



**WORKSHOP & REGULAR MEETING
OF THE TOWN COUNCIL**

Tuesday, May 3, 2022

6:00 PM

Little Elm Town Hall

100 W Eldorado Parkway, Little Elm, TX 75068

1. **Call to Order Council Workshop at 6:00 p.m.**
2. **Workshop.**
 - A. Present and Discuss the **Fiscal Year 2022 Town's Annual Street Maintenance Program.**
 - B. Present and Discuss an **Update on the Lakeside Athletic Complex.**
 - C. Present and Discuss **Updates to the Little Elm Board and Commission Appointment Policy.**
3. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**
 - A. Invocation.
 - B. Pledge to Flags.

- C. Items to be Withdrawn from Consent Agenda.
- D. Emergency Items if Posted.
- E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.
- F. Presentation of Monthly Updates.
- G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

4. **Presentations.**

- A. Present a **Proclamation Declaring May 2022 as Motorcycle Safety and Awareness Month.**

5. **Public Comments**

Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.

6. **Consent Agenda**

All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.

- A. Consider Action to Approve the **Minutes from the April 19, 2022, Regular Town Council Meeting.**
- B. Consider Action to Approve the **Quarterly Investment Report for the Period ending March 31, 2022.**
- C. Consider Action to Approve the **Updated Little Elm Governance Policy.**

- D. Consider Action to Approve the **Unaudited Quarterly Budget Report for the Quarter ending March 31, 2022, for FY 2021-2022.**
- E. Consider Action to Approve **Ordinance No. 1663 Amending the FY 2021-2022 Annual Budget in Accordance with Existing Statutory Requirements; Appropriating the Various Amounts Herein; Repealing all Prior Ordinances and Actions in Conflict Herewith; and Providing for an Effective Date.**
- F. Consider Action to Approve **Board of Adjustments Appointments.**
- G. Consider Action to Approve **Resolution No. 0503202201 Removing its Existing Trustee and Appointing a Successor Trustee for Bonds Issued in Connection with the Valencia PID; Approving and Authorizing the Mayor to Execute the Instrument of Removal, Appointment, and Acceptance and Authorizing the Execution of a Town Certificate in Connection therewith; and Resolving Other Related Matters.**

7. **Regular Items.**

- A. Present, Discuss, and Consider Action on **Ordinance No. 1664 Establishing a Little Elm Veterans Committee and Approving By-Laws.**

8. **Convene in Executive Session pursuant to Texas Government Code:**

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

9. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19

outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.

- Section 551.072 to discuss certain matters regarding real property.
- Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

10. **Adjourn.**

Pursuant to the Texas Open Meeting Act, (Chapter 551, Texas Government Code), one or more of the above items will be taken or conducted in open session following the conclusion of the executive closed session.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aide of service such as interpreters for the hearing impaired, reader or large print are requested to contact the secretary at 214-975-0452 two days prior to the meeting so appropriate arrangements can be made.
BRAILLE IS NOT PROVIDED.

Respectfully,

Town Secretary

This is to certify that the above notice was posted on the Town's website this 28th day of April 2022 before 5:00 p.m.



Date: 05/03/2022
Agenda Item #: 2. A.
Department: Public Works
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jason Shroyer, Director of Public Works

AGENDA ITEM:

Present and Discuss the **Fiscal Year 2022 Town's Annual Street Maintenance Program**.

DESCRIPTION:

In 2005, the Town's residents voted to establish a 1/4 cent Street Maintenance Sales Tax for the maintenance of the Town's street and sidewalk infrastructure. These funds are specifically earmarked for the repair and maintenance of Town's concrete and asphalt streets, concrete sidewalks, and curbs. The Street Maintenance Sales Tax requires renewal every four (4) years and was recently renewed by the voters in May 2021.

The Public Works Department develops the annual street maintenance (ASM) projects annually using existing work orders, customer complaints, visual inspections, and previous pavement studies. These projects are typically identified in January/February and awarded to a contractor in April/May. Work typically begins on or around the end of the school year.

Staff will provide Council with a presentation to discuss the following:

- Purpose of the Annual Street Maintenance Program (ASM)
- History of the ASM
- Renewal of the 1/4 cent Street Maintenance Sales Tax
- ASM Program for 2021

BUDGET IMPACT:

The Annual Street Maintenance Program is budgeted for in the Street Maintenance Fund.

RECOMMENDED ACTION:

Information only, no action required.



the **Town of Little Elm**

ANNUAL STREET MAINTENANCE PROGRAM 2022

PUBLIC WORKS DEPARTMENT

INTEGRITY | CUSTOMER SERVICE | EFFICIENCY | INNOVATION



LITTLE ELM

Annual Street Maintenance

Agenda

- Purpose of the Annual Street Maintenance Program (ASM)
- History of the ASM
- ASM Renewal
- ASM Program for 2022
- Questions

Annual Street Maintenance

Purpose of the ASM



- Established in 2005
- Funded by the ¼ cent Street Maintenance Sales Tax
- Provides annual funding for the maintenance, preservation, repair and construction of streets, sidewalks and other paving infrastructure
- Allow for a proactive approach to maintenance of the roadway network
- Prevents or extends costly reconstruction projects

Annual Street Maintenance

History of the ASM



- Over the last 5 years the programs has included
 - 22,312 square yards of concrete panel replacement
 - 16,333 square yards of asphalt overlay
 - 45,000 square yards of asphalt chip sealing
 - 40,722 square yards of concrete sidewalk and curb replacement
- Also includes concrete panel lifting and crack sealing
- 5 yr. total: \$6.2M

Annual Street Maintenance

2021 ASM Completed



- Areas include:
 - Mariner Pointe, Lakewood Estates, Union Park, Eldorado Estates West, Shell Beach, Villages of Woodlake, Sunset Point & Cottonwood Community
 - Specific streets: Walker Lane, Bradford Pear, Mallard Dr, Shell Beach Dr, Vanish Pointe, Bishop Hill, Crown Point Dr, Tradewinds Dr, Tradewinds Dr, Woodlake Pkwy, Union Park Blvd., Douglas, Debbie, Allen, Bill St, Port Boliver, Port O'Conner, Port Sullivan, Port Alto, Port Mansfield, Port Isabel, Port Aransas, Port Lavaca, Port Allen, Port Neches, Port Arthur, Brookdale, Palomino, Mustang & Shetland St.

Annual Street Maintenance

1/4 Cent Street Maintenance Sales Tax



- ASM projects are funded by voter authorized 1/4 Cent Street Maintenance Sales Tax
- Texas Tax Code, Chapter 327, requires reauthorization every 4 years
- Last authorization was obtained in May of 2021

Annual Street Maintenance

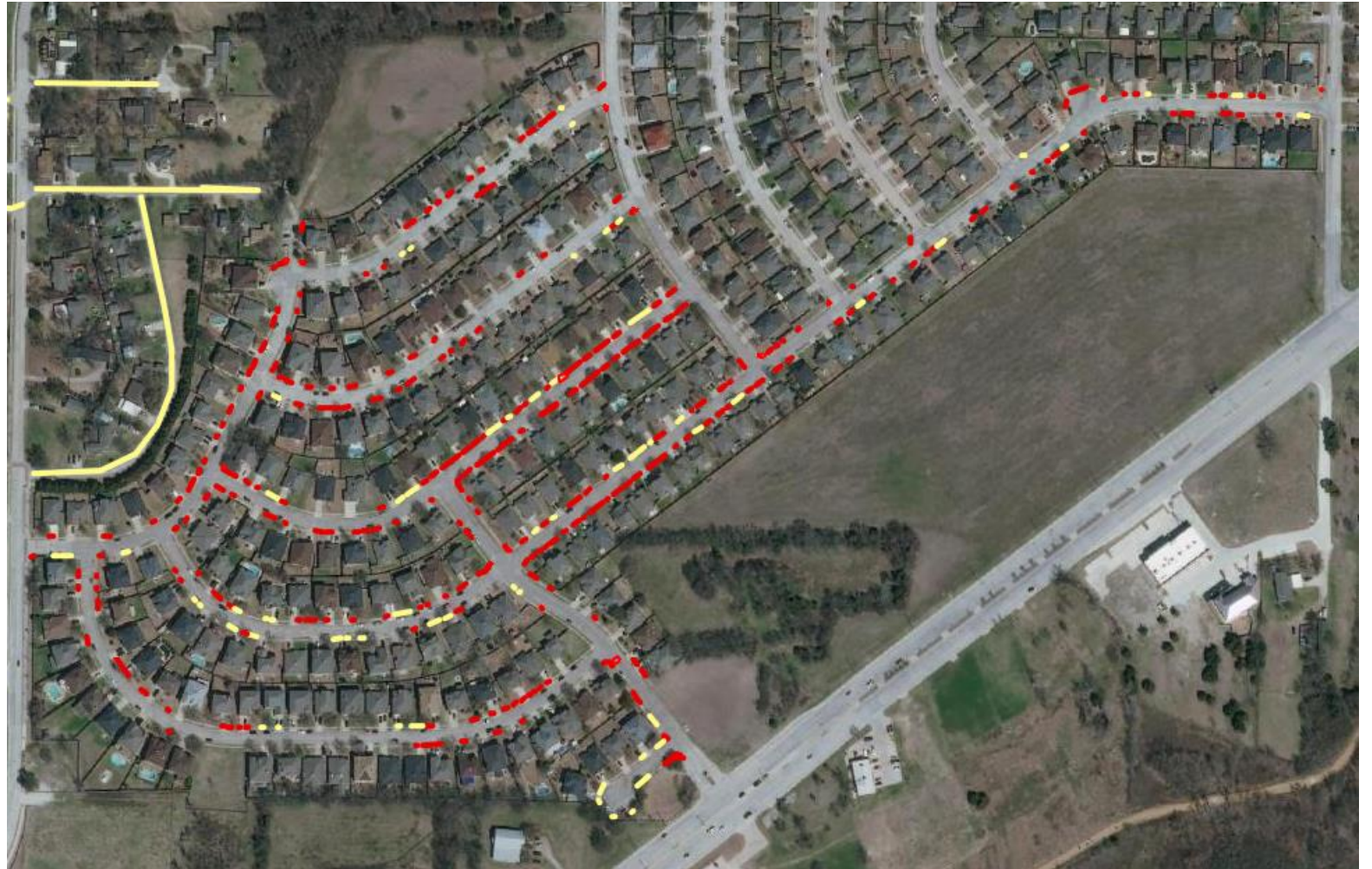
Upcoming ASM Projects



- Focus of FY22 projects is:
 - Concrete street panels
 - Concrete sidewalks and concrete curb ramps
 - Concrete curb
 - Crack sealing
 - Striping and Pavement Markings (future contract)
- Areas listed are not all-inclusive
- Additional areas will be located and repaired during construction

Lakewood Estates Phase 1 & 2

Annual Street Maintenance



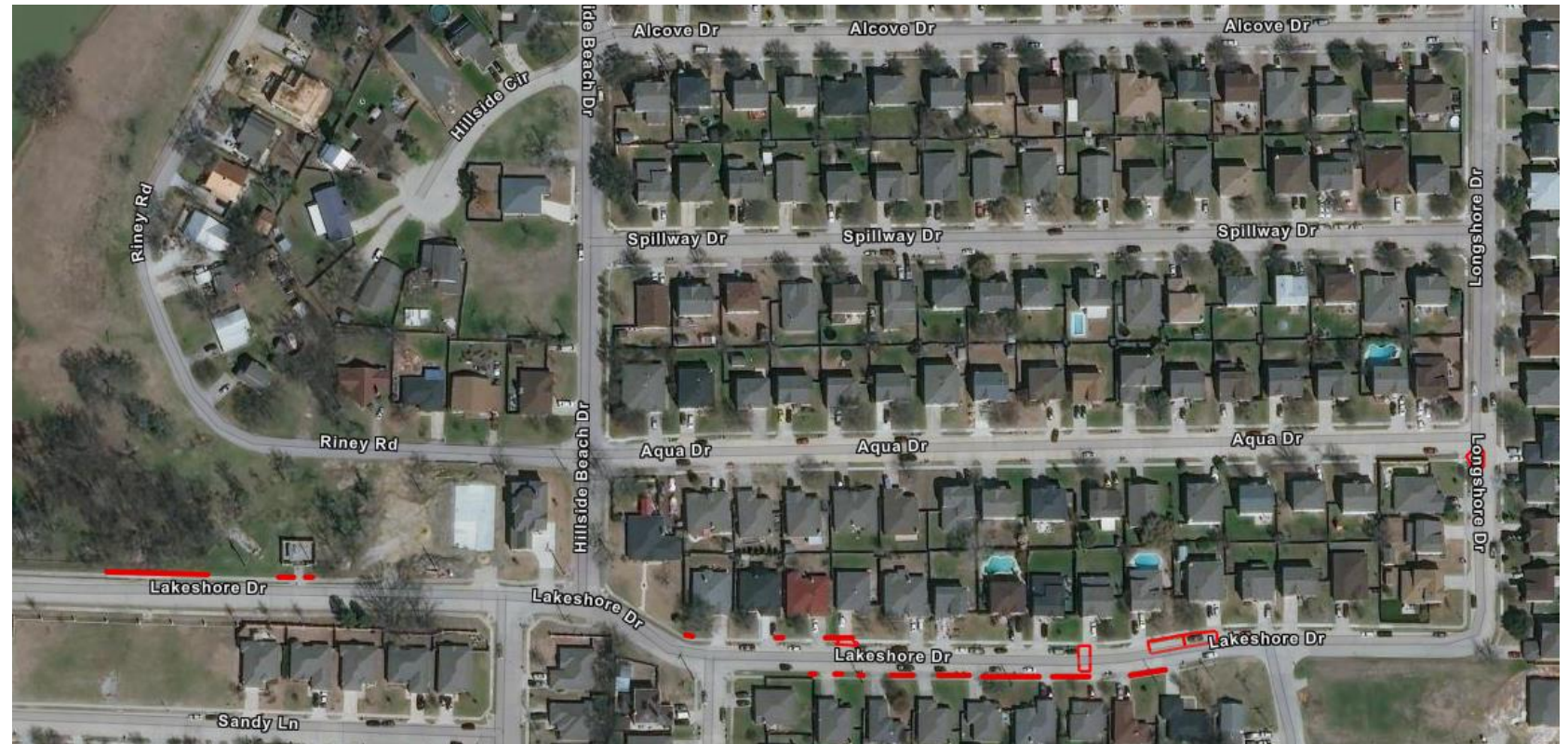
Annual Street Maintenance



W. Park St
E. Park St.

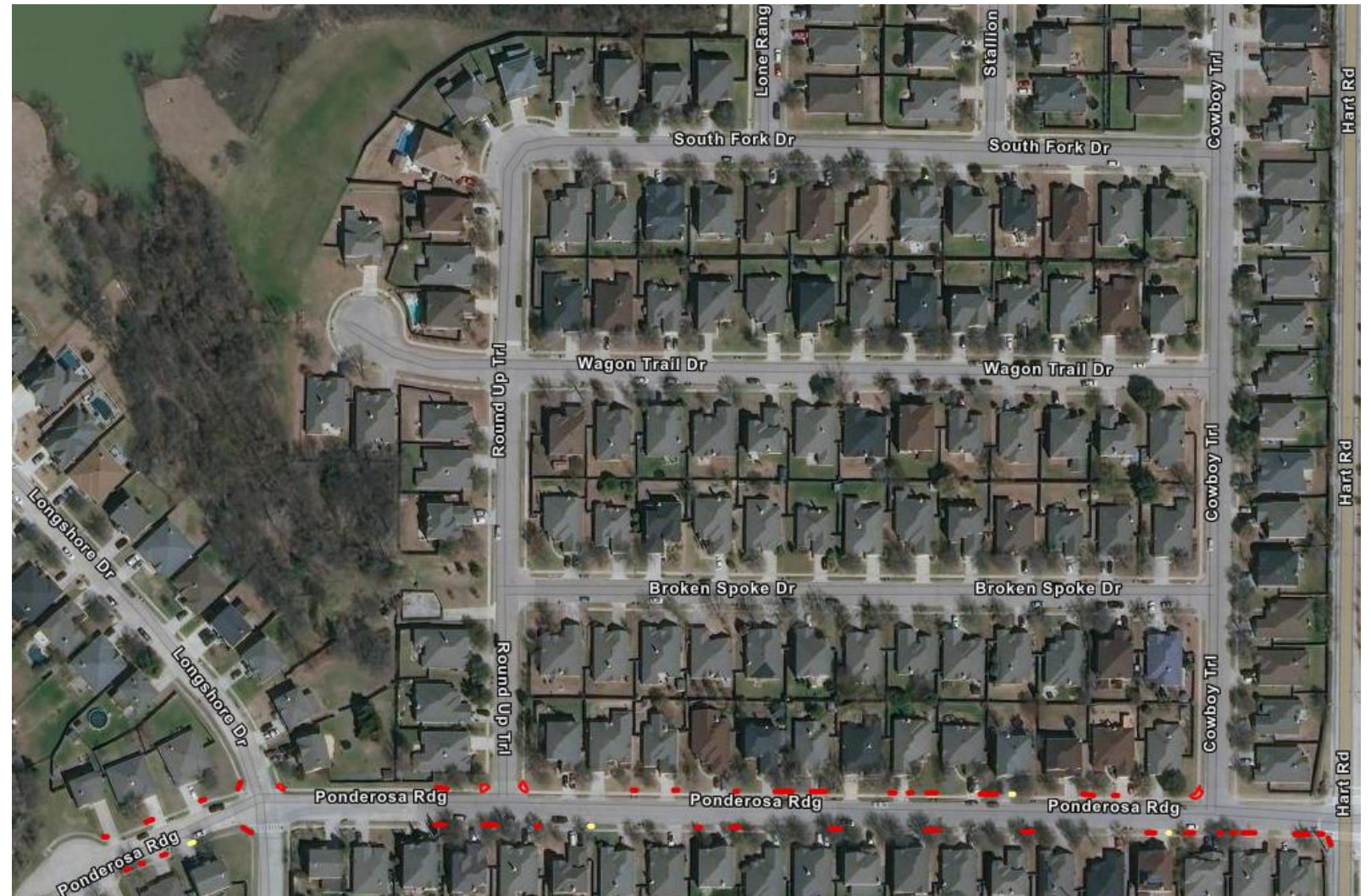
Lakeshore Drive & Longshore Drive

Annual Street Maintenance

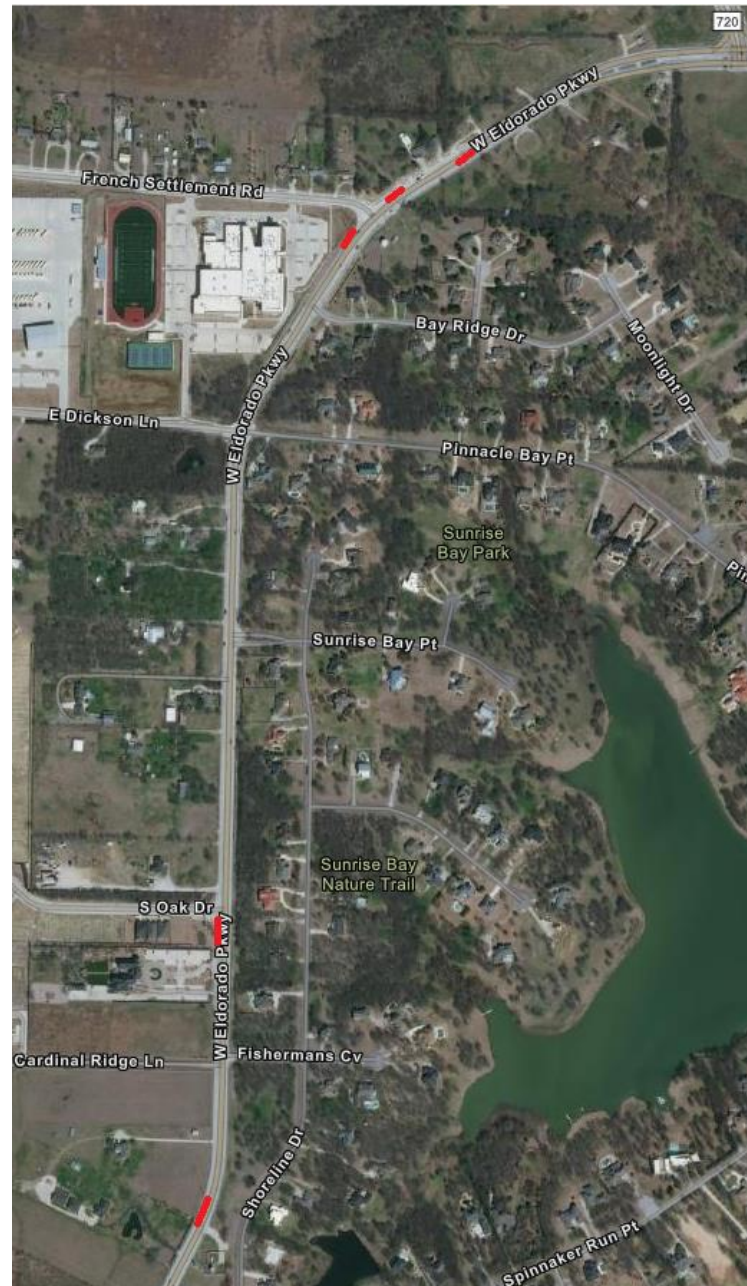


Stardust Ranch

Annual Street Maintenance



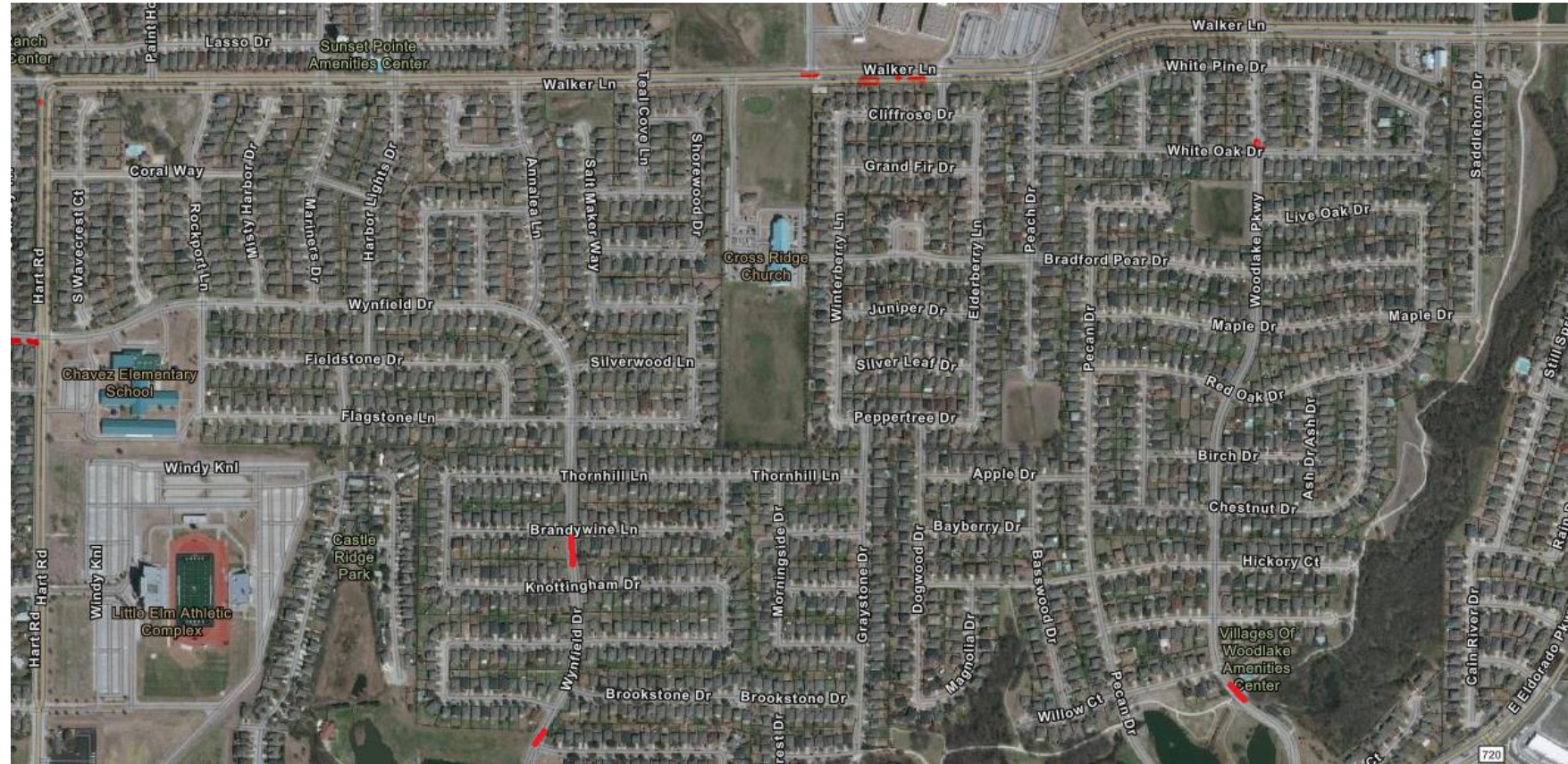
Annual Street Maintenance



W. Eldorado Parkway

Hart Road, Walker Lane & Wynfield Drive

Annual Street Maintenance



Annual Street Maintenance

Additional/Future Project Areas



- Other areas include:
 - Hillside Beach Drive
 - Witt Road
 - Woodlake Parkway
 - Several spot repairs throughout Sunset Point
- Future chip seal/asphalt areas
 - Faye Circle, Alice Drive, Black Circle, Black Street
 - Highland Circle, Meadow Lane, Hillcrest Drive, Highland Drive
 - Hill Town Streets

Annual Street Maintenance

Upcoming ASM Projects



- Project total of \$2M
- Currently in fourth year of contract with Urban Infraconstruction
- Work will begin May 2022 and continue throughout the summer
- School adjacent repairs completed prior to the start of the 2022/23 school year.

Questions



Date: 05/03/2022
Agenda Item #: 2. B.
Department: Administrative Services
Strategic Goal: Maximize community recreation and leisure activities
Staff Contact: Chad Hyde, Director of Community Services

AGENDA ITEM:

Present and Discuss an **Update on the Lakeside Athletic Complex.**

DESCRIPTION:

Staff will present an update on the Lakeside Athletic Complex that includes the final design, renderings, and timeline.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Information only, no action required.



Date: 05/03/2022
Agenda Item #: 2. C.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:

Present and Discuss **Updates to the Little Elm Board and Commission Appointment Policy.**

DESCRIPTION:

Staff will present recommended updates to the Board and Commission Appointment Policy.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff requests direction from Town Council.

Attachments

Board and Commission Appointment Policy



Boards and Commissions

Membership Appointment Policy **(Updated 09/01/20)**

The Mayor and Town Council Members are very interested in you serving as a member of a Town of Little Elm board or commission. As an interested ~~citizen-resident~~ and/or community leader, you can provide an invaluable service to the Town through your ~~membership~~appointment and participation. Board and commission members volunteer many hours annually, sharing their time and expertise, and learning more about the Town through their ~~membership~~appointment. Boards and commissions are established to offer ~~citizens-residents~~ and business owners an extraordinary opportunity to participate in the Town's governmental affairs and influence public policy in many areas. The Town has several boards, commissions, and committees that endeavor to reflect the varied interests of our Town's ~~citizen~~residents.

Some of the Town's boards and commissions are required and established by state law, while others result from provisions of the Town Charter or from local ordinances. A number of the bodies often exercise legal authority in some aspect of Town government. They address such subjects as planning, zoning, transportation, parks, libraries, buildings, and airports. Although many boards and commissions are advisory only, their influence and value can be significant. They make recommendations on a wide range of topics that eventually come before the Town Council.

Several boards and commissions have "sovereign authority," which means the Council has delegated some portion of its legislative authority to a ~~citizen-resident~~ board. Indeed, the Town has several "sovereign" boards and commissions that have clear decision-making authority, such as the Town's Planning and Zoning Commission, Board of Adjustment, ~~and~~-Economic Development Corporation Board, and Community Development Corporation Board.

Advisory boards and committees are established to work with and through the Town staff to develop policies, procedures, and long range planning of projects that will affect that area of interest. The Town has a variety of advisory boards and committees, some of which are standing boards and committees (that remain in existence year round) and some of which are *ad hoc* boards and committees (which are created on an as-needed basis and which expire once the assigned work has been completed).

Members of the Town's boards and commissions are considered to be "officers" of the Town and, as such, are governed by several local and state guidelines and regulations that affect all boards and commissions, not the least of which is the Town of Little Elm's adopted Ethics Ordinance, the Town of Little Elm's adopted Governance Policy, and state's laws governing Open Meetings, Open Records, Nepotism, and Conflicts of Interest. Moreover, members of Town boards and commissions are expected to conduct themselves, both on and off of the board or commission, so as to give no occasions for distrust or raise questions of integrity.

Our boards and commissions are examining many of the vital issues that face our Town, so

you are encouraged to get involved and become a part of the solution. You have an opportunity to help maintain and improve the quality of life that we desire in Little Elm.

Appointment Process

Application forms for all boards, commissions, committees, and task forces can be accessed and submitted through the Town's website. Applications are considered current for 12 months after their original submittal, after which the application will be removed for consideration and a notice of such action emailed to the applicant. The applicant may reapply and submit a new application.

For those who are considering appointment to a board or commission, it is recommended that they contact the Town Secretary to receive information on the approximate time commitment required, as well as the meeting times and places.

All current members seeking re-appointment to their respective board, commission, and committees must fill out and submit a new application to re-apply for that position.

Interviews for board and commission vacancies will be conducted with ~~up to three (3) council members and up to two (2) board members (of the respective board) for each applicant~~ the Mayor, Mayor Pro Tem, and the Council Liaison for that board or commission. Any board member serving less than a full-term that is up for renewal would not have to re-interview if they have served less than one year.

Applicants must ~~supply~~ submit a separate application for each board or commission ~~for each request for board membership appointment~~.

Applicants may not be a current Town employee. However, Town employees may serve as staff liaisons. the Town Council may appoint a staff member and/or a Council member to serve as a non-voting liaison on all boards or commissions.

Minimum Qualifications

Applicants to sovereign boards or commissions may not be related, within the first two degrees, to an existing board member of the same board or commission.

Applicants must be residents of the Town for at least six months prior to date of appointment to be considered ~~for voting membership~~; non-voting ex-officio board ~~membership appointments~~ are available on some boards and commissions that may be open to non-Town residents. However, applicants applying for the Little Elm Chamber of Commerce Board of Directors may reside outside of Town limits if they own or operate a business within Town limits.

Applicants must be qualified voters in the Town at the time of appointment, except where provided by State law.

Applicants must not be in arrears to the Town of Little Elm for bills or taxes when proposed nor during their tenure on the board or commission. Failure to remedy such arrears, within five working days of written notification, will result in immediate and

automatic disqualification for membershipappointment. A person is not disqualified from board service (not in arrears on Town taxes, water service charges or other obligations owed to the Town) if the person has entered into an agreement (authorized by the Town, state law, or court order) to pay the obligation on a scheduled payment plan and is current on payment under the plan and in compliance with all terms and conditions of the plan.

Applicants must not be adverse parties to pending litigation or a claim against the Town or a Town employee.

Applicants must not be employees or business associates of either an adverse party or a representative of an adverse party to pending litigation or a claim against the Town or a Town employee.

Applicants may not duly serve on multiple boards as a member or ex-officio, but may duly serve in a temporary ad-hoc capacity.

Applicants must submit to a drivers record and criminal history check prior to appointment; failure to retain a clear record (other than misdemeanor tickets) will result in immediate and automatic disqualification for membershipappointment.

Applicants must agree to attend sufficient meetings to fulfill their obligations to the board or commission; members who miss 3 consecutive meetings or 1/3rd of the regularly scheduled meetings in a 12-month calendar period (except for personal, family health related reasons, or as excused by the board or commission), will result in immediate and automatic disqualification for membershipappointment. Applicants must have a creditable record of attendance and performance in any previous board or commission service.

Applicants must show some degree of qualification or special interest for participation on the board or commission for which they have applied. Prior participation in Citizen Government Academy, Citizen Policy Academy, and/or Citizen Fire Academy is preferred.

Applicants representing outside agencies must meet the same qualifications as any sitting board or commission member; failure to comply will result in immediate and automatic disqualification for membershipappointment. MembershipAppointments proposed for representation of outside agencies will still require a prior presentation before the sitting board or commission for which they applied and concurrence of that board or commission before they may be considered by the Town Council.

Applicants should~~must~~ be present at the meeting when their membershipappointment is considered by the Town Council and must be prepared to answer any questions related to their membershipappointment application.

Meeting Information and Schedules

The following page is a list of meeting schedules for each board and commission for the Town of Little Elm. To confirm that the meeting date, time, and place is accurate for this month's meeting, or to find out what items are on the respective agendas, please call the

Boards and Commission Meeting Schedules

Name	Status	Meeting Schedule	Council Liaison or Appointee	Town Staff
Board of Zoning Adjustment or Appeals	Sovereign	Generally meets 1 st Monday of each month, 6 p.m., Town Hall, 100 W Eldorado Parkway, Town Council Chambers	N/A <u>Jamell Johnson</u>	Planning and Community Service Manager, 214-975-0472
Community Development Corporation	Sovereign	Quarterly at 6 p.m., Little Elm Recreation Center, 303 Main St., 1 st Floor Conference Room	Lisa Norman	Parks and Recreation <u>Community Services</u> Director, 972-377-5564
Economic Development Corporation	Sovereign	Generally Second Monday of the month, 6 p.m., Town Hall, 100 W Eldorado Parkway, 2nd Floor Glass Conference Room	Michael McClellan	EDC Executive Director, 214-975-0455
Little Elm Chamber of Commerce Board of Directors				EDC Executive Director, 214-975-0455
Planning and Zoning Commission	Sovereign	First and Third Thursday of the month, 6:30 p.m., Town Hall, 100 W Eldorado Parkway, Town Council Chambers	<u>Jamell Johnson</u>	Planning and Community Service Manager, 214-975-0472
Tax Increment Financing Reinvestment	Sovereign	Meets as needed, 6 p.m., Town Hall, 100 W Eldorado	N/A	Chief Financial Officer, 214-975-0450

Board, TIRZ 3, 4, 5, and 6		Parkway, 1st Floor Council Conference Room <u>Town</u> <u>Council</u> <u>Chambers</u>		
<u>Little Elm Animal Shelter Advisory Committee</u>			<u>N/A</u>	<u>Director of Community Services,</u> <u>972-731-3296</u>



Date: 05/03/2022
Agenda Item #: 4. A.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Kate Graham, Assistant to the Town Manager

AGENDA ITEM:

Present a **Proclamation Declaring May 2022 as Motorcycle Safety and Awareness Month.**

DESCRIPTION:

Mayor Cornelious will present a proclamation declaring May 2022 as Motorcycle Safety and Awareness Month.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

No action required, information only.

Attachments

Motorcycle Safety and Awareness Month Proclamation



Proclamation

WHEREAS, today's society is finding more citizens involved in motorcycling on the roads of our country; and

WHEREAS, motorcyclists are roughly unprotected and therefore more prone to injury or death in a crash than other vehicle drivers; and

WHEREAS, campaigns have helped inform riders and motorists alike on motorcycle safety issues to reduce motorcycle related risks, injuries, and most of all, fatalities, through a comprehensive approach to motorcycle safety; and

WHEREAS, it is the responsibility of all who put themselves behind the wheel, to become aware of motorcyclists, regarding them with the same respect as any other vehicle traveling the highways of this country; and it is the responsibility of riders and motorists alike to obey all traffic laws and safety rules; and

WHEREAS, urging all citizens of our community to become aware of the inherent danger involved in operating a motorcycle, and for riders and motorists alike to give each other the mutual respect they deserve; and

NOW, THEREFORE, the Town of Little Elm Town Council would like to recognize the month of May 2022 as **Motorcycle Safety and Awareness Month**, and urge all residents to do their part to increase safety and awareness in the community.

Given under my hand and Seal of the Town of Little Elm, Texas, this 3rd day of May, 2022.

Curtis J. Cornelious, Mayor of Little Elm



Date: 05/03/2022
Agenda Item #: 6. A.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:

Consider Action to Approve the **Minutes from the April 19, 2022, Regular Town Council Meeting.**

DESCRIPTION:

The minutes from the April 19, 2022, regular Town Council meeting are attached for approval.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Minutes - April 19, 2022

DRAFT

Minutes
Town of Little Elm
100 W Eldorado Parkway
Little Elm, Texas 75068
214-975-0404
<http://www.littleelm.org>

REGULAR TOWN COUNCIL MEETING TUESDAY APRIL 19, 2022 - 6:00 p.m.

Present: Mayor Curtis J. Cornelious; Mayor Pro Tem Neil Blais; Council Member Jamell Johnson; Council Member Tony Singh; Council Member Lisa Norman; Council Member Jeremy Lukas; Council Member Michael McClellan

Staff Present: Caitlan Biggs, Director of Administrative Services/Town Secretary; Joe Florentino, Assistant Town Manager; Matt Mueller, Town Manager; Chad Hyde, Director of Community Services; Deidre Hale, Human Resources Director; Doug Peach, Deputy Town Manager; Fred Gibbs, Director of Development Services; Jason Shroyer, Director of Public Works; Jennette Espinosa, EDC Executive Director; Kate Graham, Assistant to the Town Manager; Kelly Wilson, Chief Financial Officer; Paul Rust, Fire Chief; Rebecca Hunter, Purchasing Manager; Robert Brown, Town Attorney; Rodney Harrison, Police Chief

1. Call to Order Council Workshop at 6:00 p.m.

Workshop was called to order at 6:02 p.m.

A. Present and Discuss the Little Elm Youth Council.

Director of Administrative Services/Town Secretary Caitlan Biggs gave an overview of the item in the attached presentation. Town Council gave direction to staff for the youth council to function like a mini-council, to be made up of 7 members, 2 from each district (grades 9-12) and 1 at-large that can be from any district or private, charter, or home school, and to have one-year terms. Terms would follow the academic year with applications opening in late spring. Ms. Biggs will survey other cities to assist Town Council in determining the interview process. Staff will bring back governing documents this summer so that advertising for the youth council can start with the fall semester.

B. Present and Discuss Updates to the Little Elm Governance Policy.

Town Manager Matt Mueller and Director of Administrative Services/Town Secretary Caitlan Biggs discussed various changes with Town Council on the governance policy. Staff will incorporate feedback received and will place on a future agenda for adoption.

- C. Present and Discuss **Proposed Amendments to Chapter 86 - Sign Code (in general), Chapter 106 - Zoning Code (Sec. 106.02.01 - Planning and Zoning Commission and Sec. 106.02.02 Board of Adjustment), and Chapter 26 - Business (Sec. 26-283. Special Events).**

Planning Manager Olga Chernomorets gave an overview of the item in the attached presentation. Staff will bring back the amendments at a future meeting for adoption.

- D. Discuss **Holding a Special Council Meeting in September 2022.**

Town Manager Matt Mueller asked the Town Council to cancel the September 20, 2022, regular Town Council meeting and add a special meeting on September 27, 2022. Historically, the Town Council cancels the first meeting in October to attend National Night Out. Additionally, he has been asked to be a speaker at the International City Manager's Association annual conference that falls on September 20, 2022. By moving this meeting one week, it will fall in between the regular meeting on September 6, 2022, and the next regular meeting on October 20, 2022. Town Council agreed to cancel the September 20, 2022, meeting and schedule a special meeting for September 27, 2022.

- 2. **Roll Call/Call to Order Regular Town Council Immediately Following Council Workshop.**

Regular Meeting called to order at 7:27 p.m. by Mayor for the Day Debra Liva.

- A. Invocation.

Mayor for the Day Debra Liva gave the invocation.

- B. Pledge to Flags.

- C. Items to be Withdrawn from Consent Agenda.

None.

- D. Emergency Items if Posted.

None.

- E. Request by the Town Council for Items to be Placed on a Future Agenda for Discussion and Recognition of Excused Absences.

None.

- F. Presentation of Monthly Updates.

Town Manager Matt Mueller highlighted an item on the Consent Agenda for the purchase of the fire truck and explained that the Town wanted to lock-in lower pricing.

- G. Town Council to Highlight Items on the Agenda Needing Further Discussion or Comments Prior to the Regular Session.

None.

3. **Presentations.**

- A. Present a **Proclamation Recognizing Debra Liva as Mayor of Little Elm, TX for a Day.**

The Mayor presented the proclamation.

- B. Present a **Proclamation Declaring April 23 through April 29 as Disability Book Week.**

The Mayor presented the proclamation.

- C. Present a **Proclamation Declaring May 2022 as Mental Health Month and May 7, 2022 as Children's Mental Health Awareness Day.**

The Mayor presented the proclamation.

- D. Present a **Proclamation Declaring April 10 through 16, 2022 as Animal Care and Control Appreciation Week.**

The Mayor presented the proclamation.

4. **Public Comments**

Persons may address the Town Council on any issue. This is the appropriate time for citizens to address the Council on any concern whether on this agenda or not. In accordance with the State of Texas Open Meeting Act, the council may not comment or deliberate such statements during this period, except as authorized by Section 551.072, Texas Government Code.

Kristen Howell with the Children's Advocacy Center for North Texas discussed Child Abuse Awareness Month and the services the center provides.

5. **Consent Agenda**

All matters listed under the Consent Agenda are considered to be routine by the Town Council and require little or no deliberation. There will not be a separate discussion of these items and the agenda will be enacted by one vote. If the Council expresses a desire to discuss a matter listed, that item will be removed from the consent agenda and considered separately.

Motion by Mayor Pro Tem Neil Blais, seconded by Council Member Jeremy Lukas **to approve the Consent Agenda.**

Vote: 7 - 0 - Unanimously

- A. Consider Action to Approve the **Minutes from the April 5, 2022, Regular Town Council Meeting.**
 - B. Consider Action to Authorize a **Letter of Intent for a Pierce Custom Velocity PUC Pumper Truck from Siddons Martin Emergency Group, LLC in the amount of \$839,776.66.**
 - C. Consider Action to Approve the **Cost Share Agreement for the Frisco Hills Lift Station.**
6. **Convene in Executive Session pursuant to Texas Government Code:**
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
 - Section 551.072 to discuss certain matters regarding real property.
 - Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
 - Section 551.076 to discuss security matters.
 - Section 551.087 to discuss Economic Development.

Council convened into Executive Session at 7:47 p.m.

7. **Reconvene into Open Session**

Discussion and consideration to take any action necessary as the result of the Executive Session:

- COVID-19 Pandemic and the Town's response thereto, including the consideration of an emergency declaration ordinance.
- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
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- Section 551.076 to discuss security matters.
- Section 551.087 to discuss Economic Development.

Council reconvened into open session at 8:15 p.m. No action taken.

8. **Adjourn.**

Meeting adjourned at 8:15 p.m.

Respectfully,

Caitlan Biggs
Town Secretary

Passed and Approved this 3rd day of May 2022.



Date: 05/03/2022
Agenda Item #: 6. B.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve the **Quarterly Investment Report for the Period ending March 31, 2022.**

DESCRIPTION:

The purpose of this item is to provide Town Council an overview of the Town's cash and invested balances for the fiscal period ending March 31, 2022.

BUDGET IMPACT:

Interest earnings for the second quarter of the Fiscal Year 2021-2022 was \$137,884 for the reporting period of January to March 2022 with the year-do-date total earnings of \$255,472.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Memo to TM Qtrly Financial Report for FY 2022
LE Quarterly Investment Report as of 3.31.2022

MEMORANDUM

TO: MATTHEW MUELLER, TOWN MANAGER
FROM: KELLY WILSON, CHIEF FINANCIAL OFFICER
SUBJECT: INVESTMENT REPORT FOR QUARTER ENDING MARCH 31, 2022
CC: MAYOR AND COUNCIL

Attached is the Quarterly Investment Report for the first quarter ending March 31, 2022 Fiscal Year 2021-2022. This report complies with the requirements of the Town's Investment Policy and the Public Fund's Investment Act as amended. For the period ending March 31, 2022, the Town's portfolio consisted of the following investments:

Portfolio by Type	Average Yield	Total Invested	Percent of Total
Money Market - Independent Financial	0.50%	\$81,236,270.39	56.20%
TexPool/TexPool Prime	0.14%	39,574,907.01	27.38%
Certificate of Deposit	1.32%	741,104.10	0.51%
US Treasury Notes	1.67%	9,960,925.00	6.92%
US Agency Bonds	0.86%	12,766,280.00	8.99%
Total Portfolio (Avg)	0.90%	144,279,486.50	100.00%

The Town has been actively diversifying the investment portfolio in order to minimize risk of over 50% of funds in one portfolio type as well as capturing a better yield. However, due to the market rates on investments, Finance has maintained higher balances in the Money Market investments at Independent Bank based on the rates provided to the Town. As interest rates are following the federal government increasing rates, the Town is actively participating in other higher yield investments. All Funds on deposit with Independent Financial are fully secured and safeguarded as well as collateralized. Total interest earned for the second quarter ending March 31, 2022 was \$137,884. The Town's year-to-date interest earnings for Fiscal Year 2021-2022 reflects \$255,472.

Total cash and investments for the period ending March 31, 2022 was \$144,279,486.50. The variance increase of \$8,143,290 from the last quarterly investment report is primarily due to the Town actively investing in various investments that yields a higher rate of return. The cash flow is important for Finance to monitor in order to provide cash availability for expenditures while minimizing risk, preventing early redemptions of investments, and maximizing interest earnings.

The Town's current portfolio has significant resources available for same day access in order to cover normal and seasonal operational costs. The Town's investment and cash management strategy will be to maintain operational and capital needs in money market accounts and liquid asset pools but investing in other instruments in order to capitalize on interest earnings while keeping risk to a minimum. The Town's funds are swept to the above accounts and withdrawn as needed for operational cash flow requirements.

FINANCE DEPARTMENT
QUARTERLY INVESTMENT REPORT

The total portfolio yield fiscal year-to-date is 0.90%. While some benchmarks to reference the US Treasury T-bill rates for 3 months is 0.52%; 1 year is 1.63%; and a 2 year is 2.28% as of the date of this report. The Town's portfolio yield exceeds the 3 month bench mark and will continue to improve as we continue to invest in safe investments outlined in the Town's investment policy.

2022 Q1 Economic Recap and Rate Outlook

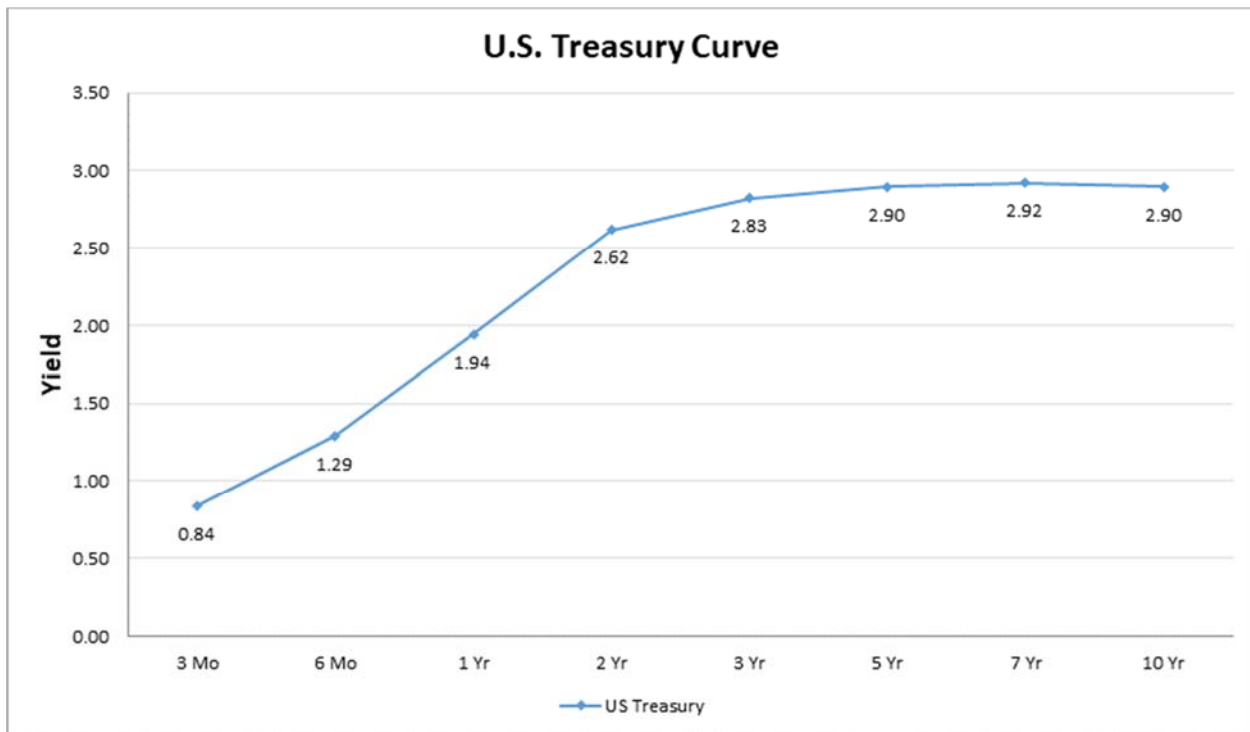
The first quarter of 2022 showed (yet again) just how quickly the economy can turn. Fourth quarter GDP rose by an annualized +6.9%, making 2021 the strongest full year of economic growth since 1984. However, as the new year began, the Omicron variant was spreading rapidly, forcing schools and businesses to operate in limited capacity as millions of Americans fell ill to the virus. This wave, which was both more contagious and less deadly, peaked in mid-January with a 7-day moving average of more than 800,000 cases, more than triple the previous high point in January 2021. Fortunately, the descent was as steep as the climb, and a month later new cases had fallen by roughly -84%.

Any positive impact associated with the fading virus was lost just weeks later when Russia launched an invasion of neighboring Ukraine. In retrospect, the number of Russian troops and weaponry massing on the border should have been a dead giveaway, but it was easier to assume Putin was angling for a better negotiating position. The attack, when it finally happened, was a surprise. Similar to the gradual creep of COVID-19 before it suddenly exploded on the global radar, the war in Ukraine has quickly dominated headlines.

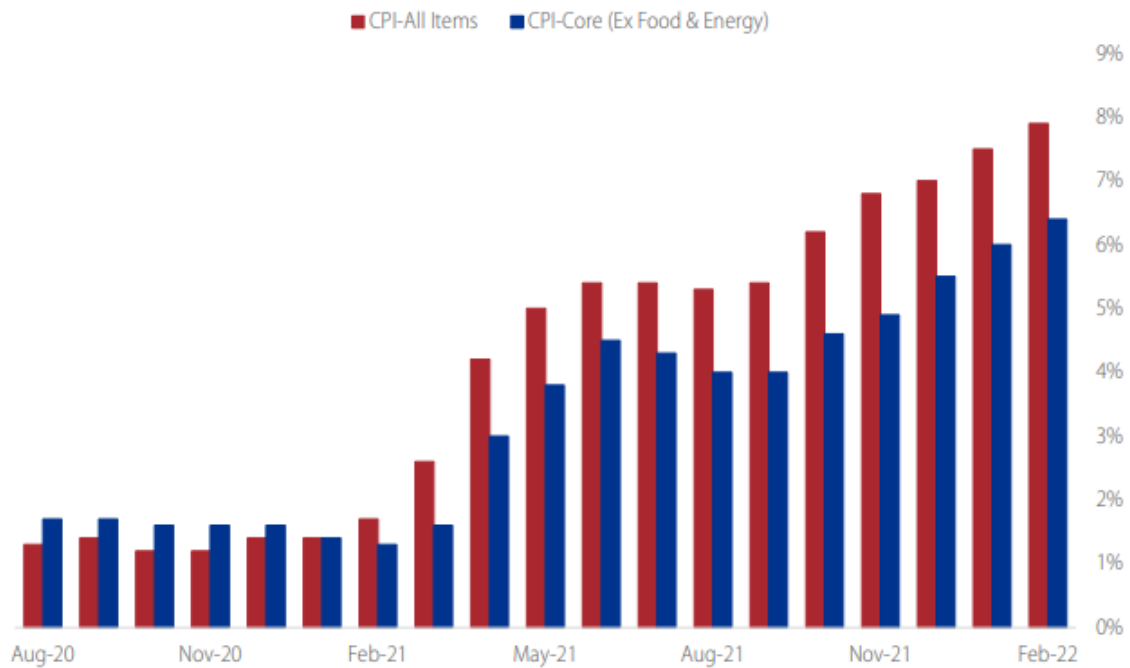
Investment Strategies

Finance's new discipline will be to ladder the portfolios and this strategy will help sustain the yield for a longer period of time. We will continue this strategy as much as possible. Finance will continue to monitor our cash needs as revenue streams has been reflected for the property tax collections received in the first two quarters of the fiscal year and utilization of bond proceeds for CIP projects.

FINANCE DEPARTMENT
QUARTERLY INVESTMENT REPORT



Consumer Price Index (Year-over-Year Percent Change)



Source: Bureau of Labor Statistics

FINANCE DEPARTMENT
QUARTERLY INVESTMENT REPORT



Quarterly Investment Report

For the Quarter Ended

March 31, 2021

Prepared by the Town of Little Elm Finance Department

Overview of the Quarterly Investment Report

Funds on deposit with depository bank are fully collateralized.

- **YTD Cash and Investments on hand: \$144,279,486.50**
 - 56.20% in depository bank
 - 27.38% invested in Pools
 - 0.51% invested in CDs
 - 6.92% invested in US Treasury Notes
 - 8.99% invested in US Agency Bonds
- **Interest Earnings**
 - \$255,472 YTD
 - \$137,884 January to March 2022
- **Average Yield on Portfolio**
 - 0.90% YTD
 - 0.61% at end of 1st Quarter – FY 2021-2022
- **Average Yield Benchmarks**
 - 0.52% Three Month Rolling Treasury Yield
 - 1.63% One Year Rolling Treasury Yield
 - 0.139% TexPool/Logic Average Yield
- **Certification of Investment Policy (Government Treasurers' Organization of Texas)**
 - Awarded for 2-year period ending March 31, 2024
 - Town has obtained re-certification

The investment portfolio of the Town of Little Elm is in compliance with the Public Funds Investment Act and the investment Policy and Strategies.

Kelly Wilson

Kelly Wilson, Chief Financial Officer

Dianne Lawson

Dianne Lawson, Assistant Director of Finance

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 3/31/2022



PERFORMANCE		12/31/2021	3/31/2022
Yield to Maturity @ Cost		0.61%	0.90%
TREASURY			
3 Month		0.06%	0.52%
1 Year		0.38%	1.63%
2 Year		0.40%	2.28%

Investment Policy Compliance

Authorized Investments	Compliance
Certificate of Deposit Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds Texas	Yes
Municipal United States	Yes
Mutual Funds	Yes
Repurchase Agreements	Yes
US Agency	Yes
US Treasury	Yes

	Days	Compliance
Maturity Range not to exceed 5 Years	222	Yes

MISSION

Effective cash management is recognized as essential to good fiscal management. A comprehensive and effective cash management system will be pursued to optimize investment interest as viable and material revenue to all operating and capital funds. The Town's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

The Town of Little Elm, Texas, is in full compliance with the investment policy and strategy, and the Public Funds Investment Act | Chapter 2256.005 (n), Government Code, Section 404.024.

Kelly Wilson

Kelly Wilson, Chief Finance Officer

Dianne Lawson

Dianne Lawson, Assistant Director of Finance

TOWN OF LITTLE ELM

Investment Portfolio Summary

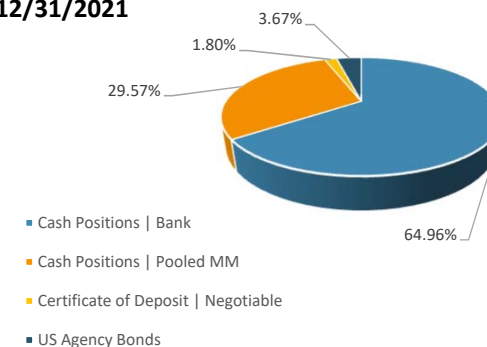
Quarter Ending 3/31/2022



Investment Policy Compliance

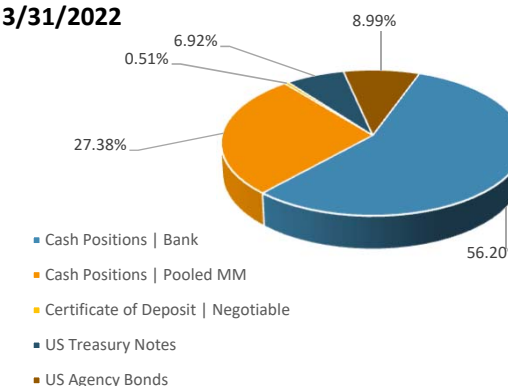
Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions Bank	64.96%	0.50	1	88,427,937.01	88,427,937.01	88,427,937.01
Cash Positions Pooled MM	29.57%	0.06	1	40,252,685.58	40,252,685.58	40,252,685.58
Certificate of Deposit Negotiable	1.80%	1.25	92	2,456,000.00	2,456,000.00	2,462,324.24
US Agency Bonds	3.67%	0.63	691	5,000,000.00	5,000,000.00	4,993,250.00
	100.00%	0.61%	196	136,136,622.59	136,136,622.59	136,136,196.83

12/31/2021



Asset Category	% of Portfolio	YTM @Cost	Days to Maturity	Par Value	Book Value	Market Value
Cash Positions Bank	56.20%	0.50	1	81,236,270.39	81,236,270.39	81,236,270.39
Cash Positions Pooled MM	27.38%	0.14	1	39,574,907.01	39,574,907.01	39,574,907.01
Certificate of Deposit Negotiable	0.51%	1.32	6	741,000.00	741,000.00	741,104.10
US Treasury Notes	6.92%	1.67	457	10,000,000.00	10,012,010.10	9,960,925.00
US Agency Bonds	8.99%	0.86	648	13,000,000.00	13,000,000.00	12,766,280.00
	100.00%	0.90%	222	144,552,177.40	144,564,187.50	144,279,486.50

3/31/2022



Investment Policy Compliance

Authorized Investments	Compliance
Certificate of Deposit Negotiable	Yes
Commercial Paper	Yes
Guaranteed Investment Contracts	Yes
Local Government Investment Pools	Yes
Municipal Bonds Texas	Yes
Municipal United States	Yes
Mutual Funds	Yes
Repurchase Agreements	Yes
US Agency	Yes
US Treasury	Yes

Days	Compliance
Maturity Range not to exceed 5 Years	222
	Yes

Town of Little Elm
Portfolio Holdings
Investment Portfolio - by Asset Category
As of 3/31/2022

Description	CUSIP/Ticker	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	Book Value	Market Value	Maturity Date	Days To Maturity	Accrued Interest	% of Portfolio
Cash Positions Bank Investments											
Independent Bank Pooled Cash MM	MM5236	03/31/2022	0.500	77,086,533.15	77,086,533.15	77,086,533.15	77,086,533.15	N/A	1	0	53.32%
Independent Bank Section 125 MM	MM3949	03/31/2022	0.500	98,333.44	98,333.44	98,333.44	98,333.44	N/A	1	0	0.07%
Independent Bank Dispersal Funds MM	MM3595	03/31/2022	0.500	1,051.44	1,051.44	1,051.44	1,051.44	N/A	1	0	0.00%
Independent Bank American Recovery Act MM	MM7177	03/31/2022	0.500	1,839,013.41	1,839,013.41	1,839,013.41	1,839,013.41	N/A	1	0	1.27%
Independent Bank CIP Reserve MM	MM7607	03/31/2022	0.500	2,211,338.95	2,211,338.95	2,211,338.95	2,211,338.95	N/A	1	0	1.53%
Sub Total / Average Cash Positions Bank Investments			0.500	81,236,270.39	81,236,270.39	81,236,270.39	81,236,270.39		1	0.00	56.19%
Cash Positions MM Pool Investments											
TexPool Consolidated Ops LGIP	LGIP449	03/31/2022	0.085	7,516,604.40	7,516,604.40	7,516,604.40	7,516,604.40	N/A	1	0	5.20%
TexPool Prime Consolidated Ops LGIP	LGIP590	03/31/2022	0.161	7,261,470.14	7,261,470.14	7,261,470.14	7,261,470.14	N/A	1	0	5.02%
TexPool Prime 2020 CO Bond LGIP	LGIP590	03/31/2022	0.161	906,569.71	906,569.71	906,569.71	906,569.71	N/A	1	0	0.63%
LOGIC Prime 2021 CO Bond LGIP	LGIP6001	03/31/2022	0.148	23,890,262.76	23,890,262.76	23,890,262.76	23,890,262.76	N/A	1	0	16.53%
Sub Total / Average Cash Positions MM Pool Investments			0.139	39,574,907.01	39,574,907.01	39,574,907.01	39,574,907.01		1	0.00	27.38%
Certificate of Deposit Negotiable											
Investors Bank	46176PMY8	03/31/2020	1.250	245,000.00	245,000.00	245,000.00	245,004.90	04/01/2022	1	0.00	0.17%
Capital One National Bank	14042RPL9	04/08/2020	1.350	248,000.00	248,000.00	248,000.00	248,049.60	04/08/2022	8	1,596.03	0.17%
Capital One Bank	14042TDG9	04/08/2020	1.350	248,000.00	248,000.00	248,000.00	248,049.60	04/08/2022	8	1,596.03	0.17%
Sub Total / Average Certificate of Deposit Negotiable			1.317	741,000.00	741,000.00	741,000.00	741,104.10		6	3,192.06	0.51%
US Treasury Notes											
US T-Note	91282CAR2	3/25/2022	1.075	5,000,000.00	4,971,679.69	4,974,183.14	4,969,900.00	10/31/2022	214	2,607.04	3.44%
US T-Note	912828R28	3/25/2022	1.682	2,500,000.00	2,498,437.50	2,514,709.94	2,496,000.00	4/30/2023	395	16,945.79	1.74%
US T-Note	912828R6	3/25/2022	2.238	2,500,000.00	2,500,585.94	2,523,117.02	2,495,025.00	4/30/2024	761	23,463.40	1.75%
Sub Total / Average US Treasury Notes			1.665	10,000,000.00	9,970,703.13	10,012,010.10	9,960,925.00		457	43,016.23	6.93%
US Agency Bonds											
FHLB	3130APQN8	11/22/2021	0.625	5,000,000.00	5,000,000.00	5,000,000.00	4,891,000.00	11/22/2023	601	11,197.92	3.46%
FHLB	3130AQQT3	2/23/2022	1.100	8,000,000.00	8,000,000.00	8,000,000.00	7,875,280.00	2/23/2024	694	9,288.89	5.53%
Sub Total / Average US Agency Bonds			0.863	13,000,000.00	13,000,000.00	13,000,000.00	12,766,280.00		648	20,486.81	8.99%
Total / Average			0.90	144,552,177.40	144,522,880.53	144,564,187.50	144,279,486.50		222	66,695.10	1.00

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 3/31/2022



Investment Policy Compliance | Maturity Range

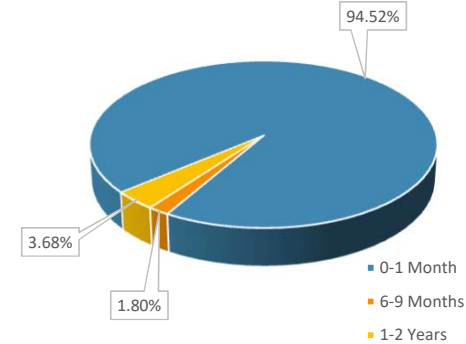
Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	94.52%	0.28	1	128,680,622.59
6-9 Months	1.80%	1.25	92	2,456,000.00
1-2 Years	3.68%	0.63	691	5,000,000.00
	100.00%	0.72%	62	136,136,622.59

Maturity Range	% of Portfolio	YTM @Cost	Days to Maturity	Book Value
0-1 Month	84.08%	0.65	2	121,552,177.40
6-9 Months	3.44%	1.08	214	4,974,183.14
1-2 Years	10.73%	1.14	563	15,514,709.94
2-3 Years	1.75%	2.24	761	2,523,117.02
	100.00%	1.28%	222	144,564,187.50

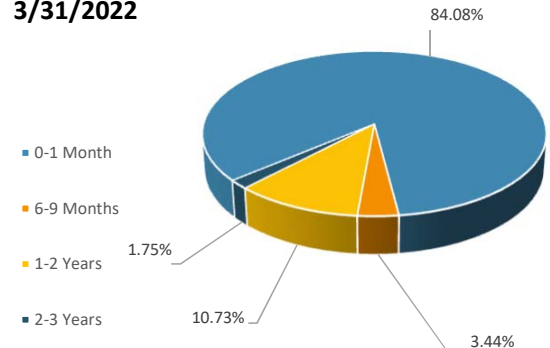
Investment Policy Compliance

Authorized Investments	Days	Compliance
Maturity Range not to exceed 5 Years	222	Yes

12/31/2021



3/31/2022



Town of Little Elm
Portfolio Holdings
Investment Portfolio - by Maturity Range
As of 3/31/2022

Description	CUSIP/Ticker	Maturity Date	Days To Maturity	Settlement Date	Book Value	Market Value	% of Portfolio
0-1 Month							
Independent Bank Pooled Cash MM	MM5236	3/31/2022	1		77,086,533.15	77,086,533.15	53.32%
Independent Bank Section 125 MM	MM3949	03/31/2022	1		98,333.44	98,333.44	0.07%
Independent Bank Dispersal Funds MM	MM3595	03/31/2022	1		1,051.44	1,051.44	0.00%
Independent Bank American Recovery Act MM	MM7177	03/31/2022	1		1,839,013.41	1,839,013.41	1.27%
Independent Bank CIP Reserve MM	MM7607	03/31/2022	1		2,211,338.95	2,211,338.95	1.53%
TexPool Consolidated Ops LGIP	LGIP449	03/31/2022	1		7,516,604.40	7,516,604.40	5.20%
TexPool Prime Consolidated Ops LGIP	LGIP590	03/31/2022	1		7,261,470.14	7,261,470.14	27.38%
TexPool Prime 2020 CO Bond LGIP	LGIP590	03/31/2022	1		906,569.71	906,569.71	0.63%
LOGIC Prime 2021 CO Bond LGIP	LGIP6001	03/31/2022	1		23,890,262.76	23,890,262.76	16.53%
Investors Bank	46176PMY8	04/01/2022	1	03/31/2020	245,000.00	245,004.90	0.17%
Capital One National Bank	14042RPL9	04/08/2022	8	04/08/2020	248,000.00	248,049.60	0.17%
Capital One Bank	14042TDG9	04/08/2022	8	04/08/2020	248,000.00	248,049.60	0.17%
Total / Average 0-1 Month			2		121,552,177.40	121,552,281.50	84.08%
6-9 Months							
US T-Note	91282CAR2	10/31/2022	214	03/25/2022	4,974,183.14	4,969,900.00	3.44%
Total / Average 6-9 Months			214		4,974,183.14	4,969,900.00	3.44%
1-2 Years							
US T-Note	912828R28	4/30/2023	395	3/25/2022	2,514,709.94	2,496,000.00	1.74%
FHLB	3130APQN8	11/22/2023	601	11/22/2021	5,000,000.00	4,891,000.00	3.46%
FHLB	3130AQQT3	02/23/2024	694	02/23/2022	8,000,000.00	7,875,280.00	5.53%
Total / Average 1-2 Years			563		15,514,709.94	15,262,280.00	10.73%
2-3 Years							
US T-Note	9128286R6	04/30/2024	761	03/25/2022	2,523,117.02	2,495,025.00	1.75%
Total / Average 2-3 Years			761		2,523,117.02	2,495,025.00	1.75%
Total / Average					144,564,187.50	144,279,486.50	1.00

TOWN OF LITTLE ELM

Investment Portfolio Summary

Quarter Ending 3/31/2022



Funds		Par Value	Book Value	Market Value	Accrued Interest
Cash Positions Bank					
Value at	12/31/2021	88,427,937.01	88,427,937.01	88,427,937.01	-
	Net Change	(7,191,666.62)	(7,191,666.62)	(7,191,666.62)	-
Value at	3/31/2022	81,236,270.39	81,236,270.39	81,236,270.39	-
Cash Positions Pool Investments					
Value at	12/31/2021	40,252,685.58	40,252,685.58	40,252,685.58	-
	Net Change	(677,778.57)	(677,778.57)	(677,778.57)	-
Value at	3/31/2022	39,574,907.01	39,574,907.01	39,574,907.01	-
Certificate of Deposit Negotiable					
Value at	12/31/2021	2,456,000.00	2,456,000.00	2,462,324.24	6,210.44
	Net Change	(1,715,000.00)	(1,715,000.00)	(1,721,220.14)	(3,018.38)
Value at	3/31/2022	741,000.00	741,000.00	741,104.10	3,192.06
US Treasury Notes					
Value at	12/31/2021	-	-	-	-
	Net Change				
Value at	3/31/2022	10,000,000.00	10,012,010.10	9,960,925.00	43,016.23
US Government Bonds (Agencies)					
Value at	12/31/2021	5,000,000.00	5,000,000.00	4,993,250.00	3,385.42
	Net Change	8,000,000.00	8,000,000.00	7,773,030.00	17,101.39
Value at	3/31/2022	13,000,000.00	13,000,000.00	12,766,280.00	20,486.81
Total Portfolio		Par Value	Book Value	Market Value	Accrued Interest
Value at	12/31/2021	136,136,622.59	136,136,622.59	136,136,196.83	9,595.86
	Net Change	8,415,554.81	8,427,564.91	8,143,289.67	57,099.24
Value at	3/31/2022	144,552,177.40	144,564,187.50	144,279,486.50	66,695.10

TOWN OF LITTLE ELM

Investment Portfolio Interest Earnings

Quarter Ending 3/31/2022



Interest Earnings

Funds	FY 2020 Interest Earnings	FY 2021 Interest Earnings	FY 2022 1st Qtr	Jan-22	Feb-22	Mar-22	2nd Qtr FY 2022
General Operating	408,184	174,622	29,317	13,925	13,371	18,103	45,400
Special Revenue Fund	63,758	58,815	13,508	3,567	3,342	4,192	11,100
Interest and Sinking	41,213	22,613	2,531	1,558	1,607	2,110	5,275
Equipment Replacement Fund	53,632	32,981	6,819	1,564	1,519	1,951	5,034
Enterprise Funds	424,323	247,995	40,220	12,516	11,834	16,248	40,598
Economic Agreements/TIRZ	66,432	14,440	1,503	428	397	496	1,321
Community Development Type B Corporation	9,095	9,612	1,601	552	514	717	1,783
General Capital Project Funds	303,605	94,018	22,089	8,444	7,914	11,015	27,374
Total Cash and Investments	1,324,115	655,096	117,588	42,555	40,497	54,832	137,884

Interest Earnings

Investment Type	FY 2020 Interest Earnings	FY 2021 Interest Earnings	FY 2022 1st Qtr	Jan-22	Feb-22	Mar-22	2nd Qtr FY 2022
Cash Positions Bank	922,000	497,865	104,421	39,375	36,991	37,226	113,591
Cash Positions Pooled	185,688	15,186	5,359	2,691	3,056	7,923	13,670
Investments	216,427	142,045	7,810	489	449	9,684	10,622
Total Cash and Investments	1,324,115	655,096	117,590	42,555	40,497	54,832	137,884



Date: 05/03/2022
Agenda Item #: 6. C.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Caitlan Biggs, Director of Administrative Services/Town Secretary

AGENDA ITEM:

Consider Action to Approve the **Updated Little Elm Governance Policy.**

DESCRIPTION:

At its April 19, 2022, regular Town Council meeting, Town Council discussed various updates to the Little Elm Governance Policy. These updates have been incorporated into the attached document for approval.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Updated Little Elm Governance Policy



LITTLE ELM GOVERNANCE POLICY

FORM OF GOVERNMENT

Refer to Section 2.01 in Form of Government and Powers in the Little Elm Code of Ordinances.

PURPOSE

The Little Elm Town Council, including Council Members and the Mayor, is the governing body for the Town of Little Elm. Therefore, it must bear the initial responsibility for the integrity of governance. The Council is responsible for its own development (both as a body and as individuals), its own discipline and its own performance. By adopting this policy, the Council acknowledges its responsibility to each other, to the professional Staff, and to the public.

GOVERNANCE GUIDELINES

The Town Council will govern the Town in a manner associated with a commitment to the preservation of the values and integrity of representative local government and democracy, and a dedication to the promotion of efficient and effective governing. The following statements will serve as a guide and acknowledge the commitment being made in this service to the community.

The Town Council shall:

- be responsive to the needs of the residents and the Little Elm Community by providing pro-active visionary and strategic leadership and focusing on the future rather than the past;
- recognize its responsibility to the future generations by developing goals that address the interrelatedness of the social, cultural, and natural characteristics of the community;
- be fiscally responsible with the taxpayer's dollars;
- communicate and serve with respect, dignity and courtesy in relations with Staff, all Council Members, members of the boards, commissions, committees, and the public;
- endeavor to keep the community informed on municipal affairs and encourage communication between residents and the Town Council;
- strive to develop strong working relationships among Little Elm, Denton County, Little Elm ISD, Frisco ISD, Denton ISD, Little Elm Chamber of Commerce, and other community and civic organizations;
- be committed to improve the quality of life for the individual and the community; and
- be dedicated to the faithful stewardship of the public trust and seek to improve the quality and image of public service.

GOVERNANCE PRINCIPLES

The office of elected official is one of trust and service to the residents of Little Elm. This position creates a special responsibility for the Little Elm Council Members, and the following principles shall govern the conduct of each Council Member. A Council Member shall:

- be loyal to the interests of the residents of Little Elm, superseding conflicting loyalty to advocacy or interest groups, membership on other boards, employment with other organizations, and personal interests as an individual resident of the Town;

- be dedicated to the highest ideals of honor and integrity in all public and personal relationships and conduct themselves, both inside and outside the Town's service, so as to give no occasion for the distrust of their integrity, impartiality or of their devotion to the best interests of the Town and the public trust, to merit the respect and confidence of the residents of Little Elm;
- refrain from any activity or action that may hinder the ability to be independent, objective, and impartial on any matter coming before the Council, such as accepting gifts or special favors;
- not condone any unethical or illegal activity, such as using confidential information for personal gain or misusing public funds or time;
- recognize that public and political policy decisions, based on the approved Strategic Plan, are ultimately the responsibility of the Town Council;
- comply with the Town's Ethics Ordinance (Chapter 2 Article VI of the Little Elm Code of Ordinances) and other applicable rules and state laws governing the conduct of elected officials; and
- conduct business in open meetings for transparency and direct accountability to the residents of Little Elm.



TOWN COUNCIL

MAYOR: ROLES AND RESPONSIBILITIES

The Mayor presides at Council meetings and formally exercises a legislative role equal to that of his or her colleagues. In conjunction with legislative roles, the Mayor may be involved in the preparation of the Council agenda. The Mayor is a member of the Town Council with a vote equal to other members. As part of his or her role, the Mayor shall perform the following duties:

- Preside over the Town Council and serve as the Chair at meetings
- Work to minimize conflict between Council Members and seek to accommodate common ground and consensus among Members when possible
- Represent the Town in meetings with other governmental entities, businesses, community groups, developers, and other entities but realize that the Town is not obligated to any course of action without consideration from the full Council
- Ensure that all members of the Council have the opportunity to be heard during discussion of issues or agenda items
- Issue proclamations to provide groups or individuals special recognition

COUNCIL MEMBER: ROLES AND RESPONSIBILITIES

The main responsibility of the Town Council is to make policy. By definition, a policy is a course of action for a community. The Town Council serves as the legislative body and adopts policies that determine the broad functions of the Town of Little Elm. The Council has the power to enact ordinances and policies, consistent with state law, usually through the enactment of ordinances and resolutions. In the process of policy making the Council shall:

- Focus on the Vision, Strategic Goals, and Long Term Objectives identified in the Council Strategic Plan
- Analyze community needs, program alternatives, and available resources and arrive at meetings well-informed and prepared
- Make timely and courageous decisions
- Make decisions based on community goals and interest, and not based on personal or political ambitions
- Provide the Town Manager clear direction and expectations to achieve Town goals and objectives
- Give the Town Manager adequate authority to take administrative actions and not interfere with personnel decisions or management functions of the Town
- Hold the Town Manager responsible for the administration of Council policies
- Participate in meetings

MAYOR PRO TEM: ROLES, RESPONSIBILITIES, AND SELECTION

Within 30 days of the General Election, the Town Council shall elect one of its Members as Mayor Pro Tem, who shall perform the duties of Mayor in the case of the absence or inability of the Mayor to perform the duties of the Mayor's office, and who shall, during that time, be vested with all the powers belonging to the Mayor. The term shall be for a period of one year and approved by resolution.

COUNCIL LIAISON: ROLES, RESPONSIBILITIES, AND SELECTION

Within 30 days of the General Election, the Council shall select its liaisons to boards, commissions, or committees. Liaisons shall serve a term of one year. Prior to each selection process, each Council Member shall submit a questionnaire expressing their desired appointments, qualifications, and availability. Council Liaisons should review the agendas of their board, commission, or committee, understand its projects and activities, and provide reports to the Town Council as necessary. The Council Liaison shall:

- Serve as the primary contact and two-way communications channel between Council and the board, commission, or committee
- Help resolve questions the board, commission, or committee may have about the role of Council, the Council's goals and objectives, municipal government, and the board, commission, or committee
- Establish formal or informal contact with the chairperson of the board, commission, or committee and effectively communicate the role of the liaison
- Provide procedural direction and relay Council's position or previous action to the board, commission, or committee, and communicate to the board, commission, or committee that the liaison's role is not to direct the board, commission, or committee in its activities or work
- Serve as Council contact rather than as an advocate for or ex-officio member of the board, commission, or committee
- Identify and help resolve any problems that may exist with respect to the functioning of the board, commission, or committee
- Facilitate training of new board, commission, or committee members by providing suggestions and relevant information to the Town staff members responsible for providing such training
- Attend board, commission, and/or committee meetings and report back on performance of board members to the Town Council

ATTENDANCE REQUIREMENTS

A Council Member or the Mayor shall forfeit his or her office if the official lacks at any time during the official's term of office any qualification for the office prescribed by the Charter or by State law, or if the official violates any express prohibition of this section or any other provision of the Charter, or if the official fails to attend three (3) consecutive regular Town Council meetings without being excused by the Town Council. The Town Council shall be the final judge in matters involving forfeiture of office by a Council Member or the Mayor. (Town Charter, Section 3.05)

TRAINING

The Town Manager's Office shall coordinate and facilitate the orientation of new Council Members and continuing education for the Mayor and Council Members. Each Council Member should make their best attempt to attend one seminar per year. First-time office holders are encouraged to attend trainings specifically related to newly elected officials.

GUIDELINES FOR INTERACTION BETWEEN MAYOR AND COUNCIL

The Mayor and Town Council members must work as a team and maintain positive and effective relationships with each other in order to provide effective governance to the Little Elm community. It is the duty of the members to promote dialogue; frank, honest, and open communication; consensus; and a good governing environment in which Council Members, including the Mayor, as well as Town staff members can better fulfill their roles as public servants. The Mayor and Council shall treat one another with respect

both in Council meetings and in the community. Refrain from undermining your constituents in community forums or discussions with residents, seek to keep one another informed, and avoid hidden agendas. In order to promote a team-oriented environment of professional conduct, the Council shall:

- Refrain from yelling, name calling, and personal attacks
- Act within legal and ethical guidelines
- Avoid grandstanding or promoting a personal agenda
- Be brief and concise
- Consider an issue, debate it, vote on it, and move on without letting issues carry over
- Look for common ground before seeking out disagreements
- Agree to disagree, when necessary
- Treat everyone with respect and elude resentment

MAYOR AND COUNCIL ROLES IN THE COMMUNITY

The Mayor and Town Council Members serve as a resource to citizens, as well as representatives of citizen preferences. Each stakeholder should feel they are treated with respect, that their voice is heard, and that the Town has handled the interaction with efficiency. If the Town or Council is unable to meet a stakeholder's needs, the citizen or business representative should leave better educated and with an understanding of the barriers the Town faces. In order to facilitate this, Council Members should:

- Treat citizens and stakeholders with respect
- Act within the roles defined above and in the Town Charter and remain accountable to citizens
- Keep open communication with citizens, and listen and understand concerns before responding
- Be accessible to citizens and the Town of Little Elm community overall
- Serve as an advocate for the Town and the decisions made by the Council
- Become familiar with the community and its needs
- Develop strong working relationships with partners, such as citizens or organizations who serve on Boards or Commissions, publicly support and defend the will of Council, rather than one's individual preferences

DECISION-MAKING GUIDELINES

Each decision must be made by considering what is best for the municipality as well as the public interest and shall incorporate, to every extent, the overall fundamental approach to democratic governance. Including specialists in various fields and soliciting the opinion of citizen committees may be necessary for reaching a consensus, particularly when introducing new policies or making significant policy change. It is of the responsibility of the Council, as representatives, to convey the preferences of citizens but ultimately to make a decision on what is best for the Town. Any special interest or special interest group impartial to public concerns must not take precedence on any agenda. Decision-making should take place in accordance with:

- The adopted Strategic Plan
- Utilizing an unbiased approach
- Developing well thought out means to achieve the good of the public
- A focus on the issue at hand rather than personalities
- Comprehensive understanding of all sides of the issue before issuing a judgment
- Council members should always ask, "Is this consistent with Council's adopted Strategic Plan?"

GUIDELINES FOR COUNCIL INTERACTION WITH ADMINISTRATIVE STAFF

Employees should feel as though they are valuable and important to executing the will of the people. Council Members should remain professional and never exceed the authority and relationship guidelines outlined in the Town Charter. The Town Manager should be aware of all requests to town employees, as these employees do not report to Council Members directly.

If a Council Member questions a decision, he or she shall immediately take that concern or disagreement to the Town Manager in a confidential and diplomatic format. Likewise, the Town Manager shall agree to the same commitment. Respect for each other shall remain constant.

- Council Members must not give orders to department heads or to other town employees. If the Council needs operational information, the Town Manager will provide appropriate information in a timely fashion, either directly or through other Town staff
- Action items requested by Council Members of Town employees shall be channeled through the Town Manager's office. A Council Member may make an informational request of a Town employee directly; however the Town Manager should be aware of all communication and copied on all emails
- Council Members should not harass or make unreasonable inquiries of Town employees
- The Town Manager will intervene if such activities are taking place
- Requests for meetings with Town staff shall be coordinated through the Town Manager
- Members of the Town Council do not have the authority to terminate or discipline Town employees other than those who they are responsible for under the Town Charter. Termination and discipline decisions are the sole responsibility of the Town Manager

BEHAVIORAL GUIDELINES AND SOCIAL MEDIA

The Mayor and members of the Town Council shall always remember they are representatives of the Town of Little Elm at all times and in all circumstances, and, as public officials, their actions are a direct reflection of the Town. Elected officials shall conduct themselves in a professional manner and not engage in any behavior that will paint the Town in a negative light. The Mayor and members of the Town Council are expected to:

- Conduct themselves with dignity
- Refrain from any behavior that may cause embarrassment to the Town
- Refrain from any activity that may give the perception of impropriety or unethical behavior
- Refrain from social media activities that are profane, untruthful, or unnecessarily argumentative
- Refrain from posting or reposting (forwarding) information on social media before facts are verified or an issue has been researched
- Keep it G rated, if there is any question, the answer is probably NO

ETHICAL RESPONSIBILITIES AND CONFLICT OF INTEREST

Representatives of the Town of Little Elm have a strong ethical responsibility. The Mayor and Council shall be aware of Little Elm's Ethics Ordinance and ensure that they maintain compliance. Officials should also refrain from activities that may be perceived as unethical in nature.

All members of the Town Council, Boards, Commissions, and Corporations shall be familiar with the

requirements of the Town's Ethics Ordinance. The Code of Ethics is located on the Town's webpage (Little Elm Code of Ordinances, Article VI. Code of Ethics), or a copy can be requested through the Town Manager's Office.

Below are some ethical dilemmas to avoid:

- Using the position as an elected official to secure special privileges or exemptions for himself, herself, or others
- Directly or indirectly, giving or receiving any compensation, gift, gratuity, or reward from any sources, except the employing city, for a matter related to the official's services
- Accepting employment or engaging in business that the employer might reasonably expect would require the elected official to disclose confidential information acquired due to his or her position as an elected official
- Disclosing confidential information gained due to position as an elected official, or use of such information for personal gain

AGENDA RULES AND MEETING PROTOCOL

The Town Council Agenda is the official working guide from which the Council conducts its regular and special meetings. The Agenda, which is prepared by the Town staff and in consultation with the Mayor includes items that require Council action and that deal with policy issues that require Council review and discussion.

Items are usually placed on the agenda at the request of the Town staff. Council Members can work with the Town Manager to have an item placed on the agenda. Below are general guidelines & protocols for meetings and inquiries:

AGENDA ITEM INQUIRIES

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	<ul style="list-style-type: none"> • Questions regarding specific agenda items should be provided to the Town Manager prior to the meeting so that appropriate time is provided for any research • The Town Manager may consult with the Town Attorney or other Town staff and will provide feedback as quickly as possible

REQUEST FOR A NEW AGENDA ITEM

Contact:	• Town Manager's Office
Best Method of Communication:	• Email and/or Phone
Basic Guidelines/Considerations:	<ul style="list-style-type: none"> • Contact the Town Manager or present the request at a Council workshop • The Town Manager may consult with the Mayor regarding the request • Requests for agenda items shall occur no later than noon on the Wednesday preceding the Council meeting.

OPEN MEETINGS ACT

Basic Guidelines/Considerations:

- The Open Meetings Act generally applies when a quorum of a governmental body is present and discusses public business
- By State Law, the Town Council Agenda must be posted 72 hours in advance of the meeting
- A governmental body must post notice of an open meeting when it receives a briefing from staff unless a specific statutory exception allows an executive session
- The Town Manager will consult with the Town Attorney if direction is needed

Training:

- Elected and appointed public officials are required by State Law to receive training in Texas open government laws. Online training can be obtained by visiting the Texas Attorney General's Website:
<https://www.texasattorneygeneral.gov/faq/og-open-government-training-information>

Reference:

- Texas Government Code § 551.001 (4)(A)

PARLIAMENTARY AUTHORITY

Basic Guidelines/Considerations:

- Roberts Rules of Order shall be consulted regarding parliamentary procedure
- Town Secretary, Town Attorney, and Town Manager can be consulted for questions regarding parliamentary procedure

Reference:

- Roberts Rules of Order Newly Revised, Latest Edition

GENERAL COUNCIL MEMBER COMMUNICATION PROTOCOL

The following protocols can help guide elected officials regarding communications with constituents and staff. In some cases, some basic considerations will help guide the Council Member on the best course of action. The information in the following section is general in nature. If there are any questions or if clarification is needed please consult the Town Manager for additional information.

BASIC INFORMATION REQUEST (Information Easily Accessible)

Contact:

- Town Manager's Office

Best Method of Communication:

- Email and/or Phone

Basic Guidelines/Considerations:

- Give clear and concise expectations
- Provide an outline for the information desired
- Provide a timeline for the request

INFORMATION REQUEST REQUIRING RESEARCH

Contact:	<ul style="list-style-type: none"> • Town Manager's Office
Best Method of Communication:	<ul style="list-style-type: none"> • Email and/or Phone
Basic Guidelines/Considerations:	<ul style="list-style-type: none"> • Same steps as the "Basic Information Request" • Future Council Agenda Item for direction/action for Town Manager

COUNCIL POLICY INITIATIVE

Contact:	<ul style="list-style-type: none"> • Town Manager's Office • Mayor
Best Method of Communication:	<ul style="list-style-type: none"> • Email and/or Phone
Basic Guidelines/Considerations:	<ul style="list-style-type: none"> • Contact the Mayor and Town Manager's Office concerning the policy initiative for consideration • Provide as much detail as possible

PROCLAMATION REQUEST

Contact:	<ul style="list-style-type: none"> • Town Manager's Office
Process:	<ul style="list-style-type: none"> • Submit online form at least one month in advance of the date the proclamation is needed. Mayor has final approval.

COUNCIL COMMENDATION

Contact:	<ul style="list-style-type: none"> • Town Manager's Office • Mayor
Best Method of Communication:	<ul style="list-style-type: none"> • Email
Basic Guidelines/Considerations:	<ul style="list-style-type: none"> • Contact the Mayor and Town Manager's Office concerning the recognition for consideration. • Provide as much detail as possible.

COMMUNICATION: COUNCIL AND ADMINISTRATIVE STAFF

Communication from Administration:	<ul style="list-style-type: none"> • Communication from Town staff and administration goes to Mayor and all Council Members through the Town Manager's Office
Communication to Administration:	<ul style="list-style-type: none"> • Communications from Mayor & Council to staff administration goes through the Town Manager and not directly to members of the staff

STAFF CONTACT

- | | |
|---------------------|--|
| Employee Initiated: | <ul style="list-style-type: none"> • Send communication to Town Manager • Refer to section regarding communications with staff |
| Council Initiated: | <ul style="list-style-type: none"> • Beware of legal violation (State Law) |

COMMUNICATION: EMAIL

- | | |
|----------------|--|
| General: | <ul style="list-style-type: none"> • If responding, do not copy other Council Members • If directed to the Mayor & Council, the Mayor will respond "On behalf of: Mayor & Council" • Each individual has a choice: <ul style="list-style-type: none"> -Whether to respond or not -Method of the response |
| Consideration: | <ul style="list-style-type: none"> • Written communication, including emails, can be requested via the Texas Open Records Act • Any deliberation or discussion should take place in a compliant meeting and not through email communication |
| Reference: | <ul style="list-style-type: none"> • Texas Government Code § 552 |



BOARDS, COMMISSIONS, AND COMMITTEES

STAFF AND COUNCIL RELATIONS WITH ADVISORY BOARDS, COMMISSIONS, AND COMMITTEES

Staff support and assistance may be provided to advisory boards, commissions, and committees. Advisory bodies, however, do not have supervisory authority over Town employees. While Staff may work closely with advisory bodies, Staff members remain responsible to their immediate supervisors and, ultimately, the Town Manager. The members of the commissions, boards, or committees are responsible for the functions of the advisory body. The chairperson is responsible for committee compliance with the municipal code and/or bylaws. Staff members are to assist the advisory boards to ensure appropriate compliance with the Charter, ordinances, state and local laws, and regulations.

Staff support includes: preparation of an agenda; preparation of reports providing a brief background of the issues, a list of alternatives, recommendations, and appropriate backup materials, if necessary; and preparation and maintenance of permanent minutes of advisory body meetings. Advisory body members should have sufficient information to reach decisions based upon a clear explanation of the issues. It is important to note that Town Staff seeks to not influence boards, commissions, and committees in their decision making process. Staff should provide information on options considered along with a summary of pros and cons of each option. Staff should provide any prior direction by Town Council on a particular issue to any board, commission, or committee considering the issue.

The role of the Town's boards, commissions, and committees is to perform the specific functions established in state statutes, Town ordinances, resolutions, or minute orders as applicable and to advise the Town Council about the topics assigned.

If a Council Member attends a meeting of a board, commission, or committee, the member shall not take part in the meeting nor address the board in any manner, whether by questions or statements. A Council Member shall not attempt to influence the decisions of boards, commissions, and committees, either directly or indirectly, nor express an opinion to a board, commission, or committee about its actions unless at a Town Council meeting. This policy provision does not apply to a Council Member who is participating as a duly appointed member of a board, commission, or committee.

All instructions to board, commissions, and committees by the Town Council shall be in writing or made on the record at a Town Council meeting.

CURRENT BOARDS AND COMMISSIONS

The Planning & Zoning Commission is the primary advisory board to the Town Council on development issues. These land use matters include rezoning requests, ordinance revisions, approving plats, comprehensive planning, tree preservation, and other issues regarding new growth and existing development in the Town and extraterritorial jurisdiction (ETJ).

The Board of Adjustment (BOA) consists of five members and is a quasi-judicial board. It is not a legislative body; thus, it has no authority to amend ordinances, create new laws, nor grant use variances. The board conducts hearings and makes determinations on requests for variances from and special exceptions to the Town of Little Elm Zoning Ordinance, as specified in the ordinance. Historically, the board has made rulings on substandard buildings and amortization cases, although recent state law changes may require revisions to procedure and venue. The board also has the authority to hear and decide appeals where it is alleged that there is an error in an order, requirement, decision, or determination made by any administrative official of the town in the enforcement of the Zoning Ordinance.

The Little Elm Animal Shelter Advisory Committee make recommendations to animal services regarding policies and procedures of the animal shelter operations, making recommendations to town council on

revisions to chapter 18 (Animals) of the Little Elm Code of Ordinances, making recommendations to town council on revisions to applicable fees, and general discussion of animal related issues within the town.

TYPE A/ TYPE B CORPORATIONS

Type A/ Type B Corporations exist in the Town of Little Elm to further growth and development in the community. The board members of the corporations are appointed by Town Council and, while they serve in an autonomous fashion, are expected to uphold the goals and objectivities identified by the Council and the adopted Strategic Plan.

If either corporation utilizes Town staff for administrative purposes, Staff members remain responsible to their immediate supervisors and, ultimately, the Town Manager. If either corporation hires its own staff, those staff members are responsible to the board of directors.

The Little Elm Economic Development Corporation (EDC, 4A) is charged with attracting new commercial business, new tourism opportunities and new jobs to Little Elm.

The Little Elm Community Development Corporation (CDC, 4B) is tasked with the promotion and development of new or expanded business enterprises, parks, and other community projects.

COUNCIL APPOINTED COMMITTEES

From time to time, Council will appoint advisory committees and/or task forces on specific topics to offer citizens an extraordinary opportunity to participate in the Town's governmental affairs and influence public policy in many areas.

ROLES AND RESPONSIBILITIES

Board, Commission, and Committee Members shall:

- Focus on the Vision, Strategic Goals, and Long Term Objectives identified in the Council Strategic Plan
- Analyze community needs, program alternatives, and available resources and arrive at meetings well-informed and prepared
- Make timely and courageous decisions that are based on community goals and interest, and not based on personal or political ambitions
- Participate in meetings



Date: 05/03/2022
Agenda Item #: 6. D.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve the **Unaudited Quarterly Budget Report for the Quarter ending March 31, 2022, for FY 2021-2022.**

DESCRIPTION:

The purpose of this item is to provide Town Council a report of the Town's financial performance to the adopted Budget of Revenues and Expenditures for the second quarter of the Fiscal Year 2021-2022.

BUDGET IMPACT:

Council approved the Town's operating budgets for FY 2021-2022 in September. To highlight a few areas of revenue sources and expenditures in the General Fund, Park and Recreation Fund, and the Water and Sewer Fund are as follows:

General Fund major revenue sources are property tax, sales tax and building permits. All three of these revenue streams are indicators of the Town's economic conditions. We have collected 98% of the assessed property tax levy through March and are on track based on budget. Sales tax collections are strong and exceeding budget by 21%. Due to posting the accruals for sales tax, the financial report reflects four months of taxable sales. Building permit revenue year to date collections reflect 88% of the annual budgeted revenue. We expect the housing market to continue to be strong and exceed the annual budget. Total budgeted revenue year to date is at 82% and is on target. The expenditures of the General Fund reflects 51% of budget. This includes encumbrances that reflect the full budget amount, therefore, expenditures to date are higher than the 50% target.

Park and Recreation Fund major revenue sources comes from membership fees for the recreation center and the aquatic center along with the special events provided to the community. The membership numbers are coming in strong after last year's closure due to the pandemic. Revenue from membership fees for the recreation center is 58% higher than last year at this time. With the opening of the Cove in March 2021, we are seeing strong membership numbers. Finance and Parks will continue to benchmark after having a year of data. We have had two special events since the new fiscal year. The Pumpkin Hollow was a successful event with great attendance. The event was

able to obtain a small profit. The Magic of Lights was brought back to the Town for the second year. This event was not as high in attendance as it was the first time. Staff presented the net loss of the event to Council in March. Council has provided staff guidance for next year's plans for the Town's Christmas event. This will be reflected in next year's proposed budget.

Water and Sewer Fund major revenue source are charges for services to provide water and sewer services. This fiscal year residents saw a 2% increase in water rates and no increase in sewer rates. Billing is reflecting 42% of budgeted revenue through the second quarter. We have billed over 618 million gallons of water usage and purchased 710 million gallons of water from NTMWD. The 2nd quarter of the year, billing and usage of water was lower than the first quarter. Residents averaged 5,812 gallons of water consumption vs. 7,111 gallons last quarter. The water purchases budget reflects 26% of the water-sewer funds expenditure budget. Expenditures are in line with the budget.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Memo to TM Qtrly Financial Report for FY 2022

2nd Quarter General Fund Summary

2nd Quarter Utility Fund Summary

March 2022 Dashboard Financial Report

MEMORANDUM

TO: MATT MUELLER, TOWN MANAGER
FROM: KELLY WILSON, CHIEF FINANCIAL OFFICER
SUBJ: BUDGET REPORT FOR PERIOD MARCH 31, 2022
CC: MAYOR AND COUNCIL

The attached is Budget to Actual Information for the fiscal period ending March 31, 2022. This period ending represents 50% of the Town's fiscal year. This information is unaudited and provides a snapshot of our financial information in a budgetary basis.

Cash and Investment Position: The Town is in excellent cash position. All idle funds are in interest bearing accounts or secured investments. For further detailed information, please review the quarterly investment report.

Budget: At March 31, 2022, the budget is as follows for major funds with the **target at 50%**; the major funds are presented in summary below. The YTD figure includes actual expenditures and encumbrances.

Revenues:

<i>Major Funds – Sources</i>		<i>Budget</i>		<i>YTD</i>	<i>% Earned</i>
General Fund	\$	42,401,973	\$	34,770,992	82%
Park and Recreation Fund		4,145,300		1,461,268	35%
Street Maintenance Fund		1,453,229		721,942	50%
Water and Sewer Fund		20,571,974		8,689,124	42%
Solid Waste Fund		3,464,061		1,691,904	49%
Storm Drainage System Fund		709,717		371,710	52%

Expenditures:

<i>Major Funds - Uses</i>		<i>Budget</i>		<i>YTD</i>	<i>% Used</i>
General Fund	\$	46,340,023	\$	23,511,443	51%
Park and Recreation Fund		3,969,632		1,909,923	48%
Street Maintenance Fund		2,476,178		551,699	22%
Water and Sewer Fund		20,351,506		12,039,037	59%
Solid Waste Fund		3,237,132		1,698,894	52%
Storm Drainage System Fund		524,886		548,419	104%

General Fund Revenue and Expense Summary: The total all sources of revenue in the General Fund year-to-date is \$34,770,992 or 82% of budgeted revenues of \$42,401,973. Compared to this time last year, the General Fund year-to-date revenues was 86% of budgeted revenues. Operationally, the Town's revenue through the 2nd quarter of the fiscal year are on target. Ad Valorem property tax collections as of

FINANCE DEPARTMENT
BUDGET REPORT

March 31, 2022 are \$32,428,143 or 98% on a tax levy of \$32,859,347. Property Tax collections typically start in October and spike with collections in December. The Town reports the collected property tax net of obligations to the various economic development incentives that are accounted for throughout the year. The Town is seeing through our 2nd quarter an uptick in building permit revenue, which reflects total collected to date of \$2,189,048 or 88% of the \$2,500,000 annual budgeted revenue. The Town has not seen any loss in sales tax revenue that other municipalities has experience due to shut-down and slow openings. The Town has exceeded year to date projected budgeted sales tax revenue by 21%. Statewide, the Comptroller is reporting a 28% increase in sales tax collections. Total General Fund Expenditures are \$23,511,443 including \$3,161,046 in encumbrances. Total expenditures represent 51% of the budgeted \$46,340,023.

General Fund and Debt Service Fund Property Taxes:

The Property Tax collections for the fiscal year are received through March are:

General & Debt	General Fund	YTD Actual	Debt Service Fund	YTD Actual
Current Levy	\$20,947,917	\$24,459,278	\$5,267,800	\$5,897,539
Penalty and Interest	50,000	38,801	14,400	9,716
Prior Year Property Taxes	25,000	118,098	10,800	34,680
Total	\$21,022,917	\$24,616,177	\$5,293,000	\$5,941,935

Sales Tax: The Town's total sales tax budget (2 cents) is \$11,545,834. On an accrual basis, the Town is reporting sales tax receipts as it is earned. Sales Tax received in October and November was accrued back into FY2021 as it was actually earned for sales for the months of August and September. The table below summaries total sales tax collections through April 2022. The figures below do not include any reduction to Sales Tax associated with any development, 380 or economic development agreements.

Fiscal Year	Total Sales Tax Received	1¢ City	.50¢ EDC	.25¢ CDC	.25¢ SMF
2021-2022 Budget	11,545,834	5,772,918	2,886,458	1,443,229	1,443,229
2021-2022 YTD Actual	5,467,586	2,733,793	1,366,897	683,448	683,448

Interest Earnings and Cash Position: The Town's funds are fully invested and secure. Total interest earned year to date ending March 31, 2022 was \$255,472. Total cash and investments on hand for the period ending March 31, 2022 are \$144,279,486. (See Cash and Investment Report for more detail)

Water and Sewer Fund: The Town's Water-Wastewater Utility revenue billed YTD as of March 31, 2022 is \$8,689,124 or 42% of budget revenues of \$20,571,974. The Town implemented a multi-year rate plan that goes out to 2024. This year water payers saw an increase of 2% in water rates. Sewer rates remained unchanged. Water sales total \$4,577,541 or 41% of the total budgeted amount of \$11,241,359. Actual expenditures including encumbrances for the year as of March 31, 2022 are \$12,039,037 or 59% of the total amended budget amount of \$20,351,506 including \$4,070,371 for encumbrances. The water purchases take or pay budget reflects \$5,379,337 or 26% of the budget.

FINANCE DEPARTMENT
BUDGET REPORT

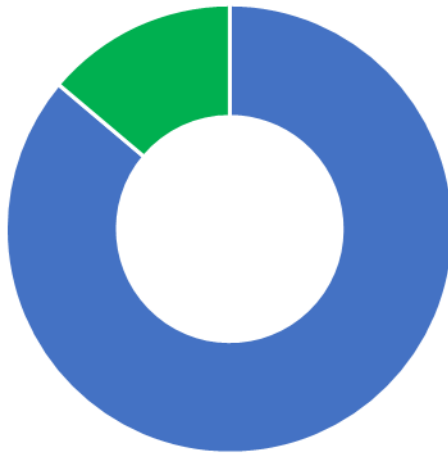
The Town of Little Elm has billed 618 million gallons of water through the 2nd quarter of FY 2022 and has purchased 710 million gallons of water for the fiscal year from NTMWD.

	Oct-21		Nov-21		Dec-21	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	11,683	11,434	11,733	11,483	11,772	11,521
#of Accts Commercial	240	196	242	201	239	197
Consumption-Residential	102,785,000	59,445,000	77,847,000	59,777,000	69,484,000	59,998,000
Consumption-Commercial	20,195,000	6,133,000	16,184,000	5,469,000	13,760,000	4,670,000
Average Residential Water Consumption	8,798		6,635		5,902	
Billed (\$) Residential	\$ 817,412	\$ 522,199	\$ 651,627	\$ 525,419	\$ 600,900	\$ 527,449
Billed (\$) Commercial	\$ 132,505	\$ 33,267	\$ 114,112	\$ 30,397	\$ 92,687	\$ 24,066
Total Billed (\$)	\$ 949,917	\$ 580,922	\$ 765,739	\$ 582,578	\$ 693,588	\$ 575,720
Rainfall	2.96		3.11		0.43	

	Jan-22		Feb-22		Mar-22	
	WATER	SEWER	WATER	SEWER	WATER	SEWER
# of Accts Residential	11,809	11,550	11,823	11,569	11,853	11,600
#of Accts Commercial	393	198	388	199	385	198
Consumption-Residential	71,280,000	70,405,000	70,733,000	70,756,000	64,213,000	72,158,000
Consumption-Commercial	8,473,000	4,072,000	8,728,000	4,095,000	7,291,000	4,113,000
Average Residential Water Consumption	6,036		5,983		5,417	
Billed (\$) Residential	\$ 661,113	\$577,098	\$ 651,563	\$588,701	\$ 606,667	\$586,524
Billed (\$) Commercial	\$ 88,402	\$23,734	\$ 91,866	\$23,868	\$ 80,090	\$23,871
Total Billed (\$)	\$749,515	\$600,832	\$743,429	\$612,569	\$686,757	\$610,395
Rainfall	0.08		2.03		2.12	

General Fund - Revenue

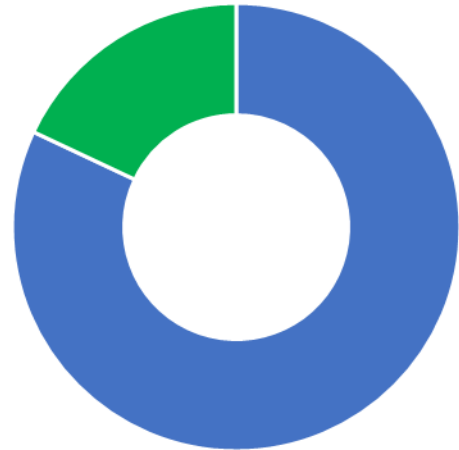
FY 2020 - 2021



■ YTD
■ Remaining

YTD Revenue	
\$	33,635,591
Budgeted	
\$	39,048,323
Remaining	
\$	5,412,732
Percent Collected	
86%	

FY 2021 - 2022



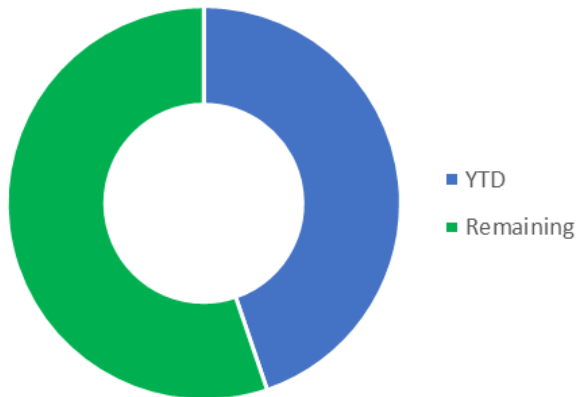
■ YTD
■ Remaining

YTD Revenue	
\$	34,765,992
Budgeted	
\$	42,401,973
Remaining	
\$	7,635,981
Percent Collected	
82%	

Top 5 Revenue Sources					
Revenue Source	Prior YTD Total	Current Projection	Current YTD Total	% Change	
Current Year Property Tax	\$ 22,932,260.41	\$ 24,393,411.00	\$ 26,402,215.04	15%	▲
City Sales Tax	\$ 1,795,004.04	\$ 5,772,918.00	\$ 2,292,800.00	28%	▲
Building Permits	\$ 3,203,994.64	\$ 2,500,000.00	\$ 2,189,047.88	-32%	▼
Ambulance/Fire Runs	\$ 454,742.64	\$ 925,000.00	\$ 541,529.73	19%	▲
Paloma Creek Police	\$ 829,458.68	\$ 1,871,452.00	\$ 948,226.00	14%	▲

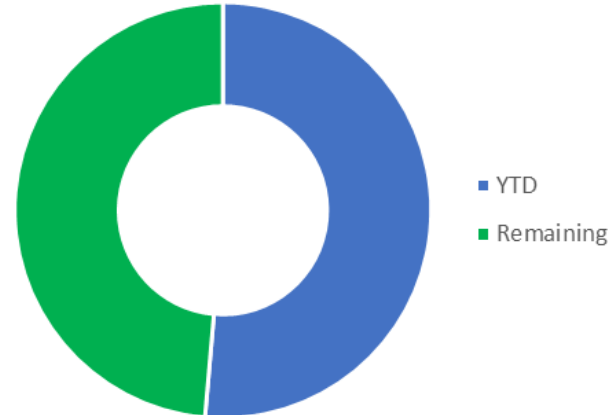
General Fund - Operating Expenditures

FY 2020 - 2021



YTD Expenditures	
\$	19,172,827
Budgeted	
\$	42,810,164
Remaining	
\$	23,637,337
Percent Spent	
45%	

FY 2021 - 2022

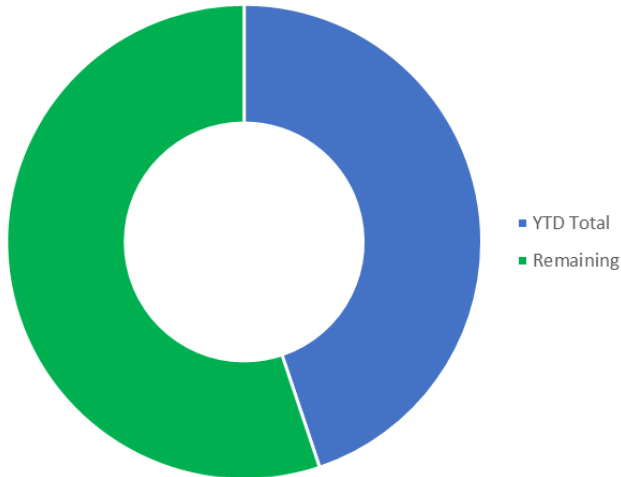


YTD Expenditures	
\$	23,511,443
Budgeted	
\$	46,340,023
Remaining	
\$	22,828,579
Percent Spent	
51%	

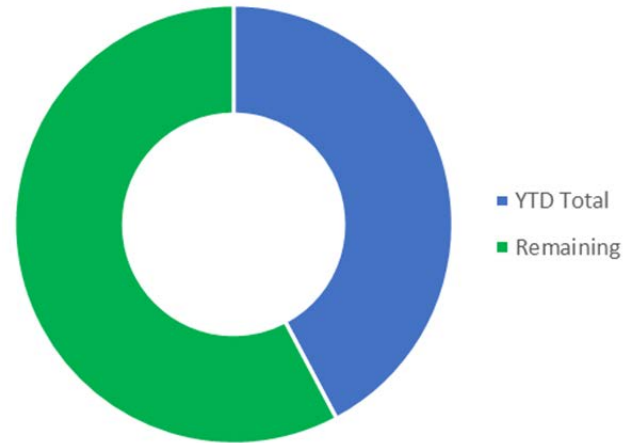
General Fund Operating Expenditures Summary									
Description	Prior Year Actual	Adopted Budget	Amended Budget	YTD Total	Remaining	% YTD	% Prior	% Change	
GENERAL GOVERNMENT	\$ 3,104,903	\$ 7,216,288	\$ 9,711,829	\$ 6,213,014	\$ 3,498,814	64%	40%	24%	▲
PUBLIC SAFETY	\$ 11,780,970	\$ 24,747,021	\$ 26,232,985	\$ 12,269,268	\$ 13,572,729	47%	46%	1%	▲
COMMUNITY SERVICES	\$ 1,338,163	\$ 3,709,354	\$ 3,727,975	\$ 1,628,458	\$ 2,079,528	44%	42%	2%	▲
PUBLIC WORKS	\$ 1,603,082	\$ 3,476,734	\$ 3,476,734	\$ 1,852,247	\$ 1,588,840	53%	51%	2%	▲
CULTURE AND RECREATION	\$ 1,345,709	\$ 3,190,500	\$ 3,190,500	\$ 1,548,455	\$ 1,589,174	49%	43%	6%	▲

Utility Fund - Revenue

FY 2020 - 2021



FY 2021 - 2022



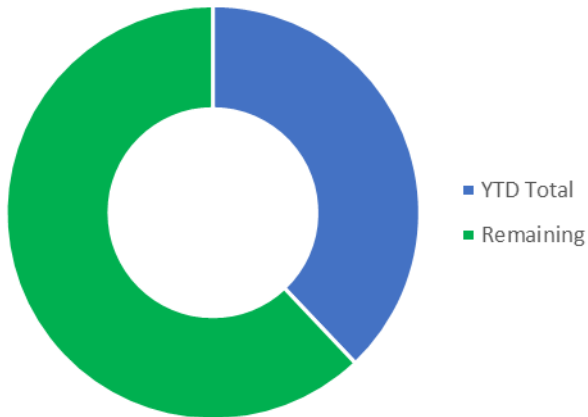
YTD Revenue
\$ 8,595,649.75
Budgeted
\$ 19,162,522.00
Remaining
\$ 10,566,872.25
Percent Collected
45%

YTD Revenue
\$ 8,689,123.84
Budgeted
\$ 20,571,974.00
Remaining
\$ 11,882,850.16
Percent Collected
42%

Top 5 Revenue sources					
Revenue Source	Prior YTD Total	Current Projection	Current YTD Total	% Change	
WATER SALES	\$ 4,320,030.18	\$ 11,241,359.00	\$ 4,577,541.41	6%	▲
SEWER SALES	\$ 3,205,583.17	\$ 7,491,589.00	\$ 3,327,499.31	4%	▲
FRISCO HILLS WATER	\$ 187,342.61	\$ 457,685.00	\$ 192,682.36	3%	▲
PENALTIES	\$ 151,944.73	\$ 300,000.00	\$ 174,147.35	15%	▲
FRISCO HILLS SEWER	\$ 393,106.35	\$ 646,841.00	\$ 160,270.51	-59%	▼

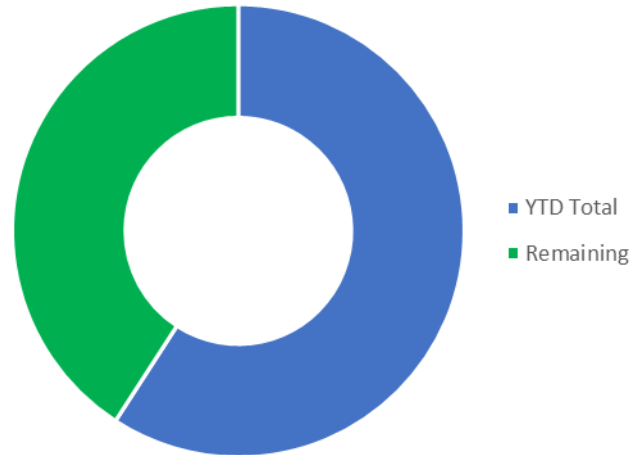
Utility Fund - Operating Expenditures

FY 2020 - 2021



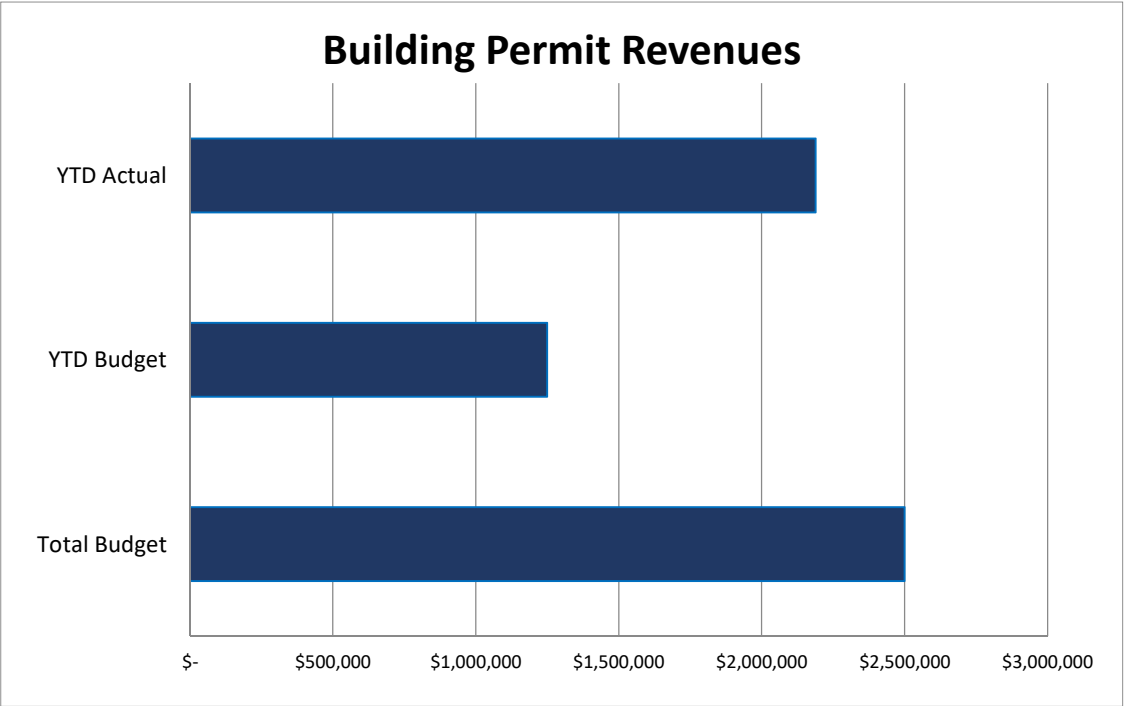
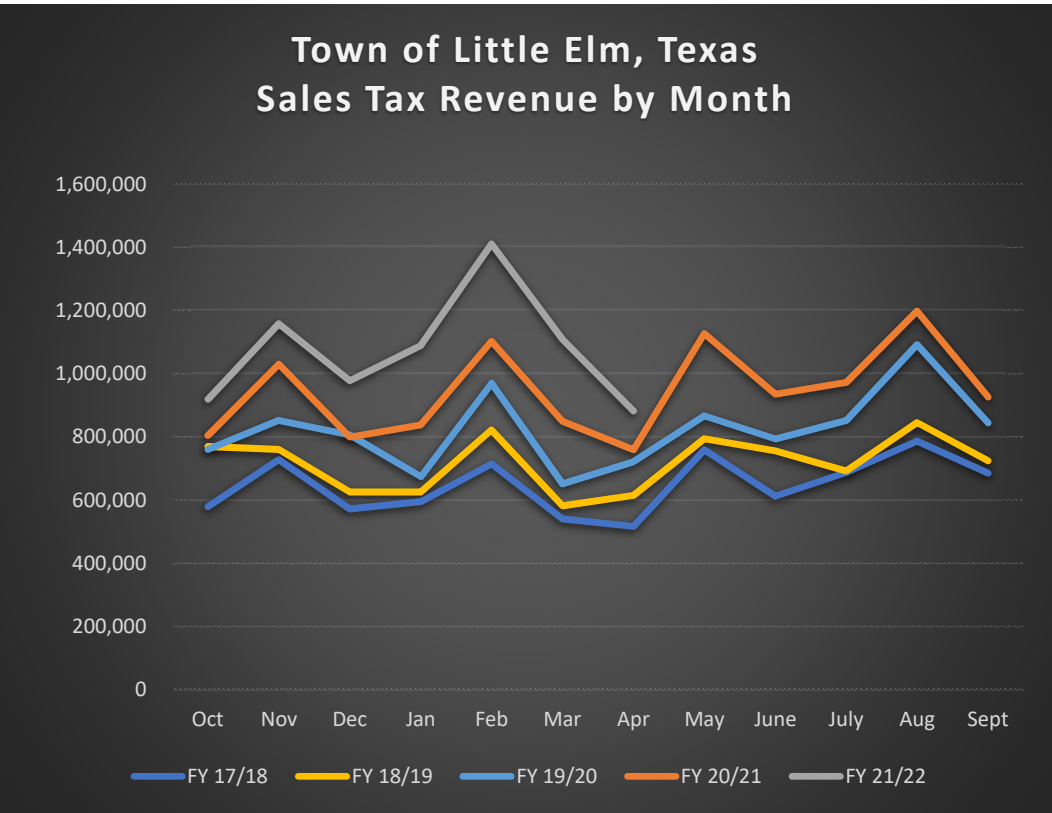
YTD Expenditures	
\$	7,337,866
Budgeted	
\$	19,345,289
Remaining	
\$	12,007,423
Percent Spent	
	38%

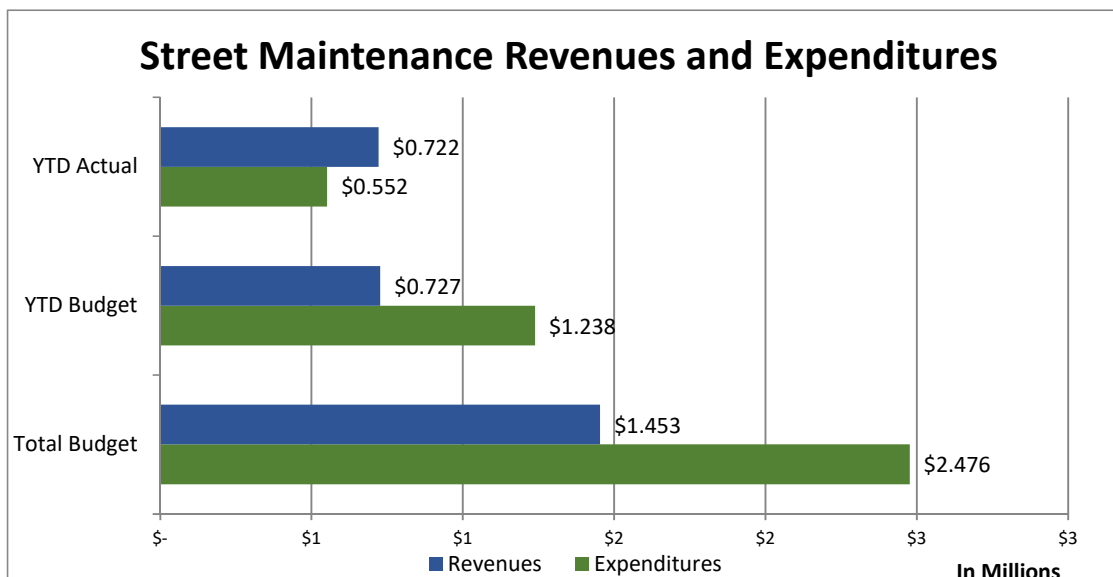
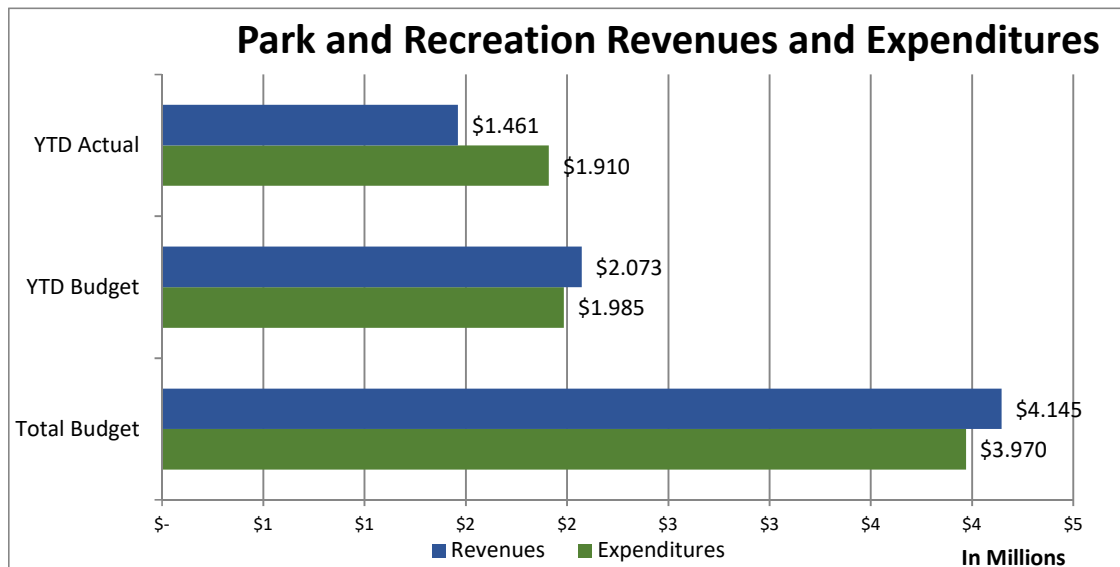
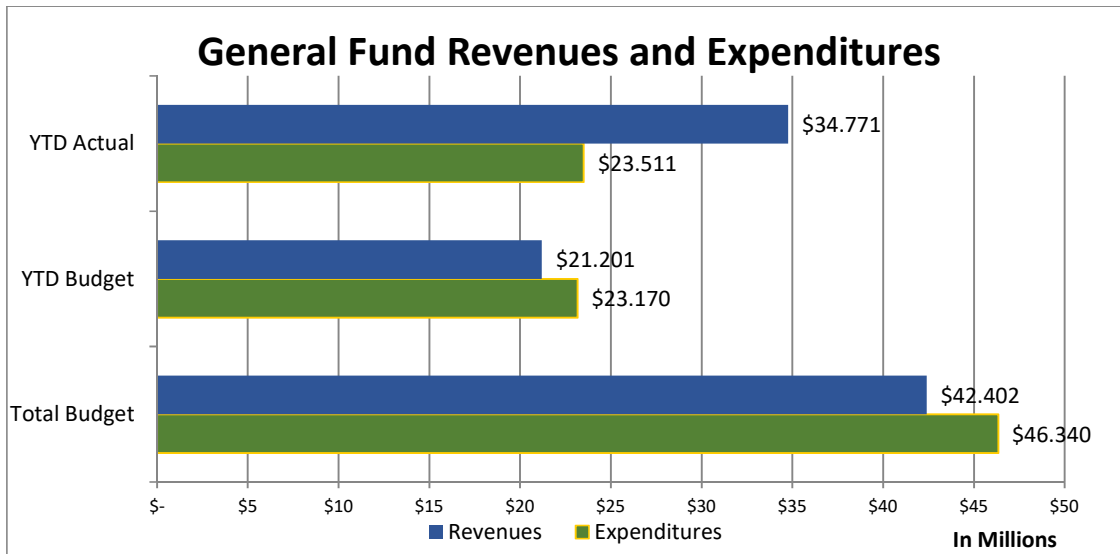
FY 2021 - 2022

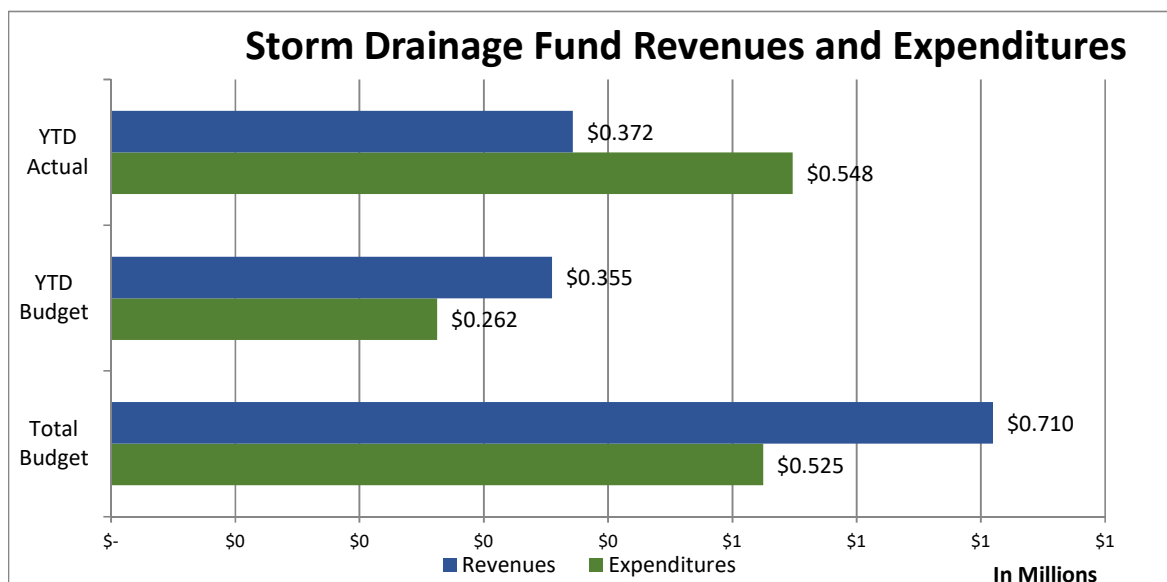
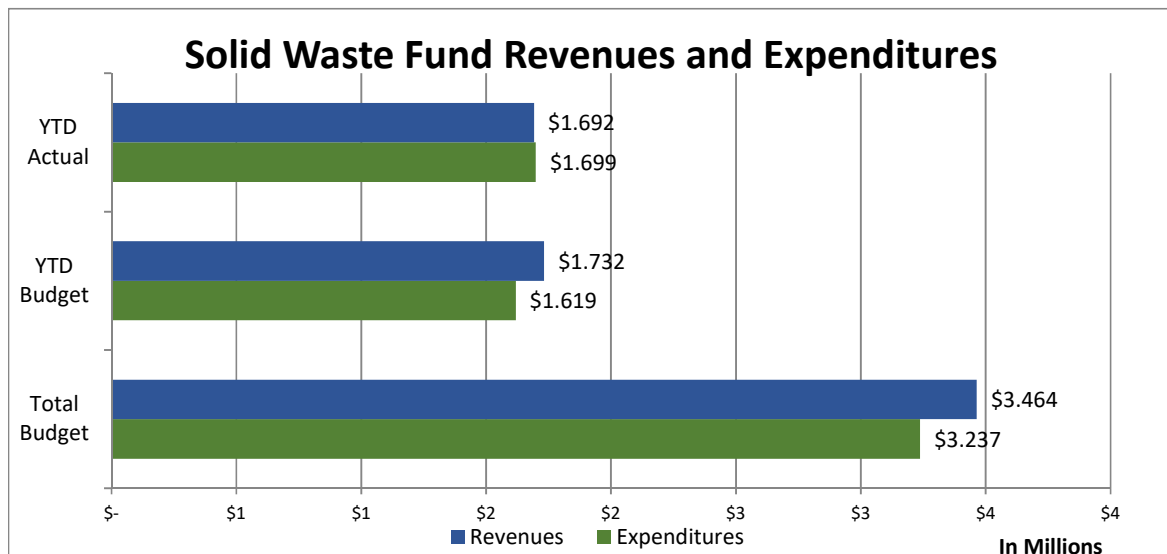
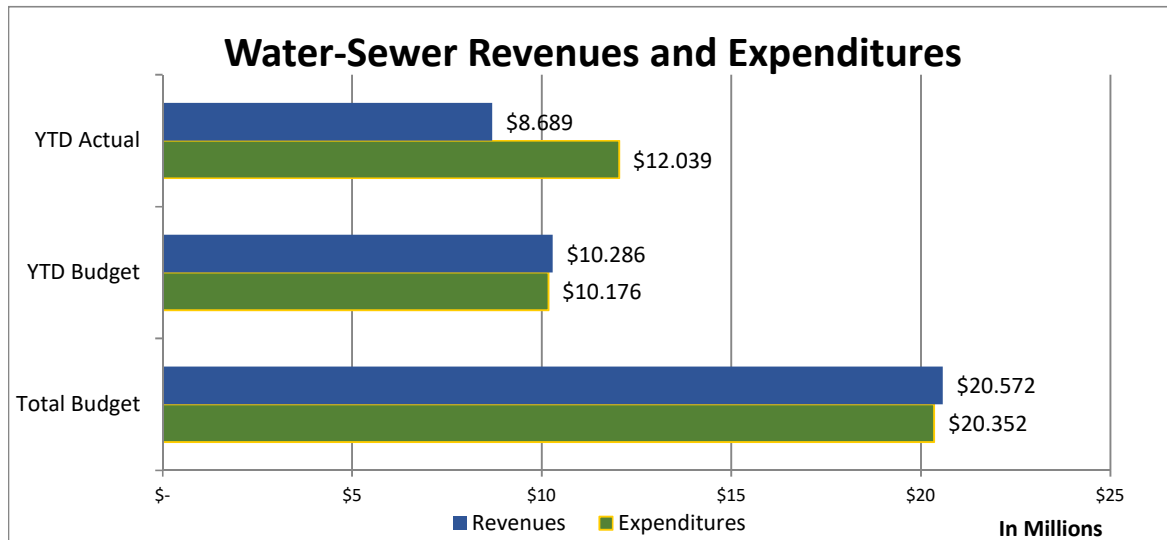


YTD Expenditures	
\$	12,039,037
Budgeted	
\$	20,351,506
Remaining	
\$	8,312,469
Percent Spent	
	59%

Utility Fund Operating Expenditures									
Department	Prior YTD	Adopted Budget	Amended Budget	YTD	Remaining	% YTD	% Prior	% Change	
Water Operations	\$ 4,066,909	\$ 9,459,866	\$ 9,572,587	\$ 7,570,730	\$ 2,001,857	79%	46%	33%	▲
WasteWater Collection	\$ 752,550	\$ 987,019	\$ 989,804	\$ 552,161	\$ 437,643	56%	46%	10%	▲
WasteWater Treatment	\$ 529,116	\$ 2,632,624	\$ 2,704,783	\$ 1,590,035	\$ 1,114,748	59%	30%	29%	▲
Utility Admin	\$ 402,452	\$ 792,419	\$ 802,570	\$ 393,781	\$ 408,790	49%	54%	-5%	▼
Utility I&S	\$ 604,013	\$ 4,326,140	\$ 4,326,140	\$ 691,160	\$ 3,634,980	16%	17%	-1%	▼
Utility Billing	\$ 361,934	\$ 1,202,689	\$ 1,202,689	\$ 911,023	\$ 291,666	76%	37%	39%	▲
Utility CIP	\$ 620,893	\$ 190,500	\$ 499,000	\$ 419,454	\$ 79,546	84%	37%	47%	▲









Date: 05/03/2022
Agenda Item #: 6. E.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve **Ordinance No. 1663 Amending the FY 2021-2022 Annual Budget in Accordance with Existing Statutory Requirements; Appropriating the Various Amounts Herein; Repealing all Prior Ordinances and Actions in Conflict Herewith; and Providing for an Effective Date.**

DESCRIPTION:

The Town Charter requires that when the budget is amended that the amendment be by ordinance. This budget amendment addresses several items discussed below.

"The legal level of budgetary control is at the fund level. The Town Manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that increase the total expenditures of any fund greater than the original budget must be approved by ordinance of Town Council."

General Fund:

Council discussed the Magic of Lights and the tree lighting and parade event back in November 2021. It was decided to continue to have the tree lighting and parade on Saturday. Due to this decision, the offsetting revenue loss to the Magic of Lights event presented by staff was discussed. It was the consensus of the Council to use \$20,000 of their contingency funds to offset the revenue loss. This budget amendment is moving the funds to the event to support Council's decision.

The Town's five-year financial plan included bringing online fire station number 4 in the outer years by funding equipment needs to service the area. Such items included the purchase of a new fire engine in FY 2024. In an effort to reduce the increase in costs associated with the purchase of a new fire engine for station number 4, staff is recommending ordering the engine this year. If we do not place the order now, the cost will increase \$60,000 by May 1. Another obstacle and reason to order the engine now is due to the supply chain shortage. The manufacturer is telling staff the engine will take 18-24 months before delivery. This budget amendment provides budget authority for staff to order and encumber the funds in FY 2022 in the amount of \$840,000.

Park and Recreation Fund:

Council approved a sole source purchase with DippinDots at the April 5, 2022, Council meeting. This

favorable new snack option is being provided at the Cove at the Lakefront® and as a result, reflects increased sales. This budget amendment reflects the sales and purchase of supplies to support this new snack option to cover the rest of the year in the amount of \$42,804.

Drainage Fund:

Council awarded a contract for the emergency repair of a retaining wall located at Crescent Lake Drive. This was an emergency purchase and therefore not included in our current budget authority. This budget amendment reflects the cost of the contract of \$287,828 and the private owner's portion of \$31,968 revenue for such reimbursement.

Special Revenue Fund:

The Town receives dedicated revenue for the commercial vehicle program that is restricted for this program. Police is requesting to use these funds to add eight new laser guns that reflect the speed of a vehicle (LIDARS). The cost for this piece of equipment is \$16,862 and the commercial vehicle program has the cash balance to support this expense.

Donation Fund:

The Town received a generous donation to the Animal Services department of \$10,000 this year. In order to utilize these funds for the animal services, the Town is requesting a budget amendment to reflect the donation and the expense. Animal Services plans to provide partitions for the outside dog runs.

2017 CO Bonds:

In an effort to close out the remainder of funds left from the issuance of 2017 CO's, this budget amendment is providing budget authority for the various projects. The purpose of the 2017 CO's is to provide improvements and extensions to the Town's water and wastewater systems. The funds have been used for various improvements related to the water and wastewater system and this fund will be closed out at the end of this fiscal year as required by law.

Government CIP Fund:

Town staff has hired an engineering firm to study the signal at Oak Grove and Eldorado Parkway. The cost of the study is \$17,500 and the funding will come from escrow funds that can be used for this project.

Council approved at the April 5, 2022, Council meeting developer's agreement between the Town, Little Elm EDC, and Palladium Little Elm Phase 2 for the construction of a masonry screen wall located within Lot 1 Block A of the Palladium II addition. The funds to support the Town's contribution for the wall will be funded from escrow funds that can be utilized for this project in the amount of \$87,651. This budget amendment provides budget authority for the construction costs outlined in the agreement.

Council approved at the April 5, 2022, meeting a contract for the traffic signals along U.S. 380, which included powder-coating enhancements. The project is being funded from North Impact fees. This budget amendment gives authority for the funds allocated to the project to be transferred from the Roadway Impact Fee fund in the amount of \$168,649.80.

The Town identified South Impact fees that are to be used for the King Road improvements. This budget amendment is transferring the funds from the Impact Fee fund received from the developer of Kings Court to the CIP fund to be used for this project in the amount of \$258,000.

Water/WW CIP Fund:

Council approved at the March 15, 2022, meeting to award a contract for the Harvey Circle sanitary sewer relocation. The Utility fund transfers funds to the CIP fund for projects and will utilize the FY 2022 transfer to support this project for \$76,962. This budget amendment provides budget authority for the expenditure of this project.

BUDGET IMPACT:

See Exhibit A as it relates to the budget impact.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Ordinance No. 1663 FY 2022 Budget Amendment

Exhibit A Budget Amendment Support

ORDINANCE NO. 1663

AN ORDINANCE OF THE TOWN COUNCIL OF LITTLE ELM, TEXAS ("TOWN"), AUTHORIZING CERTAIN BUDGET AMENDMENT PERTAINING TO THE FISCAL YEAR 2021-2022 BUDGET; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town is required by the Town Charter to approve a budget amendment by ordinance and upon approval such amendment shall become an attachment to the original budget; and

WHEREAS, a budget amendment has been prepared for certain appropriations and expenditures in the FY 2021-2022 Budget and submitted to the Town Council for approval and a true and correct copy is attached as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS:

SECTION 1. Pursuant to the Town Charter requirements of the Town of Little Elm, Texas, in the year 2021-2022, a Budget Amendment attached as Exhibit A is hereby authorized and approved.

SECTION 2. This Ordinance shall take effect immediately from and after its passage as the law in such cases provides.

PASSED AND APPROVED by the Town Council of the Town of Little Elm, Texas this the 3rd day of May, 2022.

APPROVED:

Curtis J Cornelious
Mayor

ATTEST:

Caitlan Biggs
Town Secretary

EXHIBIT "A"
BUDGET AMENDMENT
FISCAL YEAR 2021-2022
May 3, 2022

General Fund		Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:					
	All Revenue Sources	\$ 41,238,497	\$ 42,401,973	\$ 42,401,973	\$ -
	Total Revenue	\$ 41,238,497	\$ 42,401,973	\$ 42,401,973	\$ -
Expenditures:					
	Total Expenditures	\$ 40,213,309	\$ 42,213,435	\$ 43,033,435	\$ 820,000
	Total Transfers Out	2,126,588	4,126,588	4,146,588	\$ 20,000
	Total Expenditures	\$ 42,339,897	\$ 46,340,023	\$ 47,180,023	\$ 840,000
Park and Recreation Fund		Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:					
	All Revenue Sources	\$ 4,145,300	\$ 4,145,300	\$ 4,208,104	\$ 62,804
	Total Revenue	\$ 4,145,300	\$ 4,145,300	\$ 4,208,104	\$ 62,804
Expenditures:					
	Total Expenditures	\$ 3,969,632	\$ 3,969,632	\$ 4,032,436	\$ 62,804
	Total Transfers Out	-	-	-	-
	Total Expenditures	\$ 3,969,632	\$ 3,969,632	\$ 4,032,436	\$ 62,804
Drainage Fund		Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:					
	All Revenue Sources	\$ 709,717	\$ 709,717	\$ 741,685	\$ 31,968
	Total Revenue	\$ 709,717	\$ 709,717	\$ 741,685	\$ 31,968
Expenditures:					
	Total Expenditures	\$ 499,591	\$ 506,909	\$ 794,737	287,828
	Total Transfers Out	17,977	17,977	17,977	-
	Total Expenditures	\$ 517,568	\$ 524,886	\$ 812,714	\$ 287,828
Special Revenue Fund		Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:					
	All Revenue Sources	\$ 78,350	\$ 78,350	\$ 78,350	\$ -
	Total Revenue	\$ 78,350	\$ 78,350	\$ 78,350	\$ -
Expenditures:					
	Municipal Court	\$ 29,000	\$ 29,000	\$ 29,000	-
	Public Safety	24,490	79,500	96,362	16,862
	Total Transfers Out	6,500	6,500	6,500	-
	Total Expenditures	\$ 30,990	\$ 86,000	\$ 102,862	\$ 16,862
Donation Fund		Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:					
	All Revenue Sources	\$ 11,300	\$ 11,300	\$ 21,300	\$ 10,000
	Total Revenue	\$ 11,300	\$ 11,300	\$ 21,300	\$ 10,000
Expenditures:					
	Animal Shelter	\$ 1,000	\$ 1,000	\$ 11,000	10,000
	Public Safety	14,357	14,357	14,357	-
	Library	10,000	10,000	10,000	-
	Total Expenditures	\$ 24,357	\$ 24,357	\$ 24,357	\$ 10,000

2017 CO Fund	Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:				
All Revenue Sources	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Water/WW Capital Expenditures	\$ -	\$ 97,947	\$ 170,556	\$ 72,610
Total Transfers Out	-	-	-	-
Total Expenditures	\$ -	\$ 97,947	\$ 170,556	\$ 72,610
Governmental CIP Fund	Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:				
All Revenue Sources	\$ 5,339,000	\$ 22,954,000	\$ 23,485,801	\$ 531,801
Total Revenue	\$ 5,339,000	\$ 22,954,000	\$ 23,485,801	\$ 531,801
Expenditures:				
General Government	\$ 125,000	\$ 961,295	\$ 961,295	\$ -
Public Safety	-	599,853	599,853	-
Community Services	-	-	-	-
Streets/Signs/Signals	1,800,000	3,730,465	4,062,238	331,773
Culture and Recreation	17,583,525	17,806,079	17,893,730	87,651
Total Transfers Out	-	-	-	-
Total Expenditures	\$ 19,508,525	\$ 23,097,692	\$ 23,517,116	\$ 419,424
Roadway Impact Fee Fund	Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:				
All Revenue Sources	\$ 270,000	\$ 270,000	\$ 270,000	\$ -
Total Revenue	\$ 270,000	\$ 270,000	\$ 270,000	\$ -
Expenditures:				
Capital Projects	\$ -	\$ -	\$ -	\$ -
Total Transfers Out	-	615,000	1,041,650	\$ 426,650
Total Expenditures	\$ -	\$ 615,000	\$ 1,041,650	\$ 426,650
Water/WW CIP Fund	Original Budget	Current Budget	Amended Budget	Increase (Decrease)
Revenue:				
All Revenue Sources	\$ 3,781,275	\$ 3,781,275	\$ 3,781,275	\$ -
Total Revenue	\$ 3,781,275	\$ 3,781,275	\$ 3,781,275	\$ -
Expenditures:				
Water Capital Projects	\$ 4,200,778	\$ 4,200,778	\$ 4,200,778	\$ -
Wastewater Capital Projects	5,234,431	5,234,431	5,311,393	76,962
Total Transfers Out	-	-	-	-
Total Expenditures	\$ 9,435,209	\$ 9,435,209	\$ 9,512,171	\$ 76,962

Total Revenue	\$ 636,573
Total Expenditures	\$ 2,213,139
Net Effect All Funds	\$ (1,576,566)



Date: 05/03/2022
Agenda Item #: 6. F.
Department: Development Services
Strategic Goal: Promote and expand Little Elm's identity
Staff Contact: Fred Gibbs, Director of Development Services

AGENDA ITEM:

Consider Action to Approve **Board of Adjustments Appointments.**

DESCRIPTION:

The Board of Adjustments Appointment Committee recommends the following appointments:

Board of Adjustments re-appointment as follows:

Dr. Velma Wallace Evans - Place 4 (term expires 2/28/2023)

Board of Adjustments new appointments as follow:

Jeffery Burton - Place 1 (term expires 2/28/2023)

Mia Harvey - Place 2 (term expires 2/28/2023)

James Murdock - Place 3 (term expires 2/28/2023)

Vince Handler - Place 5 (term expires 2/28/2023)

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDED ACTION:

The BOA Appointment Committee recommends approval.



Date: 05/03/2022
Agenda Item #: 6. G.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Consider Action to Approve **Resolution No. 0503202201 Removing its Existing Trustee and Appointing a Successor Trustee for Bonds Issued in Connection with the Valencia PID; Approving and Authorizing the Mayor to Execute the Instrument of Removal, Appointment, and Acceptance and Authorizing the Execution of a Town Certificate in Connection therewith; and Resolving Other Related Matters.**

DESCRIPTION:

The Town previously issued Special Assessment Bonds for the Valencia Public Improvement District (PID). In connection with the bond issuance, the Town and Bank of New York Mellon Trust Company entered into a separate trust indenture dated March 1, 2018. The Town also issued a Special Assessment Bond for Valencia PID for area #3 in 2021. Prior to the issuance of the 2021 Bonds, Bank of New York informed the Town it would not be able to serve as trustee for the 2021 Bonds in light of recently adopted state legislation. In connection with the issuance of the 2021 Bonds, the Town and Wilmington Trust, National Association entered into a trust indenture securing the 2021 Bonds.

In order to be most effective in administering the trust estates created in connection with the bonds, including collecting, depositing, and transferring assessments and other funds for each of the trust estates, the same company should serve as trustee for each series of the Bonds. The Town is authorizing to remove Bank of New York as trustee under the 2018 Indenture and appoint the new successor trustee to Wilmington Trust. In order to accomplish the removal of Bank of New York, the Town desires to authorize the Chief Financial Officer to execute and deliver to each Trustee a Town Certificate - Removal of Original Trustee and Appointment of Successor Trustee and sending notices of the appointment of the successor trustee to the Owners of the 2018 Bonds.

BUDGET IMPACT:

This action item has no budget impact.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Resolution No. 0503202201

TOWN OF LITTLE ELM, TEXAS

RESOLUTION NO. 0503202201

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS; APPROVING AND AUTHORIZING THE REMOVAL OF THE CURRENT TRUSTEE AND APPOINTING A SUCCESSOR TRUSTEE FOR CERTAIN VALENCIA PUBLIC IMPROVEMENT DISTRICT BOND TRUSTS; AUTHORIZING THE MAYOR TO EXECUTE AN INSTRUMENT OF REMOVAL, APPOINTMENT AND ACCEPTANCE; AND RESOLVING OTHER MATTERS RELATED THERETO.

WHEREAS, on September 13, 2013, the Town Council (the “Town Council”) of the Town of Little Elm, Texas (the “City”) adopted Resolution No. 09171301, creating the Valencia Public Improvement District (the “District”) in accordance with Chapter 372, Texas Local Government Code, as amended (the “Act”); and

WHEREAS, the Town has previously issued (i) the Town of Little Elm, Texas, Special Assessment Revenue Refunding Bonds, Series 2018 (Valencia Public Improvement District Major Improvement Area Project) (the "Major Improvement Area Bonds"), (ii) the Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds, Series 2018 (Valencia Public Improvement District Phase #1 Project) (the "Phase #1 Bonds"), and (iii) the Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds, Series 2018 (Valencia Public Improvement District Improvement Area #2 Project) (the "Improvement Area #2 Bonds" and together with the Major Improvement Area Bonds and the Phase #1 Bonds, the “2018 Bonds”); and

WHEREAS, in connection with the issuance of each series of the 2018 Bonds, the Town and The Bank of New York Mellon Trust Company, N.A. (the “Original Trustee”) entered into a separate trust indenture, each dated as of March 1, 2018 (collectively, the “2018 Indentures”); and

WHEREAS, the Town has also issued the Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds, Series 2021 (Valencia Public Improvement District Improvement Area #3 Project) (the “2021 Bonds” and, together with the 2018 Bonds, the “Bonds”); and

WHEREAS, prior to the issuance of the 2021 Bonds, the Original Trustee informed the Town it would not be able to serve as trustee for the 2021 Bonds in light of recently adopted state legislation; and

WHEREAS, in connection with the issuance of the 2021 Bonds, the Town and Wilmington Trust, National Association (the “Successor Trustee”) entered into a trust indenture securing the 2021 Bonds; and

WHEREAS, the Town has been advised by its advisors that, to most effectively administer the trust estates created in connection with the Bonds, including collecting, depositing, and

transferring assessments and other funds for each of the trust estates, the same company should serve as trustee for each series of the Bonds; and

WHEREAS, the Town is authorized to remove the Original Trustee as trustee under the 2018 Indentures at any time, so long as the Town is not in default under the terms of the respective indenture by delivering a copy of an instrument removing the Original Trustee to the Original Trustee, and to the successor trustee; and

WHEREAS, the Town has confirmed that it is not in default under the terms of any of the 2018 Indentures; and

WHEREAS, following the removal of the Original Trustee under the 2018 Indentures, the position of trustee for such indentures shall be vacant, and the 2018 Indentures provide in the event of a vacancy, and until the Owners of the 2018 Bonds have appointed a successor trustee, the Town may appoint a successor trustee and, in connection with the appointment, an instrument appointing a qualified successor trustee shall be delivered to the successor trustee and to the prior trustee and the Town shall may notice of such appointment to each Owner of any Outstanding 2018 Bonds within 30 days after such appointment; and

WHEREAS, the Successor Trustee has confirmed to the Town that it satisfies the requirements for a successor trustee in the 2018 Indentures and is qualified to act as the trustee in connection with the 2018 Bonds pursuant to the terms of the 2018 Indentures; and

WHEREAS, the Owners of the 2018 Bonds have not appointed a successor Trustee and have informed the Town that they do not wish to separately appoint a Trustee as authorized under the 2018 Indentures; and

WHEREAS, upon the appointment of the Successor Trustee as the trustee under the 2018 Indentures, the Successor Trustee is required to deliver an instrument in writing accepting such appointment and following the delivery of such instrument, the Successor Trustee, without any further, act, deed, or conveyance shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of the Original Trustee, with like effect as if the Successor Trustee was originally appointed as the trustee for the 2018 Indentures; and

WHEREAS, the Town desires to approve an Instrument of Removal, Appointment and Acceptance to accomplish the removal of the Original Trustee and the appointment of the Successor Trustee (the “Instrument”); and

WHEREAS, in order to accomplish the removal of the Original Trustee as the trustee under the 2018 Indentures and to appoint the Successor Trustee as a successor trustee for each series of the 2018 Bonds and under each of the 2018 Indentures pursuant to and in accordance with the provisions related to the removal and appointment of trustees in the 2018 Indentures, the Town desires to authorize the Chief Financial Officer of the Town to execute and deliver to each of the Original Trustee and Successor Trustee a Town Certificate – Removal of Original Trustee and Appointment of Successor Trustee” and to direct the Town Secretary to coordinate mailing notice of the appointment of the Successor Trustee to the Owners of the 2018 Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE CITY OF LITTLE ELM, TEXAS, THAT:

SECTION 1. The findings and premises contained in the WHEREAS clauses above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

SECTION 2. The Instrument in substantially the form attached hereto as **Exhibit A** is approved and the Mayor is authorized to execute such Instrument on behalf of the Town. The Successor Trustee is

SECTION 3. The Chief Financial Officer of the Town is hereby authorized and directed to execute and deliver a “Town Certificate – Removal of Original Trustee and Appointment of Successor Trustee”, substantially in the form attached hereto as **Exhibit B** and to take such additional actions as required to remove the Original Trustee as the trustee for the 2018 Bonds and to appoint the Successor Trustee as the trustee for the 2018 Bonds.

SECTION 4. The Town Secretary is hereby authorized and directed to coordinate the mailing of a notice of the appointment of the Successor Trustee, substantially in the form attached hereto as **Exhibit B**, to each of the Owners of the 2018 Bonds.

SECTION 5. This Resolution shall become effective from and after its date of passage in accordance with law.

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PASSED AND APPROVED on this the 3rd day of May, 2022.

TOWN OF LITTLE ELM, TEXAS

ATTEST:

Mayor

Town Secretary

Exhibit A to Resolution
Instrument of Removal, Appointment and Acceptance

INSTRUMENT OF REMOVAL, APPOINTMENT AND ACCEPTANCE (the “Instrument”), dated as of May 3, 2022 (the “Effective Date”) by and among the Town of Little Elm, Texas (the “Issuer”), The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and existing under the laws of the United States (the “Prior Trustee”), and Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States (the “Successor Trustee”).

RECITALS

WHEREAS, the Issuer and the Prior Trustee are parties to the Indentures of Trust relating to the Bonds (the “2018 Bonds”) listed on Exhibit A (together with any amendments, modifications or supplements thereto, the “Indentures”). Capitalized terms not otherwise defined herein shall have the meanings given them in the Indentures;

WHEREAS, pursuant to the Indentures, the Issuer has duly authorized and provided for the issuance of the Bonds listed on Exhibit A;

WHEREAS, the Prior Trustee is the Trustee under the Indentures and has been duly appointed as the trustee, paying agent, bond registrar and related roles under the Indentures (together with any amendments, modifications or supplements thereto, and together with the Indentures, the “Prior Trustee Documents”);

WHEREAS, the Town has been advised by its advisors that, to most effectively administer the trust estates created in connection with the Bonds, including collecting, depositing, and transferring assessments and other funds for each of the trust estates, the same company should serve as trustee for each series of the Bonds; and

WHEREAS, the Indenture provides that the Prior Trustee may be removed by the Issuer so long as it is not in default under the Indentures;

WHEREAS, by resolution of the Issuer adopted on May 3, 2022, and delivery of a Town Certificate, the Town is removing the Prior Trustee effective May 3, 2022;

WHEREAS, the Indenture also provides that until the Owners of the Bonds have appointed a successor Trustee, the Issuer shall appoint a successor trustee in the manner therein specified;

WHEREAS, the Indenture provides that the Successor Trustee shall execute, acknowledge and deliver an instrument accepting such appointment and thereupon the Successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations and trusts with like effect as if originally appointed as Trustee;

WHEREAS, the Issuer desires to appoint Successor Trustee as successor trustee, paying agent registrar and to any related roles under the Prior Trustee Documents to succeed Prior Trustee;

WHEREAS, the Successor Trustee has confirmed to the Town that it satisfies the requirements for a successor trustee in the Indentures and is qualified to act as the trustee in connection with the Bonds pursuant to the terms of the Indentures; and

WHEREAS, the Owners of the 2018 Bonds have not appointed a successor Trustee and have informed the Town that they do not wish to separately appoint a Trustee as authorized under the 2018 Indentures; and

WHEREAS, the Successor Trustee is willing to accept such appointment as successor trustee, paying agent, bond registrar and to any such related roles under the Prior Trustee Documents.

NOW, THEREFORE, THIS INSTRUMENT OF RESIGNATION, APPOINTMENT AND ACCEPTANCE, WITNESSETH, that for an in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby covenanted, declared and decreed by the Issuer, the Prior Trustee and the Successor Trustee as follows:

THE PRIOR TRUSTEE

1.1. Pursuant to the Article IX of each of the Indentures, the Prior Trustee has been removed by the Issuer.

1.2 Prior Trustee hereby represents and warrants to Successor Trustee and the Issuer, and the Majority Owner that:

- a. The Prior Trustee has received notice of its removal as Trustee.
- b. The Prior Trustee Documents, and each amendment and supplement thereto, if any, were validly and lawfully executed and delivered by the Prior Trustee.
- c. To the actual knowledge of the Prior Trustee, there is no action, suit or proceeding pending or threatened against Prior Trustee before any court or any governmental authority arising out of any act or omission of Prior Trustee as Trustee under the Prior Trustee Documents.
- e. As of the Effective Date, the Prior Trustee will hold no moneys or property under the Indenture.
- f. Pursuant to each respective Indenture, Prior Trustee has duly authenticated and delivered the aggregate principal amount of Bonds listed on Exhibit A, which Bonds are outstanding as of the Effective Date, in the amount shown on Exhibit A, and principal of and interest on the Bonds has been paid through the most recent Interest Payment Date in accordance with the terms of such Bonds.
- g. The registers in which Prior Trustee has registered and transferred registered Bonds accurately reflect the amount of Bonds issued and outstanding as of the Effective Date and the amounts payable thereon.
- h. Each person who so authenticated the Bonds on behalf of the Prior Trustee was duly elected, qualified and acting as an officer or authorized signatory of Prior Trustee and empowered to authenticate the Bonds at the respective times of such authentication and the signature of such person or persons appearing on such Bonds is each such person's genuine signature.
- i. This Instrument has been duly authorized, executed and delivered on behalf of Prior Trustee and constitutes its legal, valid and binding obligation enforceable in accordance with its terms.
- j. No responsible officer of the Prior Trustee's corporate trust department has received notice from the Issuer or any Owner that a default or Event of Default has occurred and is continuing under any Prior Trustee Document.

1.3 As of the Effective Date, Prior Trustee hereby assigns, transfers, delivers and confirms to Successor Trustee all right, title and interest of Prior Trustee in and to the trust under the Prior Trustee Documents and all the rights, powers, privileges, immunities, duties and obligations of the Trustee under the Prior Trustee Documents, including without limitation, all of its rights to, and all of its security interests in and liens upon, the collateral, if any, and all other rights of Prior Trustee with respect to the collateral, if any, pursuant to the transaction documents. Prior Trustee shall execute and deliver such further instruments and shall do such other things as Successor Trustee may reasonably require so as to more fully and certainly vest and confirm in Successor Trustee all the rights, powers, trusts, privileges, immunities, duties and obligations hereby assigned, transferred, delivered to Successor Trustee as Trustee. To the extent any rights of the Trustee under the Prior Trustee Documents are stated to survive the resignation or removal of the Trustee, the Prior Trustee specifically retains those rights.

1.4 Prior Trustee shall deliver to Successor Trustee, as of or promptly after the Effective Date, all of the documents listed on Exhibit B hereto and all information in the possession of its corporate trust administration department relating to the administration and status of the trusts under the Indenture, other than material that is confidential or proprietary to the Prior Trustee.

THE ISSUER

2.1 The Issuer hereby removes the Prior Trustee as Trustee under the Prior Trustee Documents.

2.2 Promptly after the Effective Date, the Issuer hereby directs the Successor Trustee to cause a notice, substantially in the form of Exhibit C annexed hereto, to be sent to each Owner of the Bonds in accordance with the provisions of the Indenture, and to cause notice of the resignation, appointment and acceptance effected hereby to be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, currently located at <http://emma.msrb.org>.

2.3 The Issuer hereby represents and warrants to Prior Trustee and Successor Trustee that this Instrument has been duly authorized, executed and delivered on behalf of Issuer and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.

THE SUCCESSOR TRUSTEE

3.1 Successor Trustee hereby represents and warrants to Prior Trustee and the Issuer that:

a. Successor Trustee is qualified under the provisions of the Indentures and is eligible under the provisions of the Indentures to act as Trustee under the Indentures.

b. This Instrument has been duly authorized, executed and delivered on behalf of Successor Trustee and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms.

3.2 Successor Trustee hereby accepts its appointment as Successor Trustee under the Prior Trustee Documents and accepts the rights, powers, trusts, privileges, immunities, duties and obligations of Prior Trustee as Trustee under the Prior Trustee Documents, upon the terms and conditions set forth therein, with like effect as if originally named as Trustee under the Prior Trustee Documents.

3.3 References in the Indenture to the Trustee's Notice Address or other similar terms shall be deemed to refer to the designated corporate trust office of Successor Trustee, which is presently located at 15950 N. Dallas Parkway Suite 550, Dallas, Texas 75248, Attention: Corporate Trust Department.

3.4 Successor Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the Indentures (collectively, the "Representation Documents"). The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Successor Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with Successor Trustee and exists to make a profit.

3.5 Successor Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes Successor Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Successor Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with Successor Trustee and exists to make a profit.

3.6 The Issuer and the Bank hereby certify that this Agreement does not have a value of \$100,000 or more and is therefore exempt from Chapter 2274, Texas Government Code (as added by Senate Bill 13 and Senate Bill 19 in the 87th Texas Legislative Session). The Bank agrees that its compensation hereunder will not exceed \$100,000.

3.7 The Issuer agrees that:

(a) The Successor Trustee shall have no liability for any action taken, or errors in judgment made, in good faith by it or any of its officers, employees or agents, unless it shall have been negligent in ascertaining the pertinent facts.

(b) In no event shall the Successor Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Successor Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(c) The Successor Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than the Indentures, whether or not an original or a copy of such agreement has been provided to the Successor

Trustee. The Successor Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than the Indentures.

(d) Neither the Successor Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Issuer or any other party, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by any party. The Successor Trustee may assume performance by all such Persons of their respective obligations. The Successor Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(e) In the event that any assets held under the Indentures shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such assets, the Successor Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Successor Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(f) The Successor Trustee shall be entitled to request and receive written instructions from the Issuer and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Successor Trustee in accordance with the written direction of the Issuer.

(g) The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in Denton County, Texas, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party.

(h) Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the Indentures.

(i) The Successor Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement or the Indentures arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(j) The Issuer acknowledges that the Successor Trustee will not provide investment supervision, recommendations, or advice.

MISCELLANEOUS

4.1 Except as otherwise expressly provided herein or unless the context otherwise requires, all terms used herein which are defined in the Indentures shall have the meanings assigned to them in the Indentures.

4.2 This Instrument and the removal, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date.

4.3 This Instrument does not constitute a waiver by any of the parties hereto of any obligation or liability which Prior Trustee may have incurred in connection with its serving as Trustee under the Prior Trustee Documents, an assumption by Successor Trustee of any liability of Prior Trustee arising out of a breach by Prior Trustee prior to its resignation under the Prior Trustee Documents or an assumption by Prior Trustee of any liability of Successor Trustee arising out of a breach by Successor Trustee after its appointment as successor trustee under the Prior Trustee Documents.

4.4 Prior Trustee hereby acknowledges payment or provision for payment in full by the Issuer of compensation for all services rendered by Prior Trustee in its capacity as Trustee under the Prior Trustee Documents and reimbursement in full of the expenses, disbursements and advances incurred or made by Prior Trustee in its capacity as Trustee in accordance with the provisions of the Prior Trustee Documents. This Instrument does not constitute a waiver or assignment by the Prior Trustee of any compensation, reimbursement, expenses, or indemnity to which it is or may be entitled pursuant to the Prior Trustee Documents. This Instrument and the resignation, appointment and acceptance effected hereby shall be effective as of the opening of business on the Effective Date. Prior Trustee will not seek additional fees or administrative expenses after the Effective Date.

4.5 The parties hereto agree to take reasonable action to confirm, evidence and perfect Successor Trustee's rights in, or with respect to, the collateral, if any, pursuant to the transaction documents.

4.6 This Instrument shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflicts of laws principles thereof.

4.7 This Instrument may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same Instrument. The exchange of copies of this Instrument and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Instrument as to the parties hereto and may be used in lieu of the original Instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

4.8 The Issuer acknowledges that, in accordance with Section 326 of the USA Patriot Act, Successor Trustee, in order to help fight the funding of terrorism and prevent money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with Successor Trustee. The Issuer agrees that it will use its best efforts to provide Successor Trustee with such information as it may request in order for Successor Trustee to satisfy the requirements of the USA Patriot Act.

4.9 This Instrument sets forth the entire agreement of the parties with respect to its subject matter, and supersedes and replaces any and all prior contemporaneous warranties, representations or Instruments, whether oral or written, with respect to the subject matter of this Instrument other than those contained in this Instrument.

4.10 This Instrument may not be amended or modified except by agreement set forth in writing by all parties to this Instrument and consented to by the Majority Owner.

4.11 The Issuer, Prior Trustee, and Successor Trustee, solely on its own behalf, hereby acknowledges and agrees that all requirements and prerequisites relating to the resignation of Prior Trustee as Trustee under the Prior Trustee Documents and the acceptance and appointment of Successor Trustee as Trustee under the Prior Trustee Documents as set forth in the Prior Trustee Documents are hereby deemed satisfied or waived.

4.12 The Issuer, Prior Trustee and Successor Trustee hereby acknowledge receipt of an executed counterpart of this Instrument and the effectiveness thereof.

4.13 Unless otherwise provided herein, all notices, requests and other communications to any party hereunder shall be in writing (including facsimile and electronic transmission in PDF format) and shall be given to such party, addressed to it, as set forth below:

If to Issuer:

Town of Little Elm, Texas
100 W. Eldorado Parkway
Little Elm, Texas 75068
Attn: Chief Financial Officer

If to Prior Trustee:

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, TX 75201
Attn: Corporate Trust Services

If to the Successor Trustee:

Wilmington Trust, National Association
Corporate Client Services
1100 N. Market Street
Wilmington, DE 19890
Attn: Regina Velasquez
Telephone: (972) 383- 3157
Facsimile: (972) 385-0844
Email address: rvelasquez@wilmingtontrust.com

IN WITNESS WHEREOF, the parties hereto have caused this Instrument of Resignation, Appointment, and Acceptance to be duly executed, all as of the day and year first above written.

TOWN OF LITTLE ELM, TEXAS, as Issuer

By: _____
Curtis J. Cornelious, Mayor

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Prior Trustee

By: _____
Authorized Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Successor Trustee

By: _____
Authorized Officer

EXHIBIT A

1. Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds Series 2018 (Valencia Public Improvement District Phase #1 Project) \$6,929,998.05 aggregate amount authenticated and \$6,669,353.85 outstanding
2. Town of Little Elm, Texas, Special Assessment Revenue Refunding Bonds Series 2018 (Valencia Public Improvement Area Project) \$6,606,993.75 aggregate amount authenticated and \$6,468,374.50 outstanding
3. Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds Series 2018 (Valencia Public District Improvement Area #2 Project) \$12,537,928.10 aggregate amount authenticated and \$12,105,462.20 outstanding

EXHIBIT B

Documents to be delivered to Successor Trustee

1. Executed copy of Indentures, any related documents and each amendment and supplement thereto.
2. File of closing documents from initial issuance.
3. Collateral, if any, and related documents.
4. Certified list of Owners, including certificate detail and all "stop transfers" and the reason for such "stop transfers" (or, alternatively, if there are a substantial number of registered Owners, the computer tape reflecting the identity of such Owners).
5. All unissued Bond inventory.
6. Bonds debt service records and conversion records.
7. Filed, stamped copies of all existing financing statements under which (a) the Prior Trustee is the secured party or assignee of the secured party and (b) filed, stamped copies of which were provided to the Prior Trustee.

EXHIBIT C-1

NOTICE OF REMOVAL OF TRUSTEE AND APPOINTMENT OF SUCCESSOR TRUSTEE

[DATE], 2022

Via First Class Mail

To the Owner of the Below-Referenced Bonds:

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT BONDS. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO SUCH BENEFICIAL OWNERS IN A TIMELY MANNER.

Cede & Co.
PO Box 20 Bowling Green Station Attn PIA 40068904
New York, NY 10274] [/OR CURRENT BONDHOLDER]

RE: Exhibit A (the "Bonds")

Ladies and Gentlemen:

Please be advised that The Bank of New York Mellon Trust Company, N.A. (the "Prior Trustee"), has resigned [been removed?], effective as of the opening of business on May __, 2022 (the "Effective Date"), as trustee (the "Trustee"), pursuant to Section [9.9] of each of the Indentures of Trust dated as of March 1, 2018 by and between the Town of Little Elm, Texas and the Prior Trustee relating to the Bonds.

Capitalized terms not otherwise defined herein shall have the meanings given them in the Indenture.

The Issuer has appointed Wilmington Trust, National Association as the Successor Trustee (the "Successor Trustee"), which appointment will take effect on the Effective Date, and Wilmington Trust, National Association has agreed to accept such appointment as Trustee.

The Successor Trustee can be contacted at:

Regina Velasquez
Assistant Vice President
Wilmington Trust, National Association
15950 N. Dallas Parkway, Suite 550
Dallas, TX 75248

Telephone: (972) 383-3157
Fax: (972) 385-0844
Email: rvelasquez@wilmingtontrust.com

If you have any questions, please do not hesitate to contact the Successor Trustee.

EXHIBIT A

1. Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds Series 2018 (Valencia Public Improvement District Phase #1 Project)
2. Town of Little Elm, Texas, Special Assessment Revenue Refunding Bonds Series 2018 (Valencia Public Improvement District Major Improvement Area Project)
3. Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds Series 2018 (Valencia Public District Improvement Area #2 Project)

Exhibit B to Resolution

Town Certificate – Removal of Original Trustee and Appointment of Successor Trustee

TOWN CERTIFICATE – REMOVAL OF ORIGINAL TRUSTEE AND APPOINTMENT OF
SUCCESSOR TRUSTEE

To: The Bank of New York Mellon Trust Company, National Association Dallas, Texas (the “Original Trustee”) and Wilmington Trust, National Association (the “Successor Trustee”)

Re: (i) \$6,606,993.75 Town of Little Elm, Texas, Special Assessment Revenue Refunding Bonds, Series 2018 (Valencia Public Improvement District Major Improvement Area Project) (the “MIA Bonds”);

(ii) \$6,929,998.05 Town of Little Elm, Texas, Special Assessment Revenue Refunding and Improvement Bonds, Series 2018 (Valencia Public Improvement District Phase #1 Project) (the “Phase #1 Bonds”); and

(iii) \$12,537,928.10 Town of Little Elm, Texas Special Assessment Revenue Refunding and Improvement Bonds, Series 2018 (Valencia Public Improvement District Improvement Area #2 Project) (the “Improvement Area #2 Bonds”).

Ladies and Gentlemen:

The above-captioned bonds (collectively, the “Bonds”) have each been issued pursuant to an indenture of trust between the Town of Little Elm, (the “Town”) and the Original Trustee, each dated as of March 1, 2018 (collectively, the “Indentures”). Capitalized terms used herein shall have the meanings set forth in the Indentures, unless otherwise indicated herein.

In accordance with Section 9.9 of the Indentures, the Town has decided to exercise its authority to remove the Original Trustee as the trustee for each series of the Bonds and under each of the respective Indentures. This certificate serves as the instrument required in to remove the Original Trustee and a copy of this certificate is delivered to the Original Trustee to satisfy the obligations set forth in Section 9.9 of the Indentures.

Furthermore, the Town has found (i) after the removal of the Original Trustee, the position of trustee under the Indentures is vacant, (ii) a successor trustee has not been appointed by the Owners of the Bonds in accordance with the provisions of the Indentures, and (iii) the Successor Trustee satisfies the capital requirements and legal requirements set forth in Section 9.10 of the Indentures. The Town has therefore decided to appoint the Successor Trustee to serve as the trustee for each series of the Bonds and to be fully vested with all moneys, estates, properties, rights, immunities, powers, duties, and trusts set forth in each of the Indentures. A copy of this certificate is delivered to the Successor Trustee and the Original Trustees to satisfy the obligations set forth in Section 9.10 of the Indentures and to confirm this appointment.

The Town, the Successor Trustee and the Original Trustee have separately entered into that certain Instrument of Removal, Appointment and Acceptance dated as of May 3, 2022 (the “Instrument”), to further accomplish this transition which Instrument has been executed and delivered and satisfied the requirements of Section 9.11 of the Indentures. Further, the Successor Trustee is directed to mail notice of its appointment, substantially in the form attached as Exhibit C-1 to the Instrument, to each of the Owners of the Bonds in accordance with the requirements of Section 9.10 of the Indentures.

Upon receipt of the Instrument, the Original Trustee is hereby directed to pay over, assign, and deliver to the Successor Trustee any moneys and other properties subject to the trusts and

conditions created under the Indentures. The Original Trustee is further instructed to execute, acknowledge, and deliver such instruments of conveyance and further assurances and such other things as may reasonably be required for more fully and certainly vesting and confirming in the Successor Trustee all the rights, immunities, powers, of the Original Trustee under the Indentures and all the right, title and interest in and to the Trust Estate created by each of the Indentures and to pay over, assign, and deliver to the Successor Trustee any moneys or other properties subject to the trusts and conditions set forth in the Indentures.

This Town Certificate shall serve as directions pursuant to the provisions of the Indenture and you are hereby instructed and directed to perform the above actions upon the delivery of this Town Certificate.

DATED AND DELIVERED, this May 3, 2022.

TOWN OF LITTLE ELM, TEXAS

KELLY WILSON, Chief Financial Officer



Date: 05/03/2022
Agenda Item #: 7. A.
Department: Administrative Services
Strategic Goal: Ensure strong relationship within the community and region
Staff Contact: Kate Graham, Assistant to the Town Manager

AGENDA ITEM:

Present, Discuss, and Consider Action on **Ordinance No. 1664 Establishing a Little Elm Veterans Committee and Approving By-Laws.**

DESCRIPTION:

In the 2022 Strategic Plan, Town Council identified an objective to create more opportunities for involvement for veterans. The ordinance and By-Laws attached for approval have been crafted by the Veterans Committee Task Force, appointed by Town Council in January 2022. The task force recommends approval of these items.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Ordinance No. 1664 - Establishing a Veterans Committee and Approving By-Laws

**TOWN OF LITTLE ELM
ORDINANCE NO. 1664**

**AN ORDINANCE OF THE TOWN COUNCIL OF LITTLE ELM, TEXAS ("TOWN"),
ESTABLISHING A LITTLE ELM VETERANS COMMITTEE AND APPROVING BY-
LAWS.**

WHEREAS, residents of the Town of Little Elm have indicated wanting more opportunities for veterans; and

WHEREAS, the veterans of the Town of Little Elm constitute an underutilized resource of ideas, knowledge, and experience with respect to the Town and its affairs; and

WHEREAS, The Town of Little Elm Town Council identified a need for creating more opportunities for veterans in the adopted 2022 Strategic Plan; and

WHEREAS, a task force of Council members and community members have brought forth a recommendation for a Veterans Committee and By-Laws to govern the Committee.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF
LITTLE ELM, TEXAS:**

SECTION 1. The Veterans Committee is hereby established.

SECTION 2. Membership.

The Veterans Committee shall consist of seven (7) members appointed by the Town Council, at least five (5) of whom shall be military veterans. All seven (7) members shall reside within the Town limits of the Town of Little Elm. The term of each member shall be for three (3) years, except that the original members shall be appointed for staggered terms, three (3) for two (2) years, and four (4) for three (3) years.

SECTION 3. Purpose and responsibilities.

(A) The Veterans Committee shall have the following responsibilities:

- (1) Advise the Town Council by making recommendations on military veteran programs, policies, and practices designed to improve the quality of life for veterans;
- (2) Educate the community on the status of military veterans' rights, needs, and contributions to our community;
- (3) Recommend ways to strengthen existing services for military veterans while pursuing the creation of new program and service opportunities;
- (4) Assist in creating and supporting a community connection point to inform, guide, and direct military veterans seeking personal and professional enhancement services that may include education, mentoring, workforce support, and health and wellness; and
- (5) Advise and make recommendations on other issues and matters relating to military veterans as the Town Council may direct.

SECTION 4. Procedures; rules and regulations.

The Veterans Committee shall:

- (A) Establish rules, regulations, and procedures that shall govern its affairs, including provisions for the selection of a Chair and Vice-Chair and such other officers as may be deemed reasonably necessary for the effective and efficient operation of the Committee.
- (B) Establish the time and place of all regular and special meetings.
- (C) Establish the manner of adoption, amendment, and repeal of the rules and regulations of the committee.

SECTION 5. Town manager staff designee.

The Town Manager shall assign a designee to serve as the staff representative to the Committee. The Town Manager or designee may refer as appropriate administrative matters to the Committee for recommendations.

SECTION 6. By-Laws.

- (A) The attached Veterans Committee By-Laws are hereby approved.
- (B) The By-Laws may be amended as found appropriate by the Veterans Committee without approval of the Town Council.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF LITTLE ELM, TEXAS, ON THIS THE 3RD DAY OF MAY, 2022.

Town of Little Elm, Texas

Curtis Cornelious, Mayor

ATTEST:

Caitlan Biggs, Town Secretary

Attachment A

Little Elm Veterans Committee By-Laws

BY-LAWS OF
LITTLE ELM VETERANS COMMITTEE

ARTICLE I
MISSION AND VISION

Section 1. Mission. The mission of the Little Elm Veterans Committee, hereafter referred to as the “Committee” is to bring the Town’s veterans together through activities, committees, and comradery; champion veterans’ accomplishments through awareness; and bring veterans together in a community driven environment.

Section 2. Vision. The vision of the Committee is to aid the Town in becoming a Town appreciative of its veteran residents from all branches of service and create a sense of belonging for veterans through Town sponsored activities.

ARTICLE II
COMMITTEE MEMBERSHIP

Section 1. Committee Makeup and Terms of Office.

(a) The Veterans Committee shall consist of seven (7) members appointed by the City Council, at least five (5) of whom shall be military veterans.

(b) The term of each member shall be for three (3) years, except that the original members shall be appointed for staggered terms, three (3) for two (2) years, and four (4) for three (3) years.

(c) Any member may be removed from office by the Town Council at any time without cause.

(d) Each member must reside within the Town of Little Elm.

(e) The Town Manager shall assign a designee to serve as the staff representative to the Committee. The Town Manager or designee may refer, as appropriate, administrative matters to the Committee for recommendations.

(f) In addition to the seven (7) members, the Committee shall have one (1) liaison from the Town Council who will serve in an ex-officio role.

(g) All members of the Committee shall adhere to the Town of Little Elm Boards and Commissions Policy.

Section 2. Selection Criteria.

(a) Applications for the Veterans Committee can be accessed and submitted through the Town’s website. Applications are considered current for 12 months after their original submittal, after which the application will be removed for consideration and a notice of such action emailed to the applicant. The applicant may reapply and submit a new application.

(b) Interviews for the Committee vacancies will be conducted with the Mayor, Mayor Pro Tem, and the Council Liaison. Any Committee member serving less than a full-term that is up for renewal would not have to re-interview if they have served less than one year.

Section 3. Meetings of Committee. Committee meetings will be held at least quarterly on the day and time agreed to by the committee members. As needed, the Committee may call Special Meetings. Meeting attendance is important and committee members are requested to make attendance a priority. An attendance log will be maintained and members who are unable to attend 3 consecutive regularly scheduled meetings in a 12 month period can be recommended by for removal by the Town Council. The committee Chair shall determine any changes to the meeting schedule and location and notify the members.

Section 4. Notice and Open Meetings Act. The Committee shall be considered a “governmental body” within the meaning of section 551.001 of the Texas Government Code, as amended, and notice of each meeting and deliberation shall be given to the public in accordance with the provisions of the Texas Government Code, Chapter 551 (The Texas Open Meetings Act), as amended.

Section 5. Quorum and Voting. A majority of the members shall constitute a quorum for the conduct of the official business of the Committee. Meetings will be collaborative with determinations approved and enacted by a majority vote of the Committee. A member may not vote by proxy.

Section 6. Conduct of Business.

(a) At all meetings of the Committee, the Chair shall preside, and in the absence of the Chair, the Vice-Chair shall exercise the powers of the Chair.

(b) The presiding officer may appoint any person to act as secretary of the meeting.

**ARTICLE III
OFFICERS**

Section 1. Titles and Term of Office.

(a) The officers of the Committee shall be a Chair and a Vice-Chair. Terms of office shall be one (1) year with the right of an officer to be re-elected for no more than three (3) consecutive years.

(b) All officers shall be subject to removal from office at any time by a vote of a majority of the entire Board.

(c) A vacancy in the office of any officer shall be filled by a vote of a majority of the members.

Section 2. Chair. The Chair shall be a member of the Committee and shall preside at all meetings of the Committee. The Chair will always vote last on any business and their vote will count twice if necessary to break a tie.

Section 3. Vice-Chair. The Vice-Chair shall be a member of the Committee and shall exercise the powers of the Chair during that officer's absence or inability to act.

Section 4. Subcommittees. The Chair may create sub-committees as deemed necessary to serve the Veterans Committee. Sub-committees may be staffed by veteran students, employees, or non-veterans with no residence requirement or formal appointment to the Committee. Sub-committee chairs shall be members appointed by the Chair and will be appointed members of the Veterans Committee.

ARTICLE IV RESPONSIBILITIES

Section 1. Responsibilities. The Veterans Committee shall have the following responsibilities:

(a) Advise the Town Council by making recommendations on military veteran programs, policies and practices designed to improve the quality of life for veterans;

(b) Educate the community on the status of military veterans' rights, needs and contributions to our community;

(c) Recommend ways to strengthen existing services for military veterans while pursuing the creation of new program and service opportunities;

(d) Assist in creating and supporting a community connection point to inform, guide, and direct military veterans seeking personal and professional enhancement services that may include education, mentoring, workforce support, and health and wellness; and

(e) Advise and make recommendations on other issues and matters relating to military veterans as the Town Council may direct.

ARTICLE V EFFECTIVE DATE, AMENDMENTS

Section 1. Effective Date. These By-Laws shall become effective upon the occurrence of all of the following events:

- (a) the recommendation of these By-Laws to the Town Council;
- (b) the approval of these By-Laws by the Town Council; and
- (c) the approval and adoption of these By-Laws by the Committee.

Section 2. Amendments to By-Laws. These By-Laws may be amended as found appropriate by the Committee.