



**CITY OF LEON VALLEY
CITY COUNCIL REGULAR MEETING**
Leon Valley City Council Chambers
6400 El Verde Road, Leon Valley, Texas 78238
Tuesday, October 18, 2016

AGENDA

1. **7:00 P.M.** Call to order, Determine a Quorum is Present, Pledge of Allegiance.
2. Presentation of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer Association by Sandra Mattick for the fiscal year ended September 30, 2015. The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leon Valley for its comprehensive annual financial report for the fiscal year ended September 30, 2015. This was the 17th consecutive year that the City of Leon Valley has achieved this prestigious award.
3. **Citizens to Be Heard and Time for Objections to the Consent Agenda.** "Citizens to be heard" is for the City Council to receive information on issues that may be of concern to the public. The purpose of this provision of the Open Meetings Act is to ensure that the public is always given appropriate notice of the items that will be discussed by the Council. Should a member of the public bring an item to the Council, for which the subject was not posted on the agenda of that meeting, the Council may receive the information but cannot act upon it during the meeting. Council may direct staff to contact the requestor or ask that the issue be placed on a future agenda for discussion by the Council.

Note: City Council may not debate any non-agenda issue, nor may any action be taken on any non-agenda issue at this time; however City Council may present any factual response to items brought up by citizens. [Attorney General Opinion – JC 0169]

CONSENT AGENDA

4. Approval of City Council Minutes. **(S. Passailaigue)**
 - a) October 03, 2016 Special City Council Meeting
 - b) October 03, 2016 Regular City Council Meeting
5. Consider, discuss and possible action on Resolution No.16-030R appointing members to the Community Events Committee. **M&C #2016-10-18-01 (S. Passailaigue)**
6. Approval of Quarterly Investment Report for the quarter ended September 30, 2016. **M&C #2016-10-18-02 (V. Wallace)**
7. Approval of Annual Investment Report for the fiscal year ended September 30, 2016. **(V. Wallace)**
8. Annual review and adoption of Ordinance No. 16-041 approving the Investment Policy for the City of Leon Valley. **M&C #2016-10-18-03 (V. Wallace)**

9. Consideration of Resolution No. 16-031R designating an official newspaper for City publications and notices for Fiscal Year 2016-2017. **M&C #2016-10-18-04 (S. Passailaigue)**

REGULAR AGENDA

10. Consider, discuss, and possible action on approval of a budget adjustment for the purpose of improving The Ridge at Leon Valley detention pond. **M&C #2016-10-18-05 (M. Moritz)**
11. City Manager's Report:
- a) Approved Minutes from Boards, Commissions and Committees
 - b) Upcoming Important Events:
 - Coffee with the Mayor and City Council, Saturday, October 22, 2016, from 9:00 a.m. to 11:00 a.m. at the Leon Valley Conference Center.
 - Ciclovía, October 29, 2016, from 9:00 a.m. to 2:00 p.m. at Raymond Rimkus Park.
 - Trash & Treasure Sale/Halloween Party/Arbor Day Tree Give-Away, October 29, 2016, 6427 Evers Road from 9:00 a.m. to 2:00 p.m.
 - Texas Recycles Day, November 05, 2016 from 9:00 a.m. until 1:00 p.m. at Leon Valley Public Works.
 - Special Election – Early Voting October 24th – November 4th. Election Day November 8th
 - Beethoven Christmas Concert, December 11th at 2:30 p.m. at the Community Center.
12. Citizens to be heard.
13. Announcements by the Mayor and Council Members. At this time, reports about items of community interest, which no action will be taken may be given to the public as per Chapter 551.0415 of the Government Code, such as: expressions of thanks, congratulations or condolence, information regarding holiday schedules, reminders of social, ceremonial, or community events organized or sponsored by the governing body or that was or will be attended by a member of the Leon Valley City Council or a City official.
14. Adjournment.

Executive Session. The City Council of the City of Leon Valley reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.087 (economic development).

Attendance by Other Elected or Appointed Officials: It is anticipated that members other City boards, commissions and/or committees may attend the open meeting in numbers that may constitute a quorum. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of any other boards, commissions and/or committees of the City, whose members may be in attendance in numbers constituting a quorum. These members of other City boards, commissions, and/or committees may not deliberate or take action on items listed on the agenda. [Attorney General Opinion – No. GA-0957 (2012)].

I hereby certify that the above **NOTICE OF PUBLIC MEETING(S) AND AGENDA OF THE LEON VALLEY CITY COUNCIL** was posted at the Leon Valley City Hall, 6400 El Verde Road, Leon Valley, Texas, on October 13, 2016 at 11:50 a.m. and remained posted until after the meeting(s) hereby posted concluded. This notice is posted on the City website at www.leonvalleytexas.gov. This building is wheelchair accessible. Any request for sign interpretive or other services must be made 48 hours in advance of the meeting. To make arrangements, call (210) 684-1391, Extension 216.


 SAUNDRA PASSAILAIGUE, TRMG
 City Secretary



ITEM 2



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Leon Valley
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Emen".

Executive Director/CEO



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Vickie Wallace, CPM

Finance Director

City of Leon Valley, Texas



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date August 17, 2016



**CITY OF LEON VALLEY
CITY COUNCIL SPECIAL MEETING**

Leon Valley City Council Chambers
6400 El Verde Road, Leon Valley, Texas 78238
Monday, October 03, 2016

MINUTES

The City Council of the City of Leon Valley, Texas met on the 3rd day of October, 2016 at the Leon Valley City Council Chambers 6400 El Verde Road, Leon Valley, Texas for the purpose of the following business:

SPECIAL CITY COUNCIL MEETING

Mayor Riley called the Special City Council Meeting to order at 6:18 p.m.

Mayor Riley asked that the minutes reflect that the following members of City Council were present: Council Members David Edwards, Monica Alcocer, Belinda Ealy, Benny Martinez and David Jordan.

Also in attendance were:

City Manager Kelly Kuentler, ACM/HR Director Crystal Caldera, City Secretary Sandra Passailaigue, City Attorney Denise Frederick and Chief of Police Joseph Salvaggio.

The City Council shall meet in Executive Session under Texas Local Government Code §551.076 *Deliberations Regarding Security Devices or Security Audits* to deliberate the security audit of the Leon Valley Police Department evidence room.

The City Council went into Executive Session at 6:19 p.m.

Reconvene into Open Session and take action on issues discussed in Executive Session if necessary.

The City Council reconvened into Open Session at 7:02 p.m.

No action was taken.

Adjournment

Mayor Riley announced the meeting adjourned at 7:03 p.m.

These minutes approved by the Leon Valley City Council on the 3rd of October, 2016.

APPROVED

CHRIS RILEY
MAYOR

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
CITY SECRETARY

DRAFT



**CITY OF LEON VALLEY
CITY COUNCIL REGULAR MEETING**
Leon Valley City Council Chambers
6400 El Verde Road, Leon Valley, Texas 78238
Monday, October 03, 2016

MINUTES

The City Council of the City of Leon Valley, Texas met on the 3rd day of October, 2016 at the Leon Valley City Council Chambers located at 6400 El Verde Road, Leon Valley, Texas for the purpose of the following business.

Call to order.

Mayor Chris Riley called the Regular City Council Meeting to order at 7:03 p.m. and led the Pledge of Allegiance.

Mayor Riley asked that the minutes reflect that the following members of City Council were present: Council Members David Edwards, Monica Alcocer, Belinda Ealy, Benny Martinez and David Jordan.

Also in attendance were:

City Manager Kelly Kuentler, ACM/HR Director Crystal Caldera, City Secretary Sandra Passailaigue, City Attorney Denise Frederick, Public Works Director Melinda Moritz, Assistant Public Works Director David Dimaline, Communication Director Kristie Flores, Fire Chief Luis Valdez, Police Chief Joseph Salvaggio, Assistant Police Chief Ruben Saucedo, as well as Leon Valley Fire and Police staff.

Citizens to Be Heard and Time for Objections to the Consent Agenda.

Mayor Riley asked if any of the Council Members wished to pull any item from the Consent Agenda for discussion. Council Member Monica Alcocer pulled Item 7 of the consent agenda.

- Shirley Jonas, 6523 Sally Agee, representing the Northwest Seniors Club wanted the City Council to know how many fundraisers this group organizes and they are upset that they were not notified that the Ciclovía event will be held during their upcoming fundraiser.
- Larry Orozco, 6758 Timberhill, loud vehicles going through his neighborhood and asked that the City enforce the noise ordinance. Mr. Orozco also asked for speed

regulations or signage. Mr. Orozco said he also supports Ms. Jonas and said he would go door to door to let people know what the Northwest Seniors Club does.

- Norma Solis, 6435 Huebner Road, concerned with the proposed park survey. Melinda Moritz, Public Works Director informed Ms. Solis that the Park Commission will be discussing this issue on the 11th and also that if anyone received the survey but was missing the second sheet, Public Works will gladly get them a copy.
- Kevin Hakala, 4928 Althea Drive, will resubmit the petition for speed humps on behalf of the property owners of Althea Drive.

Presentation of a Proclamation of Outstanding Community Service to Michael Robledo and all volunteers of the September 17, 2016 Neighborhood Renewal Program Project. (Mayor Riley)

Mayor Riley and City Manager Kelly Kuenstler spoke highly of Michael Robledo and all of his hard work. Mayor Riley then continued by handing out certificates to all volunteers from Home Depot. David Dimaline, Assistant Public Works Director announced that the next Neighborhood Renewal Program (NRP) project will be held on February 25, 2017.

Presentation in appreciation for 1 year of service to Ray Lacy, Assistant Chief of Police. (Mayor Riley)

Mayor Riley presented Ray Lacy with a certificate of appreciation. Police Chief Joseph Salvaggio, on behalf of the LVPD, presented Mr. Lacy a plaque in appreciation for his service.

Presentation of a Proclamation declaring October as Fire Prevention Month in Leon Valley (L. Valdez)

Mayor Riley presented a proclamation to Fire Chief Luis Valdez and Captain Oscar Valdez.

CONSENT AGENDA

Approval of City Council Minutes. (S. Passailaigue)

- a) September 06, 2016 Regular City Council Meeting**
- b) September 20, 2016 Special City Council Meeting**
- c) September 20, 2016 Regular City Council Meeting**

A motion was made by Council Member Monica Alcocer and seconded by Council Member Benny Martinez, to approve Consent Agenda Item #6 (September 06, 2016 Regular City Council Minutes, September 20, 2016 Special City Council Minutes, and September 20, 2016 Regular City Council Minutes) as presented. Upon a unanimous vote, Mayor Riley announced the motion carried.

Consider, discuss and possible action on Resolution No. 16-029R appointing members to various boards/committees/commissions. M&C #2016-10-03-01 (S. Passailaigue)

Council Member Monica Alcocer expressed her concern with appointing to the Economic Development Corporation (EDC) because in the past interviews were conducting when it came to the EDC.

- Olen Yarnell questioned what the EDC Bylaws state with regards to alternates moving up. Council Member Alcocer explained that alternates replace board members.

A motion was made by Council Member Monica Alcocer and seconded by Council Member Benny Martinez, to appoint applicants to Earthwise Living Committee and the Zoning Committee but to postpone appointment to the Economic Development Corporation until interviews are conducted. Upon a unanimous vote, Mayor Riley announced the motion carried.

A motion was made by Council Member Monica Alcocer and seconded by Council Member Benny Martinez, to approve Resolution No. 16-029R as amended. Upon a unanimous vote, Mayor Riley announced the motion carried.

REGULAR AGENDA

POSTPONED UNTIL FURTHER NOTICE. Conduct a public hearing, consider, discuss and possible action to adopt an Ordinance for Specific Use Permit Case #2016-276, to allow operation of "Entertainment - Outdoor," specifically to amend a condition requiring the use of permeable pavers in parking areas, being approximately 4.10 acres of land, CB 4430, Leon Valley Homesites Subdivision, generally located at 5504 Shadow Mist Drive, in a B-1 (Small Business) zoning district.

Mayor Riley informed everyone that this item has been postponed until further notice.

Consider, discuss and possible action on S. R. Hodges Subdivision traffic calming options. M&C 2016-10-03-02 (M. Moritz)

Melinda Moritz, Public Works Director presented the item in order for City Council to consider possible traffic calming measures for the S. R. Hodges Subdivision, which includes both Hodges and Althea streets. Director Moritz said that in May of 2016, the City Council considered a request and petition from the Hodges Street residents to close one end of their street. City staff was directed to perform several items, including the procurement of a formal traffic study of Hodges Drive. In August, the City Council received the traffic study recommendation options, which included converting the street to a one-way street during certain hours, the installation of speed humps (upon receipt of acceptable petition), no through truck traffic signage, and reducing speed limit to 20 mph. The residents requested to have Hodges changed to a one-way street at all times, along with all the other options.

Staff was directed to obtain a revised traffic study to determine whether or not the one way street at all times option was recommended. There was also a concern that if Hodges was addressed, the cut-through traffic would then transfer to Althea Drive. Staff contacted the engineer and asked to have the study revised to include the Hodges one-way street at all times option and to determine if Althea also qualified for these traffic calming measures. The study was performed and the engineer concluded that all options were suitable for both streets, although at this time, Althea does not meet the 400 vehicles per day criteria for speed humps (362 vehicles per day). According to the speed hump policy, a variance may be given, if first approved by the City Engineer, Fire Chief, and Police Chief. A meeting was held with the residents from Althea and those in attendance requested that the same measures be applied to their street. Althea Drive is located in both the City of Leon Valley and the City of San Antonio (COSA). The portion of Althea Drive in COSA city limits includes 3 properties. For this reason, the City would have to have an agreement with COSA for conversion of the street to one-way and to prohibit through truck traffic. We can reduce the speed limit to 20 miles per hour and provide speed humps in the Leon Valley city limits without COSA involvement. Director Moritz concluded the presentation with a revised recommendation which was Option 4 – Conversion of both streets to a One-Way street, from Bandera to Evers Road, speed hump installation, reduction of speed limit to 20 mph, and prohibition of through truck traffic. This would include: implementation time less than 6 months (Hodges only – Althea will take more time), highest negative impact to community, low cost (signage & maintenance), need to amend traffic ordinance, and enhanced by prominent law enforcement. The fiscal impact of this project would be the speed humps which are estimated to cost \$4500 per set, which would be taken from the Fiscal Year 2017 budget, signage at approximately \$70 per sign, and all items listed can be funded from the approved Fiscal Year 2017 Public Works budget. The staff is recommending that City Council approve changes to Hodges street, to include speed reduction to 20 mph, speed humps, prohibit through truck traffic, and change street to be one-way at all times, from Bandera to Evers; and approve changes to Althea Street to include speed reduction to 20 mph, obtain petition from property owners along Althea for speed humps, prohibit through truck traffic, and work with property owners and City of San Antonio to change street to a one-way at all times, from Bandera to Evers.

- Mrs. Mercado said she is very thankful that the City is doing something.
- Mr. Hakala asked questions regarding who can sign the petition. Mr. Hakala added that both property owners that are located on Althea but in San Antonio were “on board” with this.

A motion was made by Council Member David Jordan and seconded by Council Member Monica Alcocer, to approve Option 4 as presented. Upon a unanimous vote, Mayor Riley announced the motion carried.

Conduct a public hearing, consider, discuss and possible action to adopt an Ordinance for Specific Use Permit Case #2016-277, to allow operation of a “Convenience Store - (24-hour),” being approximately 1.6950 acres of land, CB 9925A, Seneca Estates Subdivision, generally located at 6461 Bandera Road, in a B-2 (Retail) zoning district within the Sustainability Overlay District. M&C 2016-10-03-03 (K. Flores)

Kelly Kuenstler, City Manager announced that this item has been withdrawn by the applicant.

Consider, discuss and possible action to adopt an Ordinance for Sign Variance #2016-001, a request by Stripes Convenience Store to grant variances to allow a monument sign measuring 12-feet tall, with a sign face of 76 square feet, and an overall size structure of 215 square feet, to be generally located at 6461 Bandera Road. M&C 2016-10-03-04 (K. Flores)

Kelly Kuenstler, City Manager announced that this item has been withdrawn by the applicant.

