

NOTICE OF MEETING

DICKINSON MANAGEMENT DISTRICT NO. 1

The Board of Directors of Dickinson Management District No. 1 will hold a regular meeting on Thursday, August 30, 2018, at 6:00 p.m., in Conference Room 2 at the City of Dickinson (the "City") City Hall, 4403 State Highway 3, Dickinson, Texas 77539, to discuss and, if appropriate, act upon the following items:

1. Public Comments.
2. Review, Revise and Approve Minutes of August 2, 2018.
3. Review, Revise and Approve Officer Assignments and Authorize Execution of District Registration Form
4. Presentation and Approval of Quarterly Investment Report & Financials for Period Ending June 30, 2018.
5. Conduct annual review of Investment Policy, adopt Resolution Regarding Annual Review of Investment Policy, and Adoption of Amended Investment Policy, if appropriate.
6. Review, revise, and adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.
7. Review, revise, and adopt Resolution Amending the list of Authorized Individuals for the District's Financial Depository, Capital One Bank, N.A.
8. Discussion and Direction Regarding Community Survey.
9. Discussion and Direction Regarding Landscape Architect Proposal.
10. Review and Approve the City's Proposed Annual Agreement Requesting Funding from the District for Fiscal Year 2018-2019.
11. Discussion and Approval of Proposed Fiscal Year 2018-2019 Budget and Various Projects to Be Considered for Funding.
12. Discussion and Direction Regarding 2018 Holiday Decorations.



Stephanie Russell

Stephanie Russell
Bookkeeper

Persons with disabilities who plan to attend this meeting and would like to request auxiliary aids or services are requested to contact the District's Executive Director at (281) 337-6204 at least three business days prior to the meeting so that appropriate arrangements can be made.

**DICKINSON MANAGEMENT DISTRICT NO. 1
ATTENDANCE LIST**

MEETING DATE: August 30, 2018

| Name | Present | Absent |
|--|----------------|---------------|
| Board Members: | | |
| C. Wayne Browne | _____ | _____ |
| Johnnie Simpson, Jr. | _____ | _____ |
| Perry Fulcher | _____ | _____ |
| Mary Dunbaugh | _____ | _____ |
| Kim Westerlage | _____ | _____ |
| Council Liaisons: | | |
| Council Member Charles Suderman - Primary | _____ | _____ |
| Council Member William H. King, III - Alternate | _____ | _____ |
| Make note on recording, the following are also in attendance: | | |
| Executive Director, Chris Heard | _____ | _____ |
| Bookkeeper, Stephanie Russell | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

**MINUTES
DICKINSON MANAGEMENT DISTRICT NO. 1**

August 2, 2018

The Board of Directors (the "Board") of Dickinson Management District No. 1 (the "District") met in regular session, open to the public, on the 2nd day of August, 2018, at the City of Dickinson (the "City") City Hall, 4403 State Highway 3, Dickinson, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

| | |
|-----------------------|--------------------------|
| Perry Fulcher, M.D. | President |
| C. Wayne Browne, D.C. | Vice President |
| Mary Dunbaugh | Assistant Vice President |
| Kim Westerlage | Assistant Secretary |
| Johnnie Simpson, Jr. | Director |

Also present at the meeting was Chris Heard, Executive Director for the District.

PUBLIC COMMENTS

There were no comments from the public.

SWORN STATEMENTS AND OATHS OF OFFICE, REORGANIZATION OF THE BOARD, AND EXECUTION OF DISTRICT REGISTRATION FORM

Following review and discussion, Director Dunbaugh made a motion to approve the Sworn Statement and Oath of Office for Director Simpson and execution of the District's registration form. Director Browne seconded the motion, and it passed by unanimous vote.

MINUTES

The Board considered approving the minutes of the April 4, 2018 meeting. After review and discussion, Director Dunbaugh moved to approve the minutes as submitted. Vice President Browne seconded the motion, and it passed by unanimous vote.

PRESENTATION AND APPROVAL OF QUARTERLY INVESTMENT REPORT & FINANCIALS

Executive Director, Chris Heard presented the Quarterly Investment Report and Financials for the period ending March 31, 2018. Following review and discussion, Director Dunbaugh made a motion to approve the report. Director seconded the motion, and it passed by unanimous vote.

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT WITH ALWAYS IN SEASON DECORATING SERVICES, INC. FOR CUSTOM HOLIDAY DECORATIONS BY EXECUTIVE DIRECTOR

Following review and discussion, Director Dunbaugh made a motion to approve the report. Director Simpson seconded the motion, and it passed by unanimous vote.

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT WITH HARCO INSURANCE SERVICES FOR 2018-2019 INSURANCE COVERAGE.

Following review and discussion, Director Browne made a motion to approve the report. Director Dunbaugh seconded the motion, and it passed by unanimous vote.

REVIEW, DISCUSSION, AND DIRECTION REGARDING DRAFT FISCAL YEAR 2018-2019 BUDGET AND VARIOUS PROJECTS TO BE CONSIDERED FOR FUNDING

The board discussed the budget and expressed the desire to be strategic in budgetary planning in line with Hurricane Harvey recovery and city center revitalization.

There being no further business to come before them, Director Dunbaugh made the motion to adjourn and Director Westerlage seconded the motion. The Board concurred to adjourn the meeting at 6:50 p.m.

Secretary, Board of Directors

(SEAL)

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | |
|---------------|--|
| TOPIC: | Review, Revise and Approve Officer Assignments and Authorize Execution of District Registration Form |
|---------------|--|

| | |
|--------------------|--|
| BACKGROUND: | <p>With the new appointment of Director Simpson, the Board also has the option of reorganizing for purposes of officer assignments. Currently, the officers are as follows:</p> <p>President: Perry Fulcher Vice President: C. Wayne Browne Assistant Vice President: Mary Dunbaugh Secretary: Vacant Assistant Secretary: Kim Westerlage</p> <p>Additionally, the District Registration Form that is filed with the Texas Commission on Environmental Quality ("TCEQ") will need to be updated to reflect the new appointment and any changes on the Board.</p> |
|--------------------|--|

| | |
|------------------------|------|
| RECOMMENDATION: | None |
|------------------------|------|

| | |
|---------------------|--|
| ATTACHMENTS: | <ul style="list-style-type: none"> • District Registration Form |
|---------------------|--|

| | |
|-----------------------|---|
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. |
|-----------------------|---|

| | |
|--------------------------------|------------------------------------|
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL |
| Stephanie Russell, Bookkeeper | |

| ACTIONS TAKEN | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

DISTRICT REGISTRATION FORM*



When completed, mail to:
UTILITIES AND DISTRICTS SECTION, MC-152
TCEQ
PO BOX 13087
AUSTIN TX 78711-3087
 or fax to: 512/239-6190

Legal Name of District or Authority: DICKINSON MANAGEMENT DISTRICT NO. 1
 District's Mailing Address**: C/O ALLEN BOONE HUMPHRIES ROBINSON LLP, 3200 SOUTHWEST FREEWAY, SUITE 2600
 City: HOUSTON, TX Zip: 77027
 District's Telephone Number: (713) 860-6400

A. BOARD MEMBERS:

| TITLE | FULL NAME OF DIRECTOR (First, M.I., Last) | FULL MAILING ADDRESS (According to U.S. Post Office Standards, www.usps.com) | TELEPHONE NUMBERS | | | TERM OF OFFICE | | |
|--------------------------------|--|---|-------------------|----------------|------|---|-----------------------------|---------------------------|
| | | | Business | Fax | Home | Elected (E) Appointed (A) Elected by Precinct (P) | Term Begins (mm/dd/yyyy) | Term Ends (mm/dd/yyyy) |
| POSITION 3/PRESIDENT | PERRY FULCHER, M.D. | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6400 | (713) 860-6401 | | A | 06/01/2015 | 06/01/2019 |
| POSITION 1/VICE PRESIDENT | C. WAYNE BROWNE, D.C. | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6400 | (713) 860-6401 | | A | 06/01/2015 | 06/01/2019 |
| POSITION 2/ASST VICE PRESIDENT | MARY DUNBAUGH | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6400 | (713) 860-6401 | | A | 06/01/2015 | 06/01/2019 |
| POSITION 4 | JOHNNIE SIMPSON, JR. | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6400 | (713) 860-6401 | | A | 06/12/2018 | 06/01/2021 |
| POSITION 5/ASST SECRETARY | KIM WESTERLAGE | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6400 | (713) 860-6401 | | A | 06/01/2017 | 06/01/2021 |

(Note: List information for additional directors on back)

B. CONSULTANTS AND REPRESENTATIVES (as applicable):

| POSITION | FULL NAME OF INDIVIDUAL | NAME OF FIRM OR ORGANIZATION | FULL MAILING ADDRESS (According to U.S. Post Office Standards, www.usps.com) | TELEPHONE NUMBERS | |
|------------------|-------------------------|------------------------------------|---|-------------------|----------------|
| | | | | Business | Fax |
| Administrator | CHRIS HEARD | CITY OF DICKINSON | 4403 HIGHWAY 3, DICKINSON, TEXAS 77539 | (281) 337-6204 | (281) 337-6190 |
| Operator | | | | | |
| Attorney | JESSICA CARR | ALLEN BOONE HUMPHRIES ROBINSON LLP | 3200 SOUTHWEST FREEWAY, SUITE 2600, HOUSTON, TX 77027 | (713) 860-6491 | (713) 860-6691 |
| Engineer | | | | | |
| Bookkeeper | STEPHANIE RUSSELL | CITY OF DICKINSON | 4403 STATE HIGHWAY 3, DICKINSON, TX 77539 | (281) 337-8839 | (281) 337-6190 |
| Fin. Advisor | | | | | |
| Tax Collector | | | | | |
| Agent for Notice | | | | | |
| Auditor | ROBERT BELT | BELT HARRIS PECHACEK LLLP | 3210 BINGLE RD., HOUSTON, TX 77055 | (713) 263-1123 | (713) 263-1550 |

DISTRICT REGISTRATION FORM (continued)

A. BOARD MEMBERS: (continued)

| TITLE | FULL NAME OF DIRECTOR (First, M.I., Last) | FULL MAILING ADDRESS (According to U.S. Post Office Standards, www.usps.com) | TELEPHONE NUMBERS | | | TERM OF OFFICE | | |
|-------|--|---|-------------------|-----|------|--|-----------------------------|---------------------------|
| | | | Business | Fax | Home | Elected (E) Appointed (A) Elected by Precinct (P) | Term Begins (mm/dd/yyyy) | Term Ends (mm/dd/yyyy) |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

CERTIFICATION: I certify that the information contained herein is correct and complete to the best of my knowledge.

| | | | |
|-----------------|--------------|-----------|------|
| | | | |
| Signature/Title | Printed Name | Telephone | Date |

If you have questions on how to fill out this form or about the Water Districts program, please contact us at 512/239-4691. Individuals are entitled to request and review their personal information that the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact us at 512/239-3282.

C. ADDITIONAL STATUTORY REQUIREMENTS (Texas Water Code):

1. *Requirements generally applicable to most districts and authorities:*

- a. §49.055(d). File copies of directors' sworn statements, bonds, and oaths with the District's records. File copies of directors' sworn statements and oaths with the Secretary of State within 10 days.
- b. §36.054(e) and §49.054(f). File names, addresses and terms of new directors with TCEQ within 30 days after election or appointment.
- c. Audit and financial reports:
 - (1) §49.194(a). File audit with the TCEQ within 135 days of fiscal year end, or §49.197(d). File financial dormancy affidavit with the TCEQ by January 31, or §49.198(c). File annual financial report with the TCEQ within 45 days of fiscal year end.
 - (2) §49.194(c). File audit, financial dormancy affidavit, or financial report with the District's records.
 - (3) §49.194(d). Submit annual filing affidavit to the TCEQ with either audit, financial dormancy affidavit, or financial report.
 - (4) §49.158. Notify the TCEQ of adoption of a fiscal year within 30 days of initial financial activity or after a change in the District's fiscal year.
- (d) §49.199(a). Adopt a code of ethics and other policies and procedures.

2. *Requirements applicable to certain districts and authorities, as specified in the statutes:*

- a. §49.453. File with the TCEQ the name, address and telephone number of the District's Agent for Notice, the person responsible for issuing forms to comply with the Notice to Purchaser requirements of §49.452.
- b. §49.455. File information form and map, or any amendments, with each county and the TCEQ.
- c. §49.451. Post district name signs at two entrances to the District within 30 days of the District's creation.
- d. §49.062. Publish and file the with TCEQ a resolution establishing a meeting place outside the District.
- e. §49.307(b), §49.301(f) & §49.302. File orders excluding and annexing land with each county and the TCEQ.

**Dickinson Management District #1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

TOPIC: **Briefing and Discussion Concerning Quarterly Investment Report & Financials For Period Ending June 30, 2018.**

BACKGROUND: Per the District's Investment Policy, the Investment Officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This investment report covers the quarter ending June 30, 2018.

Investment Report

As of June 30, 2018, the District had \$1,291,421 in cash and \$2,693 interest paid year-to-date, which is up 64% from this time last fiscal year.

Budget vs. Actuals

- Sales Tax Revenue is slightly under projected with \$2,514,203 or 75.2% realized to-date which is about the same as this time last year.
- 380 Rebates are trending under projected proportional to Sales Tax Revenue.
- All other items are under budget and trending as expected for the period.
- Current Revenue Less Expenditures is \$992,685 which is a 9% increase from this time last year.

Balance Sheet

Total Assets to the end of the period are \$1,918,799 while total liabilities \$347,015 leaving the District with \$1,571,784 in Total Equity. This is a 19% increase from this time last fiscal year.

RECOMMENDATION: None.

ATTACHMENTS:

- Quarterly Investment and Financial Report for FY2017-2018 Quarter Ending June 30, 2018

FUNDING ISSUES

Not applicable
 Not budgeted
 Full Amount already budgeted.
 Funds to be transferred from Acct.# - -

SUBMITTING STAFF MEMBER

EXECUTIVE DIRECTOR APPROVAL

Stephanie Russell, Bookkeeper

ACTIONS TAKEN

| | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |
|---|--|--------------|

Dickinson Management District #1

Fiscal Year 2017-2018

Quarterly Investment & Financial Report

Period Ending June 30, 2018

**DICKINSON MANAGEMENT DISTRICT #1
FY 2017-2018 INVESTMENT REPORT
PERIOD ENDING JUNE 30, 2018**

| Account | Interest Rate | Purchase Date | Due Date | Days to Maturity | Book Value | Beginning Market Value | Ending Market Value | Market Value Change | Interest Paid Year to Date |
|---|----------------------|----------------------|-----------------|-------------------------|---------------------|-------------------------------|----------------------------|----------------------------|-----------------------------------|
| Capital One | 0.35% | NA | Demand | 1 | \$ 1,291,421 | \$ 1,256,807 | \$ 1,291,421 | \$ 34,614 | \$ 2,693 |
| Total (all cash & investments) | | | | | \$ 1,291,421 | \$ 1,256,807 | \$ 1,291,421 | \$ 34,614 | \$ 2,693 |

Weighted Average Rate (WAR) 0.35%

Weighted Average Maturity (WAM) 1.00 days

Investment schedules presented per the provisions of the Texas Code Chapter 2256 (Public Funds Investment Act) and the District's Investment Policy

The District requires its depository banks to provide collateral for all deposits in excess of Federal Deposit Insurance. As of June 30, 2018, the total market value of collateral pledged by Capital One Bank, N.A. to the City and the District was \$19,302,313.97.

Unrealized gain/loss is the difference between the market value of the City's securities and what it paid for them. Gains and losses are realized only when a security is sold prior to maturity. Since it is the City's practice to hold all securities to maturity, it is unlikely that unrealized gains and losses will be realized. As of June 30, 2018 the District had no unrealized gains or losses.

Stephanie Russell

Prepared By: Stephanie Russell, Investment Officer

8/24/2018

Date

Gabrielle Bernal

Gabrielle Bernal, Investment Officer

8/24/2018

Date

DICKINSON MANAGEMENT DISTRICT #1
FY2017-2018
REVENUE & EXPENDITURES
PERIOD ENDING JUNE 30, 2018*

| | FY2017-18 Original Budget | Actuals Period to Date | Under/ (Over) | Percent |
|---|---------------------------------|---------------------------|------------------|--------------|
| REVENUE | | | | |
| Sales Tax Revenue | 3,341,306 | 2,514,203 | 827,103 | 75.2% |
| Interest Income | 2,097 | 2,693 | (596) | 128.4% |
| TOTAL REVENUE | 3,343,403 | 2,516,896 | 826,507 | 75.3% |
| EXPENDITURES | | | | |
| Contractual & Operating | | | | |
| 380 Rebates | 2,338,914 | 1,273,653 | 1,065,262 | 54.5% |
| Audit Services | 5,500 | - | 5,500 | 0.0% |
| Financials Services | 6,000 | 4,500 | 1,500 | 75.0% |
| Insurance Expense | 1,458 | 1,458 | - | 100.0% |
| Legal Services | 5,000 | 768 | 4,232 | 15.4% |
| Legislative Services | 18,000 | 13,500 | 4,500 | 75.0% |
| Office Supplies/Postage | 500 | 2 | 498 | 0.4% |
| Subtotal Contractual & Operating | 2,375,372 | 1,293,880 | 1,081,492 | 54.5% |
| Programs | | | | |
| Connect CTY Service | 8,363 | 6,272 | 2,091 | 75.0% |
| Expansion of City Demolition | 50,000 | 37,500 | 12,500 | 75.0% |
| Major ROW Mowing Service | 38,005 | 28,504 | 9,501 | 75.0% |
| Expansion of EMS -Medic 2 | 451,333 | - | 451,333 | 0.0% |
| Fixed Route Bus Service | 47,645 | 47,645 | - | 100.0% |
| Local Match-Bus Stop Improv. | 20,000 | - | 20,000 | 0.0% |
| Holiday Decorations | 65,500 | 26,410 | 39,090 | 40.3% |
| Street Light Install | 9,500 | - | 9,500 | 0.0% |
| Subtotal Programs | 690,346 | 146,331 | 544,015 | 21.2% |
| Grants | | | | |
| Red, White & Bayou Sponsorship | 25,000 | - | 25,000 | 0.0% |
| Dickinson Volunteer Fire Dept | 50,000 | 50,000 | - | 100.0% |
| Subtotal Grants | 75,000 | 50,000 | 25,000 | 66.7% |
| Capital | | | | |
| EMS-Cardiac Monitors | 25,000 | 34,000 | (9,000) | 136.0% |
| Vehicles & Equipment Purchase | 50,000 | - | 50,000 | 0.0% |
| Subtotal Capital | 75,000 | 34,000 | 41,000 | 45.3% |
| TOTAL EXPENDITURES | 3,215,718 | 1,524,211 | 1,691,507 | 47.4% |
| REVENUE-EXPENDITURES | 127,685 | 992,685 | | |

**Unaudited*

DICKINSON MANAGEMENT DISTRICT #1
FY2017-2018
BALANCE SHEET
PERIOD ENDING JUNE 30, 2018*

Assets

Current Assets

Cash

| | |
|---------------------------------|-----------|
| Capital One - Operating Account | 1,257,315 |
|---------------------------------|-----------|

| | |
|-------------------|------------------|
| Total Cash | 1,257,315 |
|-------------------|------------------|

Accounts Receivable

| | |
|----------------------|---------|
| Sales Tax Receivable | 660,406 |
|----------------------|---------|

| | |
|----------------------|-----|
| Due From Other Funds | 697 |
|----------------------|-----|

| | |
|------------------|-----|
| Accrued Interest | 381 |
|------------------|-----|

| | |
|----------------------------------|----------------|
| Total Accounts Receivable | 661,484 |
|----------------------------------|----------------|

| | |
|-----------------------------|------------------|
| Total Current Assets | 1,918,799 |
|-----------------------------|------------------|

| | |
|---------------------|---------------------|
| Total Assets | \$ 1,918,799 |
|---------------------|---------------------|

Liabilities & Equity

Liabilities

Current Liabilities

Accounts Payable

| | |
|--------------------|---------|
| Due To Other Funds | 347,015 |
|--------------------|---------|

| | |
|--------------------------|---|
| General Accounts Payable | - |
|--------------------------|---|

| | |
|-------------------------------|----------------|
| Total Accounts Payable | 347,015 |
|-------------------------------|----------------|

| | |
|----------------------------------|----------------|
| Total Current Liabilities | 347,015 |
|----------------------------------|----------------|

| | |
|--------------------------|----------------|
| Total Liabilities | 347,015 |
|--------------------------|----------------|

Equity

| | |
|------------------------|---------|
| Beginning Fund Balance | 579,100 |
|------------------------|---------|

| | |
|------------|---------|
| Net Income | 992,685 |
|------------|---------|

| | |
|---------------------|------------------|
| Total Equity | 1,571,784 |
|---------------------|------------------|

| | |
|---------------------------------------|---------------------|
| Total Liabilities & Equity | \$ 1,918,799 |
|---------------------------------------|---------------------|

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | | |
|--------------------------------|---|--|
| TOPIC: | Review Proposed Amendment to Investment Policy and Review, Revise, and Approve Resolution Regarding Amendment to Investment Policy. | |
| BACKGROUND: | The District adopted the current Investment Policy on August 24, 2017. Each year, the District conducts an annual review of the Investment Policy to determine if any revisions are needed. This agenda item provides for the annual review of the current Investment Policy. No revisions are proposed at this time. | |
| RECOMMENDATION: | Staff recommends approval of the Resolution. | |
| ATTACHMENTS: | <ul style="list-style-type: none"> • Resolution Regarding Annual Review of Investment Policy • Dickinson Management District Number 1 Investment Policy Adopted August 24, 2017 | |
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - - | |
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL | |
| Stephanie Russell, Bookkeeper | | |

| ACTIONS TAKEN | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

I, the undersigned officer of the Board of Directors of Dickinson Management District No. 1 hereby certify as follows:

1. The Board of Directors of Dickinson Management District No. 1 convened in regular session on the 30th day of August, 2018, inside the boundaries of the District, and the roll was called of the members of the Board:

- C. Wayne Browne, D.C.
- Mary Dunbaugh
- Perry Fulcher, M.D.
- Johnnie Simpson Jr.
- Kim Westerlage

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the resolution has been duly recorded in the Board’s minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 30th day of August, 2018.

Secretary, Board of Directors

(SEAL)

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

WHEREAS, Dickinson Management District No. 1 (the "District") has been legally created and operates pursuant to the general laws of the State of Texas applicable to municipal management districts; and

WHEREAS, the Board of Directors has convened on this date at a meeting open to the public to conduct the District's annual review of its Investment Policy, pursuant to Chapter 49, Texas Water Code, and Chapter 2256, Texas Government Code, as amended; and

WHEREAS, following review, the Board of Directors has determined not to amend the District's current Investment Policy dated August 24, 2017; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DICKINSON MANAGEMENT DISTRICT NO. 1 THAT:

The Board of Directors of the District has conducted the District's annual review of its Investment Policy and confirms that the current Investment Policy dated August 24, 2017, shall remain in effect until modified by action of the Board of Directors.

PASSED AND APPROVED this 30th day of August, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

DICKINSON MANAGEMENT DISTRICT NUMBER 1 INVESTMENT POLICY

I. POLICY STATEMENT

This policy shall provide the guidelines by which the Dickinson Management District #1 (“DMD”) will maintain the minimum amount of cash in its bank accounts to meet daily needs, and to provide protection for its principal and liquidity while receiving the highest yield possible from investing all temporary excess cash. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The policy and strategy shall be reviewed annually by the DMD Board who will formally approve any modifications. This investment policy, as approved, is in compliance with the provisions of the Public Funds Investment Act of Tex. Gov’t. Code Ann. Chapter 2256, hereinafter referred to as the “Act”, as amended and effective September 1, 1997.

II. SCOPE

This Investment Policy applies to the investment activities of the DMD. These funds, as well as funds that may be created from time-to-time, shall be administered in accordance with the provisions of these policies.

III. INVESTMENT OBJECTIVE & STRATEGY

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

In accordance with the Public Funds Investment Act, the following prioritized objectives (in order of importance in accordance with Section 2256.005(d) of the Act), apply for each of the DMD’s investment strategies:

- A. ***Suitability*** – Understanding the suitability of the investment to the financial requirements of the DMD. Any investment eligible in the Investment Policy is suitable for all DMD funds.
- B. ***Safety*** – Preservation and safety of principal. All investments will be of high quality Securities with no perceived default risk. Market price fluctuations will however occur, by managing the weighted average days to maturity for each fund type as specified.
- C. ***Liquidity*** – To enable the DMD to meet operating requirements that might be reasonably anticipated, the DMD’S investment portfolio will remain sufficiently liquid. Liquidity shall be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active

secondary markets. Short-term investment pools and money market mutual funds provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

- D. **Marketability** – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market “spreads” between the bid and offer prices of a particular security type of less than a quarter of a percentage point shall define an efficient secondary market.
- E. **Diversification** – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the DMD. Diversifying the appropriate maturity structure will reduce market cycle risk.
- F. **Yield** – Attaining a competitive market yield for comparable security-types and portfolio restrictions are the desired objective. The yield of an equally weighted, rolling six-month treasury bill portfolio shall be the minimum yield objective or “benchmark”. A secondary objective will be to obtain a yield equal to or in excess of a local government investment pool, money market mutual fund or average Federal Reserve discount rate.

The first measure of success in this area will be the attainment of enough income to offset inflationary increases. Even though steps will be taken to obtain this goal, the DMD’s staff shall constantly be cognizant of the standard of care and the investment objectives pursuant to the provisions of the amended Act, Section 2256.006(a).

The Investment Officer shall avoid any transactions that might impair public confidence in the DMD’s ability to govern effectively. The governing body recognizes that in diversifying the 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. The prudence of the investment decision shall be measured in accordance with the tests set forth in Section 2256.006(b) of the Act.

IV. INVESTMENT STRATEGY FOR SPECIFIC FUND GROUPS

Each major fund type has varying cash flow requirements and liquidity needs. Therefore specific strategies shall be implemented considering the fund’s unique requirements and the following shall be considered separate investment strategies for each of the funds mentioned below. The DMD’s funds shall be analyzed and invested according to the following major fund types:

- A. **Operating Funds** – Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to structure a portfolio, which will minimize volatility during economic cycles. This

may be accomplished by purchasing high quality, short-term securities, which will compliment each other in a laddered maturity structure. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each security.

- B. **Debt Service Funds** – Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date, which exceeds the debt service payment date. A dollar weighted average maturity of 550 days or less will be maintained and calculated by using the stated final maturity date of each security.
- C. **Reserve Funds** – Investment strategies for reserve emergency and contingency funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate-term maturities with stated final maturities not exceeding five (5) years. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles.
- D. **Construction and Special Purpose Funds** – Investment strategies for construction projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date. A dollar weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity of each security.
- E. **Market** prices for all public fund investments will be obtained and monitored through the use of a third party or an online service specific to this purpose.

V. RESPONSIBILITY AND STANDARD OF CARE

- A. **Delegation & Training** – The management responsibility for the investment program is hereby delegated to the DMD Investment Officer as a designated investment officer, pursuant to section 2256.005 subsection f of the Act.

Accordingly, the investment officers, who shall be the Executive Director and the Chief Financial officer of the DMD for the purposes of Section 2256.008 of the Act, shall attend at least one training session relating to their responsibility under the Act within 12 months after assuming duties. These sessions and additional investment training sessions must be completed no less often than once every two fiscal years commencing September 1, 1997 and these investment officers shall receive not less

than 8 hours of instruction relating to investment responsibilities. The training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source approved by the DMD Board. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the DMD may engage in an investment transaction. Thus, these independent sources will be training sessions sponsored by Government Treasurers Organization of Texas (GTOT), University of North Texas (UNT), Government Finance Officers Association of Texas (GFOAT). No persons may engage in investment transactions except as provided under the terms of this policy.

The Investment Officer shall be responsible for all transactions undertaken, and shall establish a system of control to regulate the activities of the purchase & sale of securities and investments. The controls shall include an annual review by an external auditor. The review will provide internal control by assuring compliance with policies and procedures.

The Mayor, City Council, City Administrator, DMD Board Members, DMD Executive Director, DMD bookkeeper and other Finance employees shall be personally indemnified in the event of investment loss provided the Investment Policies and Guidelines are followed.

- B. **Conflicts of Interest** – All participants in the investment process shall seek to act responsibly as custodians of public assets. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.
- C. **Disclosure** - Anyone involved in investing DMD funds shall file with the DMD Secretary, a statement disclosing any personal business relationship and any material financial interest in a business organization that handle DMD investments. An investment officer has a personal business relationship with a business organization if:
1. The investment officer owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
 2. Funds received by the investment officer from the business organization exceed 10% of the investment officers gross income for the prior year; or
 3. The investment officer has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for the personal account of the investment officer.

Any investment officer who is related within the second degree by affinity or consanguinity as determined under the Tex. Gov't. Code Ann. Ch. 573 to an individual seeking to sell an investment to the DMD shall file a statement disclosing that relationship with the DMD and the Texas Ethics Commission.

- D. **Prudence** – The standard of prudence to be used by the investment officials shall be the “Prudent Person Rule”, as set forth in Tex. Gov't. Code Ann. Sec. 2256.006 and will be applied in the context of managing an overall portfolio: “Investments shall be made with judgment and care under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

Investment officials acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibilities for an individual security's credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

- E. **Reporting-Quarterly** - The Investment Officer shall submit quarterly an investment report, to the DMD Board, that summarizes recent market conditions, economic developments and anticipated investment conditions. The report shall summarize the investment strategies employed, describe the portfolio in terms of investment securities, maturities, risk characteristics and other features. The report shall include total investment return to date and compare the return with budgetary expectations or projections.

The report shall also contain the following provisions:

- 1) Describe in detail the investment position of the DMD as of the end of the reporting period,
- 2) Prepared jointly by all investment officers,
- 3) Signed by each investment officer,
- 4) Contain a summary statement of each pooled fund including a) beginning market value for the reporting period, b) ending market value for the *period*; and d) fully accrued interest for the reporting period.
- 5) State the book value and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested;
- 6) State the maturity date of each separately invested asset that has a maturity date,
- 7) State the account or fund or pooled group fund for which each individual investment was acquired; and
- 8) State the compliance of the investment portfolio of the DMD as it relates to the investment strategy of the DMD and with relevant provisions of the Tex. Gov't. Code Ch. 2256.

- F. **Annual Compliance Audit** – The DMD’s external, independent auditor will conduct an annual review of the quarterly reports in conjunction with the annual financial audit. The results of the audit will be reported to DMD Board Members upon receipt. The audit will review compliance with management control on investments and adherence to this policy.
- G. **Monitoring Procedures** – The DMD bookkeeper shall be responsible for the monitoring of market ratings of investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.
- a. Monthly, the DMD bookkeeper will utilize the third party “Safekeeping Consolidated Statements” to monitor market value of all investments purchased through the approved Broker/Dealer for the District; and
 - b. For any investment that falls below the minimum rating required under the Investment Policy, making that investment an unauthorized investment under the policy, the DMD bookkeeper, after conferring with the Executive Director of the District about the downgrade and potential losses of the bond principle, will proceed to sell the investment in the open market place through one of the District’s authorized broker/dealers.
 - c. Documentation of selling of downgraded investments will be reported to the District’s Board at the next possible scheduled meeting.
- H. **Record Retention:** The guidelines of retaining records for seven years as recommended in the *Texas State Library Municipal Records Manual* should be followed. The District’s bookkeeper shall oversee the filing and/or storing of investment records.

VI. SUITABLE AND AUTHORIZED INVESTMENT SECURITIES

- A. **Active Portfolio Management** – The DMD intends to pursue an active versus a passive investment management philosophy. That is, securities may be sold before they mature if market conditions present an opportunity for the DMD to benefit from the trade. (Subsection E).
- B. **Authorized Investments** (Per HB 2459 and Sections 2256.009 through 2256.017 of the Act) – Assets of funds of the government of the DMD may be invested in:
1. Obligations of the United States of America, its agencies and instrumentalities (maturing in less than five (5) years; which have a liquid market with a readily determinable market value;
 2. Investment - grade, direct obligations of the State of Texas (maturing in less than two (2) years);
 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 “AA” or its equivalent (maturing in less than two (2) years);

4. Fully insured or collateralized Certificates of Deposit issued by state and national banks or savings bank or a state or federal credit union, domiciled in Texas, guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor or by the explicit full faith and credit of the United States; secured by obligations described in 1 through 3 above, and that have a market value of not less than the principal amount of the certificates but excluding those mortgage backed securities as described in the Tex. Gov’t. Code Sec. 2256.009(b) (maturing in less than one (1) year);
 - a. In addition to the authority to invest funds in certificates of deposit under Subsection 4, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment hereunder:
 - i. The funds are invested by an investing entity through:
 1. A broker that has its main office or a branch office in this State and is selected from a list adopted by the investing entity as required in Section 2256.025; or
 2. The broker or the depository institution selected by the investing entity under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
 3. The investing entity appoints the depository institution selected by the investing entity under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 CFR Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.
5. Fully collateralized direct repurchase agreements if the repurchase agreement (1) has a defined termination date; (2) is secured by a combination of cash and obligations described by Section 2256.009(a)(1); and (3) requires the securities purchase by the entity or cash held by the entity to be pledged to the entity, held in the entity’s name and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity;;
6. Commercial paper that has a stated maturity of 270 days or less from the date of issuance and is rated A-1 or P-1 or an equivalent rating by at least two nationally recognized rating agencies or rated not less than A-1 or P-1 or an equivalent by one nationally recognized rating agency plus fully secured by an irrevocable letter of credit issued by a domestic bank.

7. a. Public Fund Investment Pools with a weighted average maturity of 90 days or less. The pool must be approved (by resolution) by the DMD Board of Directors to provide services to the DMD. The pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than .0995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between .0995 and 1.005. In addition to the requirements of its investment policy and any other forms of reporting, a public funds investment pool created to function as a money market mutual fund shall report yield to its investors in accordance with regulations of the Federal Securities and Exchange Commission applicable to reporting by money market funds. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with Section 2256.016 of the Texas Government Code and the investment policies and objectives adopted by the investment pool.
- b. To be eligible to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains, at a minimum, the following information:
 - (1) the types of investments in which money is allowed to be invested;
 - (2) the maximum average dollar-weighted maturity allowed, based on the stated maturity date of the pool;
 - (3) the maximum stated maturity date any investment security within the portfolio has;
 - (4) the objectives of the pool;
 - (5) the size of the pool;
 - (6) the names of the members of the advisory board of the pool and the dates their terms expire;
 - (7) the custodian bank that will safe keep the pool's assets;
 - (8) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (9) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (10) the name and address of the independent auditor of the pool;
 - (11) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool;

- (12) the performance history of the pool, including yield, average dollar weighted maturities, and expense ratios;
 - (13) a statement regarding how yield is calculated; and
 - (14) an annual audited financial statement on the investment pool in which the entity has funds invested.
- c. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must furnish to the investment officer or other authorized representative of the entity:
- (1) investment transaction confirmations; and
 - (2) a monthly report that contains, at a minimum, the following information:
 - (A) the types and percentage breakdown of securities in which the pool is invested;
 - (B) the current average dollar-weighted maturity, based on the stated maturities of the pool;
 - (C) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (D) the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - (E) the size of the pool;
 - (F) the number of participants in the pool;
 - (G) the custodian bank that is safekeeping the assets of the pool;
 - (H) a listing of daily transaction activity of the entity participating in the pool;
 - (I) the yield and expense ratio of the pool;
 - (J) the portfolio managers of the pool; and
 - (K) any changes or addenda to the offering circular.
- d. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.
- e. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.
8. An SEC-registered, no load money market mutual fund which has a dollar weighted average stated maturity of 90 days or less whose assets consist exclusively of the assets described in section B.1. and whose investment objectives includes the maintenance of a stable net asset value of \$1 for each share: furthermore, it provides the DMD with a prospectus and other information required by the SEC Act of 1934 or the Investment Advisor Act of 1940 and which provides the DMD with a prospectus and other information required by the

Securities Exchange Act of 1934 (15 USC. Section 78a *et. seq.*) or the Investment Company Act of 1990 (15 USC Section 80a-1 *et. seq.*).

9. Other such securities or obligations which are authorized by the Act as approved by DMD upon recommendation of the Investment Officer.

C. ***Prohibited Investments*** – The DMD’s authorized investment options are more restrictive than those allowed by State law. Furthermore, this policy specifically prohibits investment in the following investment securities.

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 10 years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

D. ***Diversification***– It is the policy of the DMD to diversify its investment portfolios. The diversification will protect interest income from the volatility of interest rates and the avoidance of undue concentration of assets in a specific maturity sector; therefore, portfolio maturities shall be staggered. Securities shall also be selected and revised periodically by the DMD Board upon recommendation of the Investment Officer. In establishing specific diversification strategies, the two (2) following general policies and constraints shall apply:

1. Risk of market price volatility shall be controlled through maturity diversification and by controlling unacceptable maturity extensions and a mismatch of liabilities and assets. The maturity extension will be controlled by limiting the weighted average maturity of the entire portfolio to 550 days. All long-term maturities will be intended to cover long-term liabilities. In addition, five (5%) percent of the funds in the portfolio will be liquid at all times.
2. The DMD Board shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in U.S. Treasury Securities, federal agency instrumentalities, repurchase agreements, and insured/collateralized certificates of deposit and other securities or obligations.
3. Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations:

| <u>Investment Type</u> | <u>% of Portfolio</u> |
|---|------------------------------|
| • U.S. Treasury Notes/Bills | 100% |
| • U.S. Agencies & Instrumentalities | 100% |
| • State of Texas Obligations & Agencies | 15% |
| • Local Government Investment Pools | 50% |
| • Local Government Obligations (AA) | 10% |
| • Repurchase Agreements | 25% |
| • Certificates of Deposit | 100% |
| • U.S. Government Money Market Funds | 50% |
| • U.S. Treasury Notes & U.S. Agency Callables | 35% |

By Institution:

| | |
|-----------------------|---------------------------|
| Repurchase Agreements | No more than 10% |
| All Other | No more than 40% |
| Investment Pools | No more than \$10,000,000 |

- D. **Security swaps** may be considered as an investment option for the DMD. A swap out of one instrument into another is acceptable to increase yield, realign for disbursement dates, extend or shorten maturity dates and improve market sector diversification. Swaps may be initiated by brokers/dealers who are on the DMD's approved list. A horizon analysis is required for each swap proving benefit to the DMD before the trade decision is made, which will accompany the investment file for record keeping.
- E. All investments (governments or bank CD's) will be solicited on a competitive basis with at least three (3) institutions. The DMD Board can approve exceptions on a case by case basis or on a general basis in the form of guidelines. These guidelines shall take into consideration the investment type maturity date, amount, and potential disruptiveness to the DMD's investment strategy. The investment will be made with the broker/dealer offering the best yield/quality to the DMD. The quotes may be accepted orally, in writing, electronically, or any combination of these methods.

VII. SELECTION OF BANKS AND DEALERS

- A. **Investment Brokers/Dealers** – The DMD Board shall be responsible for adopting the list of brokers and dealers of government securities. Their selection shall be among only primary government securities dealers that report directly to the New York Federal Reserve Bank, unless a comprehensive credit and capitalization analysis reveals that other firms are adequately financed to conduct public business. The DMD Board shall base its evaluation of security dealers and financial institutions upon:
1. Financial conditions, strength and capability to fulfill commitments;

2. Overall reputation with other dealers or investors;
3. Regulatory status of the dealer;
4. Background and expertise of the individual representatives.

The Investment Officer shall conduct business with securities dealers approved by the DMD or with banks selected as outlined in VII. Furthermore, the Board must annually review this list of qualified brokers authorized to engage in investment transactions with the DMD. Investment Officers shall not conduct business with any firm with whom public entities have sustained losses on investments or whose name the Board has removed from an approved list.

- B. **Compliance** – A qualified representative from any firm offering to engage in investment transactions with the DMD is required to sign a written instrument. This certifies that they have received and reviewed a written copy of the DMD’s Investment Policy. The firm must acknowledge that it has implemented reasonable procedures and controls in an effort to preclude investments between the DMD and the firm that are not authorized by the DMD’s investment policy. Approved brokers and dealers must complete Exhibit A and return it to the Investment Officer. The DMD’s investment officer(s) may not transact business from a person who has not delivered the required written instrument to the DMD.
- C. **Diversification** – To guard against default possibilities under these conditions, and to assure diversification of bidders, business with any one issuer, or investment broker, should be limited to (40%) percent of the total portfolio at any point in time. In this way, bankruptcy, receivership or legal action would not immobilize the DMD’s ability to meet payroll or other expenses.

VIII. PRINCIPAL PROTECTION AND SAFEKEEPING

- A. All banks’ and credit unions’ deposits and investments of DMD funds shall be secured 100% by FDIC or NCUA Insurance. Evidence of proper collateralization in the form of original safekeeping receipts held in the institution’s trust department or at a third party institution not affiliated with the bank or bank holding company will be maintained in the office of the Investment Officer at all times. The Investment Officer or DMD bookkeeper will approve and release all pledged collateral. Collateral will be reviewed monthly to assure the market value of the securities pledged exceeds investments and/or the related bank balances by the Investment Officer.
- B. **Collateral Defined** – The DMD shall accept only the following securities as collateral:
1. FDIC and NCUA insurance coverage.
 2. Federal Home Loan Bank Board Letter of Credit

- C. **Delivery vs. Payment** – All transactions will be executed with authorized security dealers and financial institutions on a delivery-versus-payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the Trustee received the collateral. The collateral shall be held in the name of the DMD or held on behalf of the DMD. The Trustee's records shall assure the notation of the DMD's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the DMD's bookkeeper.
- D. **Subject to Audit** – All collateral shall be subject to inspection and audit by the Investment Officer, or designee, as well as, the DMD's independent auditors.

IX. MANAGEMENT AND INTERNAL CONTROLS

The DMD bookkeeper, or designee, shall establish a system of internal controls, which shall be reviewed by an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the DMD.

Controls and managerial emphasis deemed most important that shall be employed include the following:

Imperative Controls:

- Custodian safekeeping receipts records management
- Avoidance of bearer-form securities
- Documentation of investment bidding events
- Written confirmation of telephone transactions
- Reconcilements and comparisons of security receipts with the investment subsidiary records
- Compliance with investment policies
- Verification of all interest income and security purchase and sell computations

Controls Where Practical:

- Control of Collusion
- Separation of duties
- Separation of transaction authority from Accounting and Record-keeping
- Clear delegation of authority
- Accurate and timely reports
- Validation of investment maturity decisions with supporting cash flow data
- Adequate training and development of Investment Officials
- Review of financial conditions of all brokers, dealers, and depository institutions
- Staying informed about market conditions

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | |
|--------------------------------|---|
| TOPIC: | Review, revise, and adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. |
| BACKGROUND: | <p>As part of the District's annual review of the Investment Policy, the Board also needs to review, revise and approve a list of authorized depository institutions and qualified broker/dealers with whom the District may engage in investment transactions.</p> <p>There are no proposed changes to the Depository Institutions or List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions.</p> |
| RECOMMENDATION: | Staff recommends approval of the Resolution. |
| ATTACHMENTS: | <ul style="list-style-type: none"> • Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers With Whom the District May Engage in Investment Transactions |
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Full Amount already budgeted. <input type="checkbox"/> Funds to be transferred from Acct.# - - |
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL |
| Stephanie Russell, Bookkeeper | |

| ACTIONS TAKEN | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

I, the undersigned officer of the Board of Directors of Dickinson Management District No. 1 hereby certify as follows:

1. The Board of Directors of Dickinson Management District No. 1 convened in regular session on the 30th day of August, 2018, inside the boundaries of the District, and the roll was called of the members of the Board:

- C. Wayne Browne, D.C.
- Mary Dunbaugh
- Perry Fulcher, M.D.
- Johnnie Simpson Jr.
- Kim Westerlage

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the resolution has been duly recorded in the Board’s minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 30th day of August, 2018.

Secretary, Board of Directors

(SEAL)

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS
AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE
DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

WHEREAS, Dickinson Management District No. 1 (the "District") has been legally created and operates pursuant to the general laws of the State of Texas applicable to municipal management districts; and

WHEREAS, Section 49.156, Texas Water Code, as amended from time to time, requires the Board of Directors of the District to designate one or more banks or savings associations within the state to serve as depository for the funds of the District; and

WHEREAS, a depository of the District means any depository institution with which the District maintains demand or time deposits, including certificates of deposit; and

WHEREAS, the Public Funds Investment Act, Chapter 2256, Government Code, as amended from time to time, requires the Board of Directors of the District to, at least annually, review, revise, and adopt a list of qualified broker/dealers with whom the District may engage in investment transactions; and

WHEREAS, the Board of Directors has convened on this date at a meeting open to the public and wishes to (i) establish the authorized depository institutions of the District, and (ii) adopt the list of qualified broker/dealers with whom the District may engage in investment transactions; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DICKINSON MANAGEMENT DISTRICT NO. 1 THAT:

Section 1: The authorized depository institutions for the District are included in the attached **Exhibit A**, including the successor entities of any depository institutions listed therein, and are thereby established as the District's depositories.

Section 2: The funds of the District may be disbursed from such authorized depository institutions in accordance with Section 49.151 Texas Water Code, as amended from time to time.

Section 3: The attached **Exhibit A** contains a list of the qualified broker/dealers with whom the District may engage in investment transactions, which list shall be deemed to include the successor entities of any broker/dealers therein.

PASSED AND APPROVED this 30th day of August, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

EXHIBIT A

Depository - CAPITAL ONE N.A.

Broker/Dealer - AMEGY BANK TREASURY MANAGEMENT

Broker/Dealer - STIFEL NICOLAUS & COMPANY INCORPORATED

Broker/Dealer - COASTAL SECURITIES

Broker/Dealer - FIRST EMPIRE SECURITIES

Broker/Dealer - TEXAS FIRST BANK

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

TOPIC: Review, revise, and adopt Resolution Amending the list of Authorized Individuals for the District's Financial Depository, Capital One Bank, N.A.

BACKGROUND: The District approved a Bank Depository Services Contract by and between the City of Dickinson, Texas and Capital One Bank, NA, as Financial Depository for the City of Dickinson for the term beginning March 1, 2015. The District must designate authorized individuals to open a transaction account with the Bank and to execute and deliver to the Bank any additional documentation. Furthermore, such individuals are authorized for and on behalf of the District to conduct transactions, to endorse or cause to be endorsed, to deposit or cause to be deposited from time to time checks, and drafts and other instruments and funds payable or held by the District.

Staff recommends that former Executive Director Julie Robinson be removed, and Bookkeeper Stephanie Russell be added as an authorized individual and that President Fulcher remain as authorized individual.

RECOMMENDATION: Staff recommends approval of the Resolution.

ATTACHMENTS:

- Resolution Amending the list of Authorized Individuals for the District's Financial Depository, Capital One Bank, N.A.
- Public Funds Resolution

FUNDING ISSUES

Not applicable
 Not budgeted
 Full Amount already budgeted.
 Funds to be transferred from Acct.# - -

| | |
|--------------------------------|------------------------------------|
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL |
| Stephanie Russell, Bookkeeper | |

| ACTIONS TAKEN | | |
|--|--|--------------|
| APPROVAL | READINGS PASSED | OTHER |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | |

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

I, the undersigned officer of the Board of Directors of Dickinson Management District No. 1 hereby certify as follows:

1. The Board of Directors of Dickinson Management District No. 1 convened in regular session on the 30th day of August, 2018, inside the boundaries of the District, and the roll was called of the members of the Board:

C. Wayne Browne, D.C.
Mary Dunbaugh
Perry Fulcher, M.D.
Johnnie Simpson Jr.
Kim Westerlage

and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION AMENDING THE LIST OF AUTHORIZED INDIVIDUALS FOR THE DISTRICT'S FINANCIAL DEPOSITORY, CAPITAL ONE BANK, N.A.

was introduced for the consideration of the Board. It was then duly moved and seconded that the resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the resolution, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the resolution has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED the 30th day of August, 2018.

Secretary, Board of Directors

(SEAL)

RESOLUTION AMENDING THE LIST OF AUTHORIZED INDIVIDUALS FOR THE DISTRICT'S FINANCIAL DEPOSITORY, CAPITAL ONE BANK, N.A.

WHEREAS, Dickinson Management District No. 1 (the "District") has been legally created and operates pursuant to the general laws of the State of Texas applicable to municipal management districts; and

WHEREAS, Section 49.156, Texas Water Code, as amended from time to time, requires the Board of Directors of the District to designate one or more banks or savings associations within the state to serve as depository for the funds of the District; and

WHEREAS, a depository of the District means any depository institution with which the District maintains demand or time deposits, including certificates of deposit; and

WHEREAS, the Board of Directors has convened on this date at a meeting open to the public and wishes to authorize individuals for the District's financial depository, Capital One Bank, N.A.; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DICKINSON MANAGEMENT DISTRICT NO. 1 THAT:

Section 1: The authorized individuals for the District's financial depository, Capital One Bank, N.A. are included in the attached **Exhibit A**.

Section 2: The funds of the District may be disbursed from such authorized individuals in accordance with Section 49.151 Texas Water Code, as amended from time to time.

Section 3: The attached **Exhibit A** contains a list of the authorized individuals for the District's financial depository, Capital One Bank, N.A.

PASSED AND APPROVED this 30th day of August, 2018.

President, Board of Directors

ATTEST:

(SEAL)

Secretary, Board of Directors

EXHIBIT A

Authorized Individuals for the District's Financial Depository:

President, Perry Fulcher

Bookkeeper, Stephanie Russell



PUBLIC FUNDS RESOLUTION

NAME OF ORGANIZATION: _____

ADDRESS: _____ DATE: _____

This is to certify that the Undersigned is the duly elected and acting Secretary/Clerk of the Board of the above named organization (the "Organization"), and that at a regular or duly called special meeting at which a quorum was present, the following Resolutions were adopted (as evidenced by the attached copy of the relevant portions of the Minutes from said meeting) and have not been amended or revoked as of the date hereof and are now in full force and effect:

RESOLVED, that Capital One, N.A. (hereafter referred to as the "Bank"), is designated as a legal depository for funds of the Organization.

RESOLVED, that the following individual(s) is (are) authorized for and on behalf of the Organization to open a transaction account (Demand Deposit/Savings/Money Market Savings) with the Bank and to execute and deliver to the Bank any additional documentation, including but not limited to, a signature card or cards supplied by the Bank, containing a specimen signature of such individual(s). Furthermore, such individual(s) is (are) authorized for and on behalf of the Organization to conduct transactions, to endorse or cause to be endorsed, to deposit or cause to be deposited from time to time checks, drafts and other instruments and funds payable or held by the Organization, and that any funds so deposited shall be subject to withdrawal or transfer by any _____ (number) of the authorized individual(s) (attach rider if necessary):

Name: _____ Name: _____ Name: _____
Title: _____ Title: _____ Title: _____
Signature: _____ Signature: _____ Signature: _____

RESOLVED, that the above mentioned individual(s), as well as designee(s) by written instructions from the Organization, is (are) authorized for and on behalf of the Organization to open a Certificate of Deposit account with the Bank and to execute and deliver a confirmation of instructions and any additional documentation containing a specimen signature of such individual(s). Any funds deposited therein shall be subject to withdrawal or transfer by such individual(s).

RESOLVED, that the Bank may purchase, give credit for, cash, accept, and pay funds on deposit in any of the aforementioned accounts without inquiry, all items signed, drawn, accepted or endorsed on behalf of the Organization, whether under a title, the words "Authorized Signature" or otherwise, with the purported actual or facsimile signature of any _____ (number) of the officials whose names, titles and specimen signatures appear above or on a rider hereto, or his or her successor in office, regardless of the circumstances under which the signature shall have become affixed if it resembles any actual or facsimile signature previously certified to the Bank. The Organization shall indemnify the Bank against all claims, damages, liabilities, cost and expenses (including, but not limited to, attorneys' fees and disbursements) incurred by the Bank in connection with honoring any purported signature of any authorized signer or any refusal to honor the signature of any person who is not an Authorized Signer. The Organization acknowledges that dual signature requirements and restrictions impose no liability to the Bank.

RESOLVED, that each of the foregoing resolutions shall continue in force until express written notice of its rescission or modification has been received by the Bank, but if the authority contained in them should be revoked/terminated by operation of law without said notice, it is resolved and agreed for the purpose of inducing the Bank to act hereunder, that the Bank shall be saved and held harmless from any loss suffered or liability incurred by it in so acting after revocation or termination without notice.

The Undersigned further certifies that each person whose name appears is acting for the Organization in such authorized capacity; and that each signature on this certification is a true specimen of the signature of the person whose signature it purports to be.

Attested by: _____, Secretary/Clerk of the Board of the Organization.

This _____ day of _____, 20 _____ Signature of Secretary/Clerk

Witnessed by: _____ Date: _____
Branch Representative

THE FOLLOWING ACKNOWLEDGMENT MUST BE NOTARIZED WHEN THE SECRETARY/CLERK DOES NOT SIGN IN THE PRESENCE OF A BANK REPRESENTATIVE

STATE OF)
) SS:
COUNTY OF)

_____ being duly sworn, deposes and says: I am the secretary of

and have read the above resolution and certification. As secretary of the Corporation I keep the minute books and corporate seal of the Corporation and the foregoing certification and contents of this document are true to my own knowledge. I make this affidavit with the knowledge that it will be relied upon by Capital One, N.A.

_____ Signature of Secretary/Clerk

Sworn to before me this _____ day of _____, 20 _____ Notary Public

PUBLIC FUNDS RESOLUTION RIDER

NAME OF ORGANIZATION: _____

ADDRESS: _____ DATE: _____

In addition to those persons indicated on the Public Funds Resolution, the following individuals may act in accordance with the resolution.

Name: _____ Name: _____ Name: _____

Title: _____ Title: _____ Title: _____

Signature: _____ Signature: _____ Signature: _____

Name: _____ Name: _____ Name: _____

Title: _____ Title: _____ Title: _____

Signature: _____ Signature: _____ Signature: _____

The Undersigned further certifies that each person whose name appears is acting for the Organization in such authorized capacity; and that each signature on this certification is a true specimen of the signature of the person whose signature it purports to be.

Attested by: _____, Secretary/Clerk of the Board of the Organization.

This _____ day of _____, 20 _____
Signature of Secretary/Clerk

Witnessed by: _____ Date: _____
Branch Representative

THE FOLLOWING ACKNOWLEDGMENT MUST BE NOTARIZED WHEN THE SECRETARY/CLERK DOES NOT SIGN IN THE PRESENCE OF A BANK REPRESENTATIVE

STATE OF _____)
) SS:
COUNTY OF _____)

_____ being duly sworn, deposes and says: I am the secretary of

and have read the above resolution and certification. As secretary of the Corporation I keep the minute books and corporate seal of the Corporation and the foregoing certification and contents of this document are true to my own knowledge. I make this affidavit with the knowledge that it will be relied upon by Capital One, N.A.

Signature of Secretary/Clerk

Sworn to before me this _____ day of _____, 20 _____

Notary Public

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | | |
|--------------------------------|--|--|
| TOPIC: | Discussion and Direction Regarding Community Survey. | |
| BACKGROUND: | As previously discussed during the planning for the FY2018-2019 Budget, the Executive Director would like input from the Board regarding issuing an RFP to conduct a Community Survey. