reviewed against signed documents by the Finance Director, WW/Accounting Manager or the City Administrator
- release of checks will be made only after a balancing of the register and the actual checks
- Disbursement reports (check registers) are posted quarterly on the City's website
- checks shall require two electronic signatures or two manual signatures:

  Any two of the following – Mayor, City Administrator, Finance Director, or Assistant City Administrator

Depository Bank

In accordance with state law (Local Government Code Chapter 105), the City will request 'bank applications', in the form of a Request for Proposal (RFP) for primary depository services (banks handling the primary accounts, collections and disbursements of the City) at least every five years. The proposals shall be competitively bid.

- approval by the Council shall allow the City to receive RFP's from banks within five miles of City Hall to assure adequate banking alternatives
- a notice of the RFP shall be published no later than 21 days prior to the deadline for proposals in a local newspaper of general circulation
- the contract for banking services must be executed under the terms of FIRREA which requires approval by the Bank Board or Bank Loan Committee
- the contract must be approved by the City Council
- the bank shall provide pledged collateral as defined by the Investment Policy and in accordance with the Public Funds Collateral Act (Government Code 2257) and collateral must be in place before City funds are moved to the bank
- in a bank transition all funds should be transferred on a timely basis and no longer than 90 days
- transaction access to the bank must be limited and access reviewed at least annually
- bank fraud protection services (such as positive pay and ACH filters) will be used to protect City assets
- the Finance Director should meet with the depository bank, at least annually, to assure that the most cost efficient services are being used

Financial Statement Reporting
The Finance Director shall prepare a comparative financial statement quarterly for timely presentation to Council. The written quarterly statement shall include, at a minimum:

- statements of budgeted and actual revenues
- expenditures in the general fund, debt service fund, and capital projects fund, and
- an investment report

- the quarterly statements will be distributed to the City Council as soon as available, but not later than the end of the succeeding month
- the Finance Director will brief the City Council each quarter on the financial condition of the City as reported in the statements
- if necessary, the Finance Director shall make quarterly adjustments to the financial statements and complete all required adjustments within ninety days after the close of the fiscal year
- adjustments to prior reports shall be presented to the Council at the following regular Council meeting
- monthly Revenue and Expense Reports are posted on the City's website

IV. FIXED ASSETS

General. Positive control over general fixed assets is needed to determine adequacy of insurance coverage, to safeguard assets, and to provide accurate disclosure in the City's financial statements. General fixed asset categories are:

- Land
- Buildings and improvements
- Furniture, Fixtures and Equipment
- Construction in progress

Fixed Asset Acquisition. A complete City fixed asset inventory shall be maintained by Finance with verification by each department at least annually.

- an asset acquired by the City having a useful life of more than one year and costing more than $1,000.00 and all computers regardless of cost, shall be capitalized at cost
- cost shall include ancillary charges for freight, installation, set-up and other fees necessary to acquire or construct the asset
- a fixed asset expenditure shall be charged to the Capital Outlay account of the department incurring the expense and shall also be recorded in the General Fixed Assets Account Group
- if an expenditure does not materially add to the value of the asset or appreciably prolong its life, the expenditure should not be capitalized
- if an existing asset is replaced, the existing asset must be removed from the General Fixed Asset Account group and replaced by the new asset

Fixed Asset Retirement. All fixed asset retirement requests should be in writing, signed by the department head and be approved by the City Administrator or Finance Director.

- the approved request for the retirement of a fixed asset must include the reason for retirement and the method and date of disposition
- the request shall be forwarded to the Finance Director for removal of the asset from the Fixed Asset listing and Account

City *of* West Lake Hills
City Council

AGENDA REPORT

Meeting Date:	November 9, 2022	**Item Number:**	4
Department:	Administration		
Prepared By:	Terry Blanchard	**Cost / Budget:**	NA
Exhibits:	Applications	**Source of Funds:**	NA

Subject

Discuss and consider action on an appointment to fill the unexpired term for City Council Member Place 1.

Recommendation

Receive a recommendation from the sub-committee and appoint a candidate to fill the vacancy (term expires May 2023).

Discussion

As of Friday, November 4th, two (2) applications have been received to fill the unexpired term for Council Member Place 1.

Applicants are:
James Vaughan
Randy Lee

Applicants have until 5 p.m. on Tuesday, November 8, 2022 to submit an application if they wish to be considered for this vacancy.

Approved By

	Signature	*Date*
Department Head	Terry Blanchard	11-4-22
City Administrator		

City of West Lake Hills
Received
NOV - 2 2022

West Lake Hills City Council Vacancy Addendum

If you are interested in filling the unexpired term for Council Member, Place 1 on the City Council (term ends May 2023), please fill out the City Council Vacancy Application and the additional information requested below. MEETING NOTE: The City Council meets every month on the 2nd and 4th Wednesdays at 7:00 p.m. The person appointed will also be serving as a member on the Board of Adjustment which meets every 2nd Wednesday prior to the Council Meeting.

PRINT NAME as you want it to appear:
James Vaughan

DATE OF BIRTH:
[redacted]

VOTER REGISTRATION VUID NUMBER:
1132167193

LENGTH OF CONTINUOUS RESIDENCE IN STATE (List in Years and Months):
9 Years 4 Months

LENGTH OF CONTINOUS RESIDENCE IN CITY (List in Years and Months):
4 Years 4 Months

Before me, the undersigned authority, on this day personally appeared James Vaughan (*name*), who being by me here and now duly sworn, upon oath says: I, (*name*) James Vaughan of Travis County, Texas, being a candidate/applicant for the office of City Council Member, Place 1, swear that I will support and defend the Constitution and laws of the United States and of the State of Texas. I am a citizen of the United States eligible to hold such office under the Constitution and laws of this state. I have not been finally convicted of a felony for which I have not been pardoned or had my full rights of citizenship restored by other official action. I have not been determined by a final judgment of a court exercising probate jurisdiction to be totally mentally incapacitated or partially mentally incapacitated without the right to vote. I am aware of the nepotism law, Chapter 573, Government Code.

I further swear that the foregoing statements included in my application are in all things true and correct."

X____________________
SIGNATURE OF CANDIDATE/APPLICANT

Sworn to and subscribed before me this the 2 day of November, 20 22.

____
Signature of Notary Public

MARK LITTRELL
My Notary ID # 125438016
Expires September 20, 2025

City of West Lake Hills

Application for City Council Vacancy

City Council Member, Place 1 (term expires May 2023)

Application and Addendum Forms Required

We strongly encourage that a brief resume be submitted along with the application.

Full Name: James Vaughan

E-mail: [redacted]

Address: [redacted] West Lake Hills TX 78746

Phone (Home): [redacted]

(Work):

Registered Voter? ☒ Yes ☐ No If yes, please list VUID Number: 1132167193

Resident of West Lake Hills since: 2018

Occupation, Experience/Degrees Held? Angel investor in property tech space. MBA UT Austin, BA Stanford.

Why do you want to serve on this group? I'd like to help the city successfully manage its growth, especially along Bee Caves Road. I grew up in Tarrytown and went to St. Stephen's. West Lake is near and dear to me.

Do you have any potential conflicts of interest? I do not.

Do you have any related experience? I currently serve on ZAPCO and I served on the Bond Committee. I was an alternate election worker during the recent election.

What do you feel you have to offer this group? I bring the perspective of someone with a young family, living quite close to Bee Caves Rd. and the experience of volunteering with the city since we moved here.

TEXAS OPEN RECORDS ACT

Notice to Applicants: Once submitted, information contained in and included with this application is considered public record and must be released if a request is made. According to Government Code Section 552.024 each employee or official of a governmental body and each former employee and official of a governmental body shall choose whether to allow public access to the information in the custody of the governmental body that relates to the person's home address, home telephone number, and e-mail address. Each employee and official and each former employee and official shall state their choice to the City Secretary's office. Please indicate your decisions.

	ALLOW PUBLIC ACCESS (circle one)	
Home Address	Yes	No
Home Phone Number	Yes	No
E-mail Address	Yes	No

Official Signature: Date: 11/2/22

Official Name (Please Print): James Vaughan

Please return this form to: **City of West Lake Hills**
911 Westlake Drive
West Lake Hills, TX 78746
citysec@westlakehills.gov

Completed form due by 5 PM on November 8, 2022

West Lake Hills City Council Vacancy Addendum

If you are interested in filling the unexpired term for Council Member, Place 1 on the City Council (term ends May 2023), please fill out the City Council Vacancy Application and the additional information requested below. MEETING NOTE: The City Council meets every month on the 2nd and 4th Wednesdays at 7:00 p.m. The person appointed will also be serving as a member on the Board of Adjustment which meets every 2nd Wednesday prior to the Council Meeting.

PRINT NAME as you want it to appear:
RANDY M. LEE

DATE OF BIRTH:
[redacted]

VOTER REGISTRATION VUID NUMBER:
1130960598

LENGTH OF CONTINUOUS RESIDENCE IN STATE (List in Years and Months):
72 YEARS 6 MONTHS

LENGTH OF CONTINOUS RESIDENCE IN CITY (List in Years and Months):
32 YEARS 8 MONTHS

Before me, the undersigned authority, on this day personally appeared RANDY M. LEE (*name*), who being by me here and now duly sworn, upon oath says: "I, (*name*) RANDY M. LEE of Travis County, Texas, being a candidate/applicant for the office of City Council Member, Place 1, swear that I will support and defend the Constitution and laws of the United States and of the State of Texas. I am a citizen of the United States eligible to hold such office under the Constitution and laws of this state. I have not been finally convicted of a felony for which I have not been pardoned or had my full rights of citizenship restored by other official action. I have not been determined by a final judgment of a court exercising probate jurisdiction to be totally mentally incapacitated or partially mentally incapacitated without the right to vote. I am aware of the nepotism law, Chapter 573, Government Code.

I further swear that the foregoing statements included in my application are in all things true and correct."

X Randy M. Lee
SIGNATURE OF CANDIDATE/APPLICANT

Sworn to and subscribed before me this the 27 day of October, 2022.

CATHERINE SANDERS
Notary Public, State of Texas
Notary ID# 13374627-7
My Commission Expires
MAY 5, 2026

Catherine Sanders
Signature of Notary Public

City of West Lake Hills

Application for City Council Vacancy

City Council Member, Place 1 (term expires May 2023)

Application and Addendum Forms Required

We strongly encourage that a brief resume be submitted along with the application.

Full Name: RANDY MICHAEL LEE

E-mail: [redacted]

Address: [redacted] WLH, TX 78746

Phone (Home): [redacted]

(~~Work~~): CELL [redacted]

Registered Voter? ☑ Yes ☐ No If yes, please list VUID Number: 1130960598

Resident of West Lake Hills since: MARCH 1990

Occupation, Experience/Degrees Held? SEE EXPANDED COMMENTS

Why do you want to serve on this group? SEE EXPANDED COMMENTS

Do you have any potential conflicts of interest? SEE EXPANDED COMMENTS

Do you have any related experience? SEE EXPANDED COMMENTS

What do you feel you have to offer this group? SEE EXPANDED COMMENTS

TEXAS OPEN RECORDS ACT

Notice to Applicants: Once submitted, information contained in and included with this application is considered public record and must be released if a request is made. According to Government Code Section 552.024 each employee or official of a governmental body and each former employee and official of a governmental body shall choose whether to allow public access to the information in the custody of the governmental body that relates to the person's home address, home telephone number, and e-mail address. Each employee and official and each former employee and official shall state their choice to the City Secretary's office. Please Indicate your decisions.

	ALLOW PUBLIC ACCESS (circle one)	
Home Address	Yes	No
Home Phone Number	Yes	No
E-mail Address	Yes	No

Official Signature: Randy M. Lee Date: NOVEMBER 1, 2022

Official Name (Please Print): RANDY M. LEE

RECEIVED NOV 3 2022

Please return this form to: **City of West Lake Hills**
911 Westlake Drive
West Lake Hills, TX 78746
citysec@westlakehills.gov

City of West Lake Hills

Application for City Council Vacancy

Randy M. Lee

November 1, 2022

Expanded comments:

Occupation, Experience/Degrees Held? Currently I am CEO/Owner of Randy Lee Pubic Affairs LLC, a full service lobbying and business development firm since 2015. I also hold a current Texas Broker's Real Estate license since 1975 and am the managing broker for Plateau Land Group, Dripping Springs, Texas.

I hold a BBA in Finance from the McCombs School of Business at the University of Texas at Austin, 1972. I also have one year of Masters of Public Accounting credit at McCombs, 1975. A CV for RLPA LLC is attached as well as my current resume.

Why do you want to serve on this group? I heard someone once say that the best way to be successful is by looking for opportunities where one can add value for others, not just for one's self. What can I bring to the table that will benefit whatever group or organization is providing me with the opportunity to be of service? How may I help the people there? Not, what can they do for me? I'm here to give, not to take. Whatever I get in return comes to me because of that, I'm not there to "get something", other than the satisfaction of assisting others.

Do you have any potential conflicts of interest? None to my knowledge.

Do you have any related experience?

My experience runs broad and deep in municipal government. First, I had the privilege of serving the City of West Lake Hills as a member of the Zoning and Planning Commission from September 1993 to August 31, 1995. I also served a year on the first West Lake Hills Fire Safety Committee. My 35 years of public affairs lobbying the Texas Legislature focused on many of the same issues that affect our community, such as the Texas property code, property taxes, development criteria, building codes and economic development.

As a governmental affairs lobbyist, I represented the City of Conroe during the crucial 2017 session and special sessions on annexation. As a resident of West Lake Hills, I also worked pro bono on a personal basis to preserve the City of West Lake Hills valuable tree ordinance. The current Speaker of the Texas House of Representatives, Dad Phelan carried legislation which left decision making on this topic in our hands. From 2018 to 2021, I had the privilege of representing the City of Buda before the Legislature, and worked to pass their first ever Aquifer Storage Recovery statute, ensuring a permanent source of water for future generations in their community.

As the first Executive Director of the Texas 1986 Sesquicentennial Commission, I had opportunity and the experience to build and manage a successful program of a state agency from its inception, gathering useful skills in HR, budget development, and program evaluation and execution.

As the Executive Director of the Texas Tourist Council, I utilized the same experience and skill set to establish this statewide association as a serious, successful and beneficial economic development force for the economy of Texas.

What do you feel you have to offer this group?

I will use my background and professional experience to support the city's comprehensive plan in evaluating proposals which come before the BOA and the Council. I will utilize its principals as a benchmark for decision making.

As stated in the city's **Comprehensive Plan** our city should:

"Encourage less development coverage of land and promote the use of land for enhanced retention and other landscape amenities."

It further states:

Environmental Sustainability and Conservation

1. Promote water conservation and reduce water usage.

   Preserve existing creek ways and creek areas associated with them through creation of preserves/parks and/ or development standards that promote responsive, low-impact development practices.

2. Initiate natural and system supported measures to reclaim and reuse water where appropriate.
3. Preserve significant native trees and tree communities, especially within riparian areas.
4. Use existing and future lakes as facilities for water conservation and waterways serving them as places of natural beauty.

Also, If agreed and allowable by the City Council, I will volunteer to work pro bono with the City Attorney and the City Manager to monitor any legislation which may adversely affect the people of the City of West Lake Hills, and take action only upon direction and preapproval.