Consider, discuss and possible action for adding agenda items for October 22nd Coffee with the Mayor and City Council. (K. Kuenstler)

- Nelda Ball, 5912 Grass Hill Drive would like to discuss noise, odor and an open gate at the business (Performance HQ) behind her home.
- Olen Yarnell would like to use the Coffee to begin “planting seeds for the Public Works building improvements”.

A motion was made by Council Member Monica Alcocer and seconded by Council Member David Edwards, to add a discussion item on Performance HQ as requested by Nelda Ball. Upon a unanimous vote, Mayor Riley announced the motion carried.

Council Member Belinda Ealy suggested that we invite the business owner. City Manager Kelly Kuenstler agreed.

City Manager’s Report:

a) Approved Minutes from Boards, Commissions and Committees

b) Upcoming Important Events:

- **Coffee with the Mayor and City Council, Saturday, October 22, 2016, 9:00 a.m. to 11:00 a.m. at the Leon Valley Conference Center.**
- **October 29, 2016, Ciclovía at Raymond Rimkus Park from 9:00 a.m. to 2:00 p.m.**
- **November 05, 2016 Texas Recycles Day from 9:00 a.m. until 1:00 p.m. at Leon Valley Public Works.**
- **Special Election – Early Voting October 29th – November 4th. Election Day November 8th**

Citizens to be heard.

Irene Baldrige asked if there was anything that the Northwest Seniors Club and the Ciclovía could agree on that would please both groups.

Vickie Jamvold, 7203 Poss Road, spoke about the red curb in front of her home which she said was done in 2005 to keep vehicles from parking too close to the corner. This occurred frequently when the parking lot at Raymond Rimkus Park was full.

Announcements by the Mayor and Council Members.

Council Member David Edwards thanked everyone for participating in National Night Out.

Council Member Monica Alcocer said she commends all of the residents that participated in National Night Out.

Council Member Benny Martinez also thanked everyone for participating in National Night Out. Also, the Chamber will be hosting Oktoberfest and Casino Night this coming Friday at the Conference Center.

Council Member David Jordan thanked everyone for participating in National Night Out. Good comradery and good food!

Council Member Belinda Ealy thanked everyone for participating in National Night Out and her wonderful escorts.

Mayor Riley thanked everyone for participating in National Night Out. Mayor Riley spoke on behalf of the Hillje's who thanked everyone for coming out.

Adjournment.

Mayor Riley announced the meeting adjourned at 8:26 p.m.

These minutes approved by the Leon Valley City Council on the 18th of October, 2016.

APPROVED

CHRIS RILEY
MAYOR

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
CITY SECRETARY

DRAFT

MAYOR AND COUNCIL COMMUNICATION

DATE: October 18, 2016 **M&C # 2016-10-18-01**

TO: Mayor and Council

FROM: Sandra Passailaigue, City Secretary

THROUGH: Kelly Kuenstler, City Manager

SUBJECT: Consider, discuss and possible action on Resolution No. 16-030R appointing members to various boards/committees/commissions.

PURPOSE

This agenda item will allow the City Council to consider a resolution appointing members and alternates to the City Council’s boards, committees, and commissions.

FISCAL IMPACT

None

S. E. E. IMPACT STATEMENT

Social Equity – The City will encourage collaborative participation by its residents, businesses and stakeholders. The City’s citizens participate by serving on boards, committees, and commissions. This encourages transparency, communication, and accountability.

Environmental – Not applicable

Economic Development – Not applicable

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary

A RESOLUTION OF THE CITY OF LEON VALLEY CITY COUNCIL APPOINTING MEMBERS TO THE COMMUNITY EVENTS COMMITTEE.

WHEREAS, The City of Leon Valley deemed it necessary to create boards, commissions and committees composed of volunteers from the community to perform specific functions for the City.

WHEREAS, these boards, commissions and committees are invaluable to the City Council for their expertise, insight, and dedication to the City of Leon Valley.

WHEREAS, the City Council of Leon Valley empowers these boards, commissions and committees to make decisions affecting the citizens and the future of the City.

WHEREAS, the individuals currently filling the boards, commissions and committees have performed admirably and honestly for the benefit of the City of Leon Valley and its citizens.

WHEREAS, the City Council formally appoints and sets the term for the following individual to their respected board or commission:

COMMUNITY EVENTS COMMITTEE:

Diana Davis

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS:

That the appointments of the aforementioned individuals to their respected board, commission or committee and term for each individual become effective immediately.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Leon Valley this the 18th day of October, 2016.

A P P R O V E D

CHRIS RILEY
MAYOR

Attest: _____

SAUNDRA PASSAILAIGUE, TRMC
City Secretary

MAYOR AND COUNCIL COMMUNICATION

M&C #2016-10-18-02

DATE: October 18, 2016
TO: Mayor and Council
FROM: Vickie Wallace, Finance Director
THROUGH: Kelly Kuenstler, City Manager
SUBJECT: Approval of Quarterly Investment Report for the quarter ended September 30, 2016.

PURPOSE

Approval of the Quarterly Investment Report for the quarter ended September 30, 2016.

SEE LEON VALLEY

Social - To ensure compliance with the Public Funds Investment Act of 1987. The Public Funds Investment Act of 1987 (PFIA) established rules and regulations for governmental entities to follow for the proper investment of public monies. The City's investment program is conducted to accomplish the following objectives, listed in priority order.

A. Safety

The primary objective of the City's investment program is the preservation and safety of principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from security defaults or erosion of market value.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; thereby avoiding the need to liquidate investments under adverse market condition. It is the intent of the City to invest its funds to maturity.

C. Diversification

The investment portfolio will be designed to limit risk by avoiding the concentration of assets with a specific maturity, with a specific issuer, or in a specific class of securities.

D. Yield

A fundamental rule of investing is that risk equals return. The City has deliberately established a low risk threshold to protect its financial resources and ensure that cash is available when needed. The City will invest idle cash at the highest possible rate of return, consistent with the objectives and provisions of this policy, and in compliance with state and federal laws governing the investment of public funds.

Economic - N/A

Environmental - N/A

FISCAL IMPACT

None.

STRATEGIC GOALS

N/A

RECOMMENDATION

Approve Quarterly Investment Report for the quarter ended September 30, 2016.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE
City Secretary

City of Leon Valley, Texas
Quarterly Investment Report
July 1, 2016 – September 30, 2016

October 18, 2016

Honorable Mayor Riley and City Council Members:

The Quarterly Investment Report for the City of Leon Valley, Texas for the quarter ended September 30, 2016 is hereby submitted.

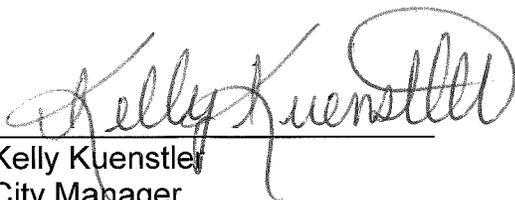
The current depository bank for the City is Frost Bank. Only enough funds to meet current obligations are being maintained at this bank. All excess funds are invested as allowed by the City's Investment Policy.

For the quarter, TexPool's average monthly rate ranged between .3799% and .3690%, compared to the quarter ended June 30, 2016 yield of between .3633% and .3380 %. In comparison, 13-week U.S. Treasury Bills ranged between .094792% and .063194% for the quarter.

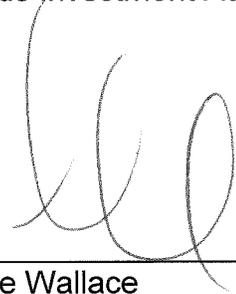
A cash flow analysis is made to determine the cash liquidity needs of the City. The City must have ready access to liquid cash to provide for day-to-day business needs, accounts payable, payroll, and capital projects. Short-term dollars are maintained in checking accounts, investment pools, or certificate of deposits. As of September 30, 2016 the City had \$8,712,240.63 in its investment portfolio.

Bank accounts are insured by a combination of FDIC insurance and pledged securities maintained at the Federal Reserve Bank. U.S. Treasuries and Agencies are guaranteed as to principal and interest by the full faith and credit of the United States of America. TexPool's Liquid Asset Portfolio seeks to maintain a net asset value of \$1.00 per unit invested to preserve the principal of all pool participants.

This report is in full compliance with the investment strategies as established by the City of Leon Valley Investment Policy and the Public Funds Investment Act.



Kelly Kuenstler
City Manager



Vickie Wallace
Finance Director

**CITY OF LEON VALLEY, TEXAS
 INVESTMENT PORTFOLIO SUMMARY
 FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

<i>FUND</i>	<i>VALUE BY TYPE OF INVESTMENT</i>		<i>INTEREST EARNED FOR QUARTER</i>	<i>TOTAL</i>
	<i>INVESTMENT POOL</i>	<i>CERTIFICATE OF DEPOSITS</i>		
GENERAL FUND	\$ 3,961,705.53	\$ -	\$ 4,908.31	\$ 3,961,705.53
ENTERPRISE FUND	\$ 1,864,557.92	\$ -	\$ 2,316.27	\$ 1,864,557.92
COMMUNITY CENTER	\$ 71.28	\$ -	\$ -	\$ 71.28
POLICE FORFEITURE TRUST	\$ 237,210.98	\$ -	\$ 223.47	\$ 237,210.98
STREET SALES TAX	\$ 643,796.54	\$ -	\$ 336.39	\$ 643,796.54
CAPITAL PROJECT FUND	\$ 2,004,898.38	\$ -	\$ 1,889.51	\$ 2,004,898.38
		\$ -		\$ -
TOTAL INVESTMENT PORTFOLIO AS OF 09/30/2016			\$ 9,673.95	\$ 8,712,240.63

**GENERAL FUND
 INVESTMENT PORTFOLIO
 BY TYPE OF INVESTMENT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER</i>	<i>SHARES PURCHASED</i>	<i>SHARES REDEEMED</i>	<i>PRICE PER SHARE</i>	<i>SHARES OWNED</i>	<i>MARKET VALUE</i>
AS OF 06/30/16	151400005			1.000	\$ 5,256,797.22	\$ 5,256,797.22
07/31/2016	151400005	\$ 1,647.30	\$ -	1.000	\$ 5,258,444.52	\$ 5,258,444.52
08/31/2016	151400005	\$ 1,669.05	\$ -	1.000	\$ 5,260,113.57	\$ 5,260,113.57
09/30/2016	151400005	\$ 1,591.96	\$ 1,300,000.00	1.000	\$ 3,961,705.53	\$ 3,961,705.53
TOTAL TEXPOOL AS OF 09/30/16						\$ 3,961,705.53

**ENTERPRISE FUND
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER</i>	<i>SHARES PURCHASED</i>	<i>SHARES REDEEMED</i>	<i>PRICE PER SHARE</i>	<i>SHARES OWNED</i>	<i>MARKET VALUE</i>
AS OF 06/30/15	151400003			1.000	\$ 2,462,241.65	\$ 2,462,241.65
07/31/2016	151400003	\$ 771.60	\$ -	1.000	\$ 2,463,013.25	\$ 2,463,013.25
08/31/2016	151400003	\$ 781.78	\$ -	1.000	\$ 2,463,795.03	\$ 2,463,795.03
09/30/2016	151400003	\$ 762.89	\$ 600,000.00	1.000	\$ 1,864,557.92	\$ 1,864,557.92
TOTAL TEXPOOL AS OF 09/30/16		\$ 2,316.27				\$ 1,864,557.92

**COMMUNITY CENTER
 INVESTMENT PORTFOLIO
 BY TYPE OF INVESTMENT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER</i>	<i>SHARES PURCHASED</i>	<i>SHARES REDEEMED</i>	<i>PRICE PER SHARE</i>	<i>SHARES OWNED</i>	<i>MARKET VALUE</i>
AS OF 06/30/16	151400001				\$ 71.28	\$ 71.28
07/31/2016	151400001	\$ -	\$ -	1.000	\$ 71.28	\$ 71.28
08/31/2016	151400001	\$ -	\$ -	1.000	\$ 71.28	\$ 71.28
09/30/2016	151400001	\$ -	\$ -	1.000	\$ 71.28	\$ 71.28
TOTAL TEXPOOL AS OF 09/30/16						\$ 71.28
TOTAL COMMUNITY CENTER INVESTMENT PORTFOLIO AS OF 09/30/16						\$ 71.28

**POLICE FORFEITURE TRUST ACCOUNT
 INVESTMENT PORTFOLIO
 BY TYPE OF INVESTMENT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER</i>	<i>SHARES PURCHASED</i>	<i>SHARES REDEEMED</i>	<i>PRICE PER SHARE</i>	<i>SHARES OWNED</i>	<i>MARKET VALUE</i>
AS OF 06/30/16	151400008			1.000	\$ 236,987.51	\$ 236,987.51
07/31/2016	151400008	\$ 74.25	\$ -	1.000	\$ 237,061.76	\$ 237,061.76
08/31/2016	151400008	\$ 75.21	\$ -	1.000	\$ 237,136.97	\$ 237,136.97
09/30/2016	151400008	\$ 74.01	\$ -	1.000	\$ 237,210.98	\$ 237,210.98
TOTAL TEXPOOL AS OF 09/30/16						\$ 237,210.98

TOTAL POLICE FORFEITURE INVESTMENT PORTFOLIO AS OF 9/30/15	\$ 237,210.98
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**STREET TAX
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER ACCOUNT</i>	<i>SHARES PURCHASED SHARES</i>	<i>SHARES REDEEMED SHARES</i>	<i>PRICE PER SHARE PRICE PER</i>	<i>SHARES OWNED SHARES</i>	<i>MARKET VALUE MARKET</i>
AS OF 06/30/16	151400005			1.000	\$ 343,459.69	\$ 343,459.69
07/31/2016	151400005	\$ 107.63	\$ -	1.000	\$ 343,567.32	\$ 343,567.32
08/31/2016	151400005	\$ 109.03	\$ -	1.000	\$ 343,676.35	\$ 343,676.35
09/30/2016	151400005	\$ 300,120.19	\$ -	1.000	\$ 643,796.54	\$ 643,796.54
TOTAL TEXPOOL AS OF 09/30/16						\$ 643,796.54

TOTAL STREET TAX INVESTMENT PORTFOLIO AS OF 09/30/16	\$643,796.54
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**CAPITAL PROJECT FUND
INVESTMENT PORTFOLIO
BY TYPE OF INVESTMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

INVESTMENT POOL - TEXPOOL						
<i>DATE</i>	<i>ACCOUNT NUMBER</i>	<i>SHARES PURCHASED</i>	<i>SHARES REDEEMED</i>	<i>PRICE PER SHARE</i>	<i>SHARES OWNED</i>	<i>MARKET VALUE</i>
AS OF 06/30/16	151400013			1.000	\$ 2,003,008.87	\$ 2,003,008.87
07/31/2016	151400013	\$ 627.66	\$ -	1.000	\$ 2,003,636.53	\$ 2,003,636.53
08/31/2016	151400013	\$ 636.00	\$ -	1.000	2,004,272.53	2,004,272.53
09/30/2016	151400013	\$ 625.85	\$ -	1.000	\$ 2,004,898.38	\$ 2,004,898.38
TOTAL TEXPOOL AS OF 09/30/16						\$ 2,004,898.38
TOTAL CAPITAL PROJECT INVESTMENT PORTFOLIO AS OF 09/30/16						\$ 2,004,898.38

MEMORANDUM TO COUNCIL

TO: Mayor and Council

FROM: Vickie Wallace, Finance Director

THROUGH: Kelly Kuenstler, City Manager

DATE: October 18, 2016

SUBJECT: Annual Investment Report for the Period of October 1, 2015- September 30, 2016

For the fiscal year ended September 30, 2016, the City's investment portfolio consisted of one investment pool for a total investment portfolio of \$8,712,240.63. Only enough funds to meet current obligations were maintained at Frost National Bank. All excess funds were invested as allowed by the City's Investment Policy. For the fiscal year, TexPool's yield ranged between .3799% and .0966%. In comparison, interest rates for the 13-week U.S. Treasury Bills ranged between .094792% and .0034125 % for the fiscal year.

The following are the investment highlights by quarter:

Fiscal Year 2016 First Quarter Investment Highlights October 1, 2015 - December 31, 2015

For the quarter that ended December 31, 2015, the City's investment portfolio contained one investment pool.

For the quarter, TexPool's average monthly rate ranged between .1863% and .0966%, compared to the quarter ended September 30, 2015 yield of between .0827% and .0606 %. In comparison, 13-week U.S. Treasury Bills ranged between .070778% and .0034125% for the quarter.

As of December 31, 2015 the City had \$6,506,961.61 in its investment portfolio.

Fiscal Year 2016 Second Quarter Investment Highlights January 1, 2016 - March 31, 2016

For the quarter that ended March 31, 2016, the City's investment portfolio contained one investment pool.

For the quarter, TexPool's average monthly rate ranged between .3273% and .2674%, compared to the quarter ended December 31, 2015 yield of between .0966% and

.1863 %. In comparison, 13-week U.S. Treasury Bills ranged between .080889% and .054347% for the quarter.

As of March 31, 2016 the City had \$8,293,087.98 in its investment portfolio.

Fiscal Year 2016 Third Quarter Investment Highlights
April 1, 2016 - June 30, 2016

For the quarter that ended June 30, 2016, the City's investment portfolio contained one investment pool.

For the quarter, TexPool's average monthly rate ranged between .3633% and .3380%, compared to the quarter ended March 31, 2016 yield of between .3273% and .2674 %. In comparison, 13-week U.S. Treasury Bills ranged between .088472% and .055611% for the quarter.

As of June 30, 2016 the City had \$10,302,566.22 in its investment portfolio.

Fiscal Year 2016 Fourth Quarter Investment Highlights
July 1, 2016 - September 30, 2016

For the quarter that ended September 30, 2016, the City's investment portfolio contained one investment pool.

For the quarter, TexPool's average monthly rate ranged between .3799% and .3690%, compared to the quarter ended June 30, 2016 yield of between .3633% and .3380 %. In comparison, 13-week U.S. Treasury Bills ranged between .094792% and .063194% for the quarter.

As of September 30, 2016 the City had \$8,712,240.63 in its investment portfolio.

MAYOR AND COUNCIL COMMUNICATION

M&C #2016-18-03

DATE: October 18, 2016
TO: Mayor and Council
FROM: Vickie Wallace, Finance Director
THROUGH: Kelly Kuenstler, City Manager
SUBJECT: Annual Review and Adoption of Ordinance No. 16-041 Approving the Investment Policy for the City of Leon Valley

PURPOSE

The Public Funds Investment Act of 1987 (PFIA) established rules and regulations for governmental entities to follow for the proper investment of public monies.

Since there have been no legislative or investment strategy changes that would require the City to change its policy, no proposed changes to the current policy are being recommended.

SEE LEON VALLEY

Social - To ensure compliance with the Public Funds Investment Act of 1987. The Public Funds Investment Act of 1987 (PFIA) established rules and regulations for governmental entities to follow for the proper investment of public monies. The City's investment program is conducted to accomplish the following objectives, listed in priority order.

A. Safety

The primary objective of the City's investment program is the preservation and safety of principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from security defaults or erosion of market value.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; thereby avoiding the need to liquidate investments under adverse market condition. It is the intent of the City to invest its funds to maturity.

C. Diversification

The investment portfolio will be designed to limit risk by avoiding the concentration of assets with a specific maturity, with a specific issuer, or in a specific class of securities.

D. Yield

A fundamental rule of investing is that risk equals return. The City has deliberately established a low risk threshold to protect its financial resources and ensure that cash is available when needed. The City will invest idle cash at the highest possible rate of return,

consistent with the objectives and provisions of this policy, and in compliance with state and federal laws governing the investment of public funds.

Economic - N/A

Environmental - N/A

FISCAL IMPACT

None.

STRATEGIC GOALS

N/A

RECOMMENDATION

Adopt Ordinance No. 16041 approving the City of Leon Valley Investment Policy.

APPROVE: _____ DISAPPROVE: _____

APPROVE WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE
City Secretary

ORD. NO. 16-041

AN ORDINANCE

**APPROVING AND ADOPTING THE CITY OF LEON VALLEY
INVESTMENT POLICY AND INVESTMENT STRATEGIES**

WHEREAS, Texas Government Chapter 2256, the Public Funds Investment Act (the “Act”) authorizes a municipality to purchase, sell, and invest its funds and funds under its control in investments authorized under the Act in compliance with investment policies approved by the governing body and according to the standard of care prescribed by the Act; and

WHEREAS, the Act requires the City review the City’s investment policy and investment strategies no less than annually; and

WHEREAS, the City Council hereby finds and determines that the attached investment policy and investment strategies complies with the Act and authorizes the investment of City funds in safe and prudent investments; **NOW, THEREFORE,**
BE IT ORDAINED by the City Council of the City of Leon Valley:

Section 1. That the City of Leon Valley Investment Policy, attached hereto and incorporated herein as Attachment 1, and the investment strategies provided for therein has been reviewed by the City Council and is hereby adopted as the investment policy of the City of Leon Valley effective October 18, 2016 with no changes.

Section 2. This ordinance is effective immediately upon passage by four (4) affirmative votes; otherwise it is effective on the tenth day after passage hereof.

DULY PASSED, ADOPTED AND APPROVED by the City Council of the City of Leon Valley this the 18th day of October 2016.

ATTEST:

APPROVED:

Saundra Passailaigue, TRMC City Secretary

Chris Riley, Mayor

APPROVED AS TO FORM:

Denise Frederick, City Attorney

ATTACHMENT 1

**City of Leon Valley
Investment Policy**

Proposed

Table of Contents

I.	Purpose.....	1
	A. Introduction	
	B. Statutory Authority	
	C. Scope	
II.	Objectives	1
	A. Safety	
	B. Liquidity	
	C. Diversification	
	D. Yield	
III.	Standards of Care	2
	A. Prudence	
	B. Ethics and Conflicts of Interest	
	C. Delegation of Authority	
	D. Training	
	E. Indemnity	
IV.	Authorized and Suitable Investments	4
	A. Investment Types	
	B. Prohibited Investments	
	C. Length of Investments	
	D. Measuring Market Value	
V.	Selection of Banks and Dealers	6
	A. Depository	
	B. Investment Dealers	
VI.	Safekeeping and Custody.....	7
	A. Insurance or Collateral	
	B. Types of Collateral	
	C. Audit	
	D. Delivery vs. Payment	
VII.	Reporting Requirements	8

- A. Quarterly Reports
- B. Annual Report

VIII. Internal Controls and Annual Review..... 9

- A. Internal Controls
- B. Annual Review

Appendix A: Certification Form

Glossary 12

Proposed

I. PURPOSE

A. Introduction

This investment policy documents policies and procedures to be followed by the City of Leon Valley, Texas (City), to ensure the proper investment of public funds. This policy will be reviewed by the City Council annually. At such time, the City Council will adopt by ordinance a policy that (1) states that the investment policy has been reviewed and (2) enumerates the changes to be made to the policy.

B. Statutory Authority

This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy in accordance with the Public Funds Investment Act, Article 342a-2 V.T.C.S.

C. Scope

This investment policy applies to all financial assets of the City, held in all funds.

II. OBJECTIVES

The City's investment program will be conducted to accomplish the following objectives, listed in priority order:

A. Safety

The primary objective of the City's investment program is the preservation and safety of principal in the overall portfolio. Each investment transaction shall seek first to ensure that capital losses are avoided, whether they are from security defaults or erosion of market value.

B. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements; thereby avoiding the need to liquidate investments under adverse market condition. It is the intent of the City to invest its funds to maturity.

C. Diversification

The investment portfolio will be designed to limit risk by avoiding the concentration of assets with a specific maturity, with a specific issuer, or in a specific class of securities.

D. Yield

A fundamental rule of investing is that risk equals return. The City has deliberately established a low risk threshold to protect its financial resources and ensure that cash is available when needed. The City will invest idle cash at the highest possible rate of return, consistent with the objectives and provisions of this policy, and in compliance with state and federal laws governing the investment of public funds

III. STANDARDS OF CARE

A. Prudence

The standard of care used by the City shall be the "prudent person" standard which shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The Public Funds Investment Act states:

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

All participants in the investment process shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The City Council recognizes that in maintaining a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

B. Ethics and Conflicts of Interest

Investment officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or that which could impair their ability to make impartial investment decisions. Investment Officers and subordinate employees shall disclose any material interests in financial institutions or broker/dealer firms with which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Investment Officers and subordinate employees shall refrain from undertaking personal investment transactions with the same individual(s) with whom business is conducted on behalf of the City.

C. Delegation of Authority

Management responsibility for the investment program is delegated to the City Manager and the Finance Director. As Investment Officers for the City, the City Manager and Finance Director are responsible for the day-to-day administration of the investment program and shall supervise the activities of subordinate employees. No person may engage in investment transactions except as provided under the terms of this policy.

D. Training

Investment Officers shall attend at least one training session related to their duties as Investment Officers within 12 months of assuming office or duties; a training session not less than once in a two-year period that begins on the first day of the City of Leon Valley's fiscal year and consists of the two consecutive years after that date; each training session shall contain not less than 10 hours of training. This training must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act. The training provider must be an independent provider approved by City Council. The City Council hereby authorizes the following entities to serve as qualified training providers for the City:

1. The Texas Municipal League, or any of its affiliate organizations;
2. The Government Treasurers Organization of Texas;
3. The Government Finance Officers Association;
4. The State of Texas, Comptroller's Office, or any other department/division of the State of Texas;
5. The University of Texas at Austin, or any other public University or College of higher education in Texas;
6. Investment pool administrators to include LOGIC, Texpool and Lone Star Investment Pool; and
7. Other training providers as approved by the City Council.

E. Indemnity

Investment Officers and subordinate employees, acting in accordance with the provisions of this investment policy, shall not be held personally liable for a specific security's credit risk or market price change, provided that any unexpected deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

IV. AUTHORIZED AND SUITABLE INVESTMENTS

A. Investment Types

The following investments are permitted under this policy, in compliance with the Public Funds Investment Act:

1. **Certificates of Deposit.** Fully insured or collateralized certificates issued by state and national banks, a savings bank, or a state and federal credit union domiciled in the State of Texas.
2. **U.S. Treasuries and Agencies.** Securities issued by the United States Treasury or its Governmental Agencies. U. S. Treasuries and Agencies are guaranteed as to principal and interest by the full faith and credit of the United States of America.
3. **Obligations of the States, agencies thereof, Counties, Cities, and other political subdivisions of any state** having been rated as investment quality by a nationally recognized investment rating firm, and having received a rating of not less than "A" or its equivalent.
4. **Repurchase Agreements.** Repurchase agreements that are fully collateralized by U.S. Treasuries or Agencies guaranteed as to principal and interest by the full faith and credit of the United States of America.
5. **Investment Pools.** Investment pools that meet the following criteria:
 - a. An investment pool must provide an offering circular or other similar disclosure instrument and provide monthly transaction reporting.
 - b. A public funds investment pool created to function as a money market mutual fund must (1) mark its portfolio to market daily, (2) include in its investment objectives the maintenance of a stable net asset value of \$1 for each share and (3) be continuously rated no lower than "AAA" or "AAA-m" or at an equivalent rating by at least one nationally recognized rating service.
 - c. An investment pool must invest solely in (1) obligations of the United States or its agencies and instrumentalities, (2) repurchase agreements involving those same obligations and (3) SEC regulated AAA no-load money market mutual funds with a weighted average of maturity of 60 days or less and an investment objective of a \$1.00 stable net asset value.
6. **Money Market Mutual Funds.** No-load money market mutual funds if the fund:

- a. Is registered with and regulated by the Securities and Exchange Commission (SEC);
 - b. Provides a prospectus and other information required by federal law.
 - c. Invests exclusively in U.S. Treasuries or Agencies and/or repurchase agreements fully collateralized by such obligations;
 - d. Has a dollar-weighted average stated maturity of 90 days or less; and
 - e. Includes in its investment objectives the maintenance of a stable net asset value of \$1 per share.
7. Other Investments. Other as approved by the City Council and not prohibited by law.

B. Prohibited Investments

City Investment Officers and employees have no authority to invest in any of the following instruments which are strictly prohibited by the Public Funds Investment Act:

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

C. Length of Investments

The City intends to match the holding period of investment funds with liquidity needs of the City. In no case will the average maturity of investments of the City's operating funds exceed one year. The maximum final stated maturity of any investment shall not exceed five years.

The Investment Officer will monitor rating changes in Investment acquired with public funds that require a minimum rating and shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating thereby making that investment an unauthorized investment.

D. Measuring Market Value

The City's investment portfolio will be designed with the objective of using the 13-week U.S. Treasury Bill as a basis to determine whether market yields are being achieved.

V. SELECTION OF BANKS AND DEALERS

The City will only purchase investments from financial institutions and broker/dealer firms as approved by the City Council. All institutions and brokers/dealers are required to supply a Certification Form signed by a qualified representative of the firm stating that the City's investment policy has been reviewed and that reasonable procedures and controls are in place to preclude unauthorized investment transactions (Appendix A). Transactions are unauthorized unless this certification is on file with the City.

A. Depository

1. **Bidding Process.** Depositories shall be selected through the City's banking service procurement process, which shall include a formal request for proposals at least every five years. In selecting depositories, the City shall evaluate the credit worthiness of the institution and shall thoroughly review the institution's financial history and financial statements.
2. **Insurability.** Depositories shall provide evidence that deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

B. Investment Dealers

A broker/dealer may be used by the City only if the broker/dealer is:

1. Included on the Federal Reserve Bank of New York's list of primary government securities dealers, or is licensed by the State of Texas and is recommended in writing by at least three Texas cities.
2. Regulated by the Securities and Exchange Commission (SEC).
3. A member in good standing of the National Association of Securities Dealers, Inc. (NASD).
4. Able to provide immediate disclosure to the City whenever the broker/dealer's capital position falls short of the capital adequacy standard.
5. Able to provide independent certification by an outside auditor or similar agency that the broker/dealer complied with the capital adequacy standard on its most recent year-end balance sheet date.

VI. SAFEKEEPING AND CUSTODY

A. Insurance or Collateral

All deposits and investments of City funds other than direct purchases of U.S. Treasuries or U.S. Agencies shall be (1) guaranteed or insured by the FDIC or (2) be fully collateralized as required by the Texas Public Funds Collateral Act. Pledged collateral must maintain a market value equal to at least 102 percent of total deposits and investments, less an amount insured by the FDIC. Repurchase agreements shall be documented by a specific agreement noting the collateral pledged in each agreement.

Securities pledged as collateral must be held by an independent third party in the State of Texas. Evidence of pledged collateral shall be provided to the City and reviewed monthly to ensure the market value of the securities pledged equals or exceeds the value of total deposits and investments.

B. Types of Collateral

The City of Leon Valley shall accept only the following as collateral:

1. FDIC insurance coverage.
2. United States Treasuries and Agencies.
3. Texas State, City, County, School or Road District bonds with a remaining maturity of ten (10) years or less with an investment grade bond rating of not less than "A" or its equivalent from a nationally recognized investment rating firm.

C. Audit

All collateral shall be subject to inspection and audit by the City.

D. Delivery vs. Payment

With the exception of investment pools and mutual funds, all investment transactions will be executed using the delivery versus payment method. That is, City funds shall not be released until verification has been made that the purchased security or collateral has been received by a third party/safekeeping agent (Trustee). The security or collateral shall be held in the name of or held on behalf of the City. The Trustee's records shall evidence the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

VII. REPORTING REQUIREMENTS

A. Quarterly Reports

Not less than quarterly, the Investment Officers shall prepare and submit to the City Council, an investment report that describes in detail the investment position of the City as of the date of the report. These reports will be prepared to allow the City Council to ascertain whether investment activities have conformed to the City's investment policy.

Quarterly investment reports will summarize recent market conditions, economic developments and anticipated investment conditions. Reports must be signed and dated by both the City Manager and the Finance Director and must contain the following statement: "This report is in full compliance with the investment strategies as established by the City of Leon Valley Investment Policy and the Public Funds Investment Act."

At a minimum, quarterly reports submitted to the City Council will include the following:

1. A summary statement of investment activity for each pooled fund group prepared in compliance with Generally Accepted Accounting Principles to include fully accrued interest for the reporting period. The summary shall also state the:
 - a. Beginning market value for the reporting period.
 - b. Additions and changes to the market value during the period.
 - c. Ending market value for the period.
2. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by fund type.
3. State the maturity date of each separately invested asset that has a maturity date.

B. Annual Report

Within sixty (60) days of the end of the fiscal year, the Investment Officers shall prepare a comprehensive annual report on the investment program and investment activity. This annual report will be presented to the City Council and will include investment activities for the entire fiscal year and shall suggest policy revisions and improvements that might enhance the investment program. At such time, the City Council shall pass an ordinance to document its review of the City's investment policies and strategies. This ordinance shall also document whether changes or revisions to investment policies and/or strategies are required.

VIII. INTERNAL CONTROLS AND ANNUAL REVIEW

A. Internal Controls

The City strives to effectively prevent the loss of public funds caused by fraud, misrepresentation by third parties, unanticipated changes in financial markets, employee error or imprudent actions by City employees. Internal controls have been designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The following guidelines establish a system of internal controls over investment procedures for the City of Leon Valley.

1. **Separation of Duties.** A separation of custodial, accounting and record keeping systems shall be maintained to the extent possible.
2. **Clear Delegation of Authority.** The City Manager and City Accountant are charged with management responsibility for the investment program.
3. **Adequate Training and Development of Investment Officials.** All Investment Officials are to be educated in the area of investment management in order to make informed decisions.
4. **Control of Collusion.** All investment transactions must be approved by two duly authorized Investment Officers or subordinate employees. Subordinate employees are designated by the City Manager.
5. **Documentation of Investments.** Purchase and sales transactions, including telephone transactions, must be documented in writing and evidenced by the signatures of two duly authorized Investment Officers or subordinate employees. A copy of such documentation shall be placed in an investment transaction file to be maintained in the City's Finance department.
6. **Verification of all Interest Income and Security Purchase and Sell Computations.** All investment interest income, fees, gains and/or losses shall be recalculated monthly by the Finance department.
7. **Reconcilement of Security Receipts with Subsidiary Records.** All security safekeeping receipts shall be reconciled to the general ledger monthly by the Finance department.
8. **Custodial Safekeeping.** Securities purchased from any bank or dealer including appropriate collateral shall be placed with an independent third party for custodial safekeeping.

9. **Avoidance of Bearer-Form Securities.** Negotiable securities are more susceptible to misappropriation than book entry only securities and must be properly safeguarded against loss, destruction or fraud.

B. Annual Review

The City shall engage an external independent auditor to conduct an annual review of the City's investment policies, investment procedures, and quarterly and annual investment reports to ensure compliance with the Public Funds Investment Act. This audit is to be performed by a Certified Public Accountant in conjunction with the City's annual financial audit and shall be reported to the City Council during the same meeting at which the City's Comprehensive Annual Financial Report is presented.

The Public Funds Investment Act states that if the City's investment portfolio is limited to money market mutual funds, investment pools, or depository bank investments such as certificates of deposit or money market accounts, the City is not subject to this formal annual review.

Proposed

APPENDIX A
CERTIFICATION

I hereby certify that I have personally read and understand the investment policy of the City of Leon Valley and have implemented reasonable procedures and controls designed to fulfill these objectives and conditions. Transactions between this firm and the City of Leon Valley will be directed toward precluding imprudent investment activities and protecting the City from credit and market risk.

This firm pledges due diligence in informing the City of Leon Valley of foreseeable risks associated with financial transactions connected to this firm.

I attest that I am a qualified representative of this firm, authorized to sign on its behalf.

Firm: _____

Signature: _____

Name: _____

Title: _____

Date: _____

GLOSSARY

AGENCIES: Federal agency securities.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Leon Valley.

COUPON: (a) The annual rate of interest that bond issuers promises to pay the bondholder on the bond's face value. (B) A certificate attached to a bond evidencing due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling from his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two (2) methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of

securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of agencies.

Proposed

MAYOR AND COUNCIL COMMUNICATION

DATE: October 18, 2016 **M&C# 2016-10-18-04**
TO: Mayor and City Council
FROM: Sandra Passailaigue, City Secretary
THROUGH: Kelly Kuenstler, City Manager
SUBJECT: Official Newspaper Designation.

PURPOSE

Local Government Code Chapter 52, § 52.004 requires municipalities to designate an official newspaper at the beginning of each fiscal year.

The official newspaper is used to publish all notices required to be published by the municipality such as zoning amendments, ordinances, and public hearings.

The City of Leon Valley designated The San Antonio Express News, The Daily Commercial Recorder and The Echo as the City's Paper of Record.

SEE LEON VALLEY

Social – The use of recognized publications in the greater San Antonio Area will allow residents, business partners, and other interested parties to become informed of the City's legal publications.

Economic – The City of Leon Valley will ensure it meets its legal publication requirements including many of which involve Economic Development information required to be published and posted in a timely and legal manner.

Environmental – Not applicable

FISCAL IMPACT

Costs for publications are included in the Fiscal Year 2017 Adopted Budget. Staff will endeavor to keep its advertising and publication costs within allowed budgetary constraints.

RECOMMENDATION

Staff recommends the approval of the attached resolution designating the continuation of "The San Antonio Express News", "The Daily Commercial Recorder", and "The Echo" as official newspapers of the City of Leon Valley retroactive October 1, 2016.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary

RESOLUTION No. 16-031R

A RESOLUTION OF THE CITY OF LEON VALLEY CITY COUNCIL DESIGNATING THE SAN ANTONIO EXPRESS NEWS, THE DAILY COMMERCIAL RECORDER AND THE HELOTES ECHO AS THE CITY OF LEON VALLEY'S OFFICIAL NEWSPAPERS FOR POSTING OF PUBLIC AND LEGAL NOTICES.

WHEREAS, The City Council of the City of Leon Valley, Texas designated the San Antonio Express News, The Daily Commercial Recorder and the Helotes Echo as the City of Leon Valley newspapers for posting of public and legal notices for Fiscal Year 2017; and

WHEREAS, the San Antonio Express News, The Daily Commercial Recorder and the Helotes Echo covers all of Leon Valley including zip codes 78238 and 78240 within Leon Valley, Texas;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS:

The San Antonio Express News, The Daily Commercial Recorder and the Helotes Echo are hereby designated as the official newspapers of the City of Leon Valley for posting of public and legal notices for the City as may be required by law.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Leon Valley this the 18th day of October, 2016.

A P P R O V E D

CHRIS RILEY
MAYOR

Attest: _____
SAUNDRA PASSAILAIGUE, TRMC
City Secretary

Approved as to Form: _____
DENISE FREDERICK
City Attorney

- Reseeding costs can be removed if City takes immediate action as stated below

In order to use the detention pond as a playing field, the top six to eight inches of soil would be replaced with better soils:

- | | |
|----------------------------------|-----------------|
| • Remove 600 C.Y of soil: | \$15,000.00 |
| • Sandy Loam Soil 600 C.Y. | \$18,000.00 |
| • Seeding | \$ 2,000.00 |
| • Total | \$35,000.00 |
| • The Ridge at Leon Valley funds | -\$9,125 |
| • Net cost | \$25,875 |

Outstanding items will include:

- Construction of street at end of Samaritan Drive and (in-house – materials only)
- Trail from Caraway Bend (in-house – materials only)
- Signage and other amenities as requested by neighborhood after survey and public meetings

RECOMMENDATION

- Recommend authorizing budget adjustment in the amount of \$35,000 to remove and replace topsoil
- Park Commission will send out a survey to the neighborhood to garner input on desired amenities
- Use existing funds in Public Works to construct street stub out and trail entrance at Caraway Bend
- Fund other improvements in next fiscal year
 - Area can be used as an open play field until then

S.E.E. IMPACT STATEMENT

Social Equity – Providing parkland in each area of the city assures that all citizens have access to parks and this action supports the goal of providing adequate recreational opportunities, as stated in the Park Master Plan.

Economic Development – Enhancing the park system increases recreational opportunities, which may appeal to potential residents and businesses.

Environmental Stewardship – Parkland is typically left minimally developed, which increases area for stormwater settling versus runoff, which helps to protect the environment and water resources.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

Saundra Passailague, TRMC
City Secretary

Attachments:

- A. Ordinance authorizing budget adjustment
- B. Site Map

AN ORDINANCE AMENDING THE FY 2016-2017 GENERAL FUND BUDGET OF THE CITY OF LEON VALLEY, TEXAS TO INCREASE THE BUDGET IN THE AMOUNT OF \$9,125.00 FOR THE RIDGE AT LEON VALLEY DETENTION POND .

Whereas, on May of 2016, City Council heard a request from The Ridge at Leon Valley Home Owner's Association (HOA) to accept a land donation, being two lots at end of Samaritan and Grass Hill, and one lot off of Caraway Bend to create a park; and

Whereas, the first and second lots are a detention pond, and the third is a vacant drainage easement to the pond; and

Whereas, on September of 2016, City Council approved the land donation, with the condition that the HOA give City a check in the amount of \$9,125.00 for the cleaning and clearing out of the pond; and

Whereas on August 16, 2015 the City Council of the City of Leon Valley adopted the 2016-2017 fiscal year budget: and

Whereas Texas Local Government Code Section 102.010 provides that a municipality is not prohibited from making changes to a budget for municipal purposes: and

Whereas the Leon Valley City Council hereby finds and determines that the amendments adopted under this ordinance are for a municipal purpose; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEON VALLEY, TEXAS, THAT:

Section 1. The FY 2016-2017 General Fund Budget of the City of Leon Valley is hereby amended as provided for in Exhibit "A", attached hereto and incorporated herein for all purposes.

Section 2. The financial allocations in this Ordinance are subject to approval by the Director of Finance. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific accounts as necessary to carry out the purpose of this Ordinance.

Section 3. This ordinance is effective immediately upon passage by four (4) affirmative votes; otherwise it is effective on the tenth day after passage hereof.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Leon Valley this the 18th day of October, 2016.

APPROVED

CHRIS RILEY
MAYOR

Attest:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary

Approved as to Form:

Denise Frederick
City Attorney

Proposed

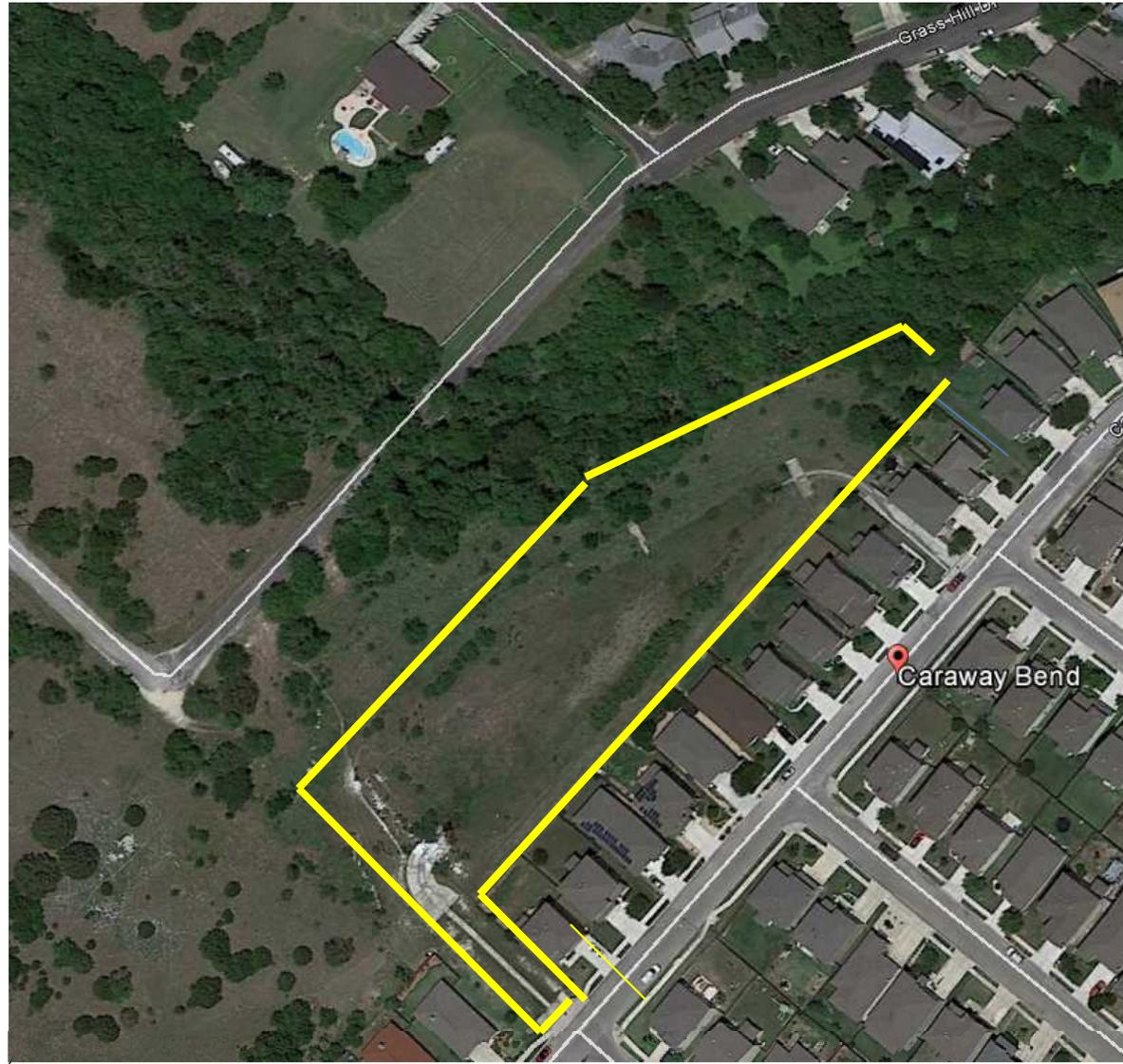
Consideration and Possible Action
Budget Adjustment
The Ridge Detention Pond
Conversion to Park

City Council Meeting
October 18, 2016

Purpose

- To consider & possibly take action to authorize a budget adjustment to convert The Ridge at Leon Valley detention pond to a proposed park

The Ridge at Leon Valley Land



Purpose

- May 2016 - City Council heard a request from The Ridge at Leon Valley Home Owner's Association (HOA) to accept a land donation, being 2 tracts at end of Samaritan and Grass Hill, & 1 tract off of Caraway Bend to create a park
 - 1st & 2nd are detention pond, & 3rd is vacant drainage easement to pond
 - HOA to give City a check in the amount of \$9125 for cleaning & clearing out pond
- Sept 2016 – Council approved the donation, contingent upon receipt of a check in the amount of \$9,125 from the HOA, & directed staff to come back to Council for a budget adjustment to have the pond cleaned out to start the development

Purpose

- The Ridge at Leon Valley HOA has submitted their check and the money now has to be moved to the Park Fund in order to contract for the clearing and cleaning
- Plans are being developed and we will be requesting quotes for the work from utility contractors
 - Bids will not be required as project is under \$50,000
- Council has the option to authorize a budget adjustment in an amount for just clearing and cleaning or for the removal and replacement of topsoil, as well as the clearing/cleaning

Fiscal Impact

- Clearing and cleaning is approximately \$9,125
- Clearing, removal of topsoil and replacing with suitable topsoil is approximately \$35,000
 - \$9,125 would be put towards costs, leaving the City to pay \$25,875
- Outstanding items will include:
 - Construction of street at end of Samaritan Drive and (in-house – materials only)
 - Trail from Caraway Bend (in-house – materials only)
 - Signage and other amenities as requested by neighborhood after survey and public meetings

Recommendation

- Recommend authorizing budget adjustment in the amount of \$35,000 to remove and replace topsoil
- Park Commission will send out survey to neighborhood to garner input on desired amenities
- Use existing funds in Public Works to construct street stub out & trail entrance at Caraway Bend
- Fund other improvements in next fiscal year
 - Area can be used as open play field until then

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- **Social Equity** – Providing parkland in each area of the city assures that all citizens have access to parks and this action supports the goal of providing adequate recreational opportunities
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- **Environmental Stewardship** – Parkland is typically left minimally developed, which increases area for stormwater settling, instead of runoff, which helps to protect the environment

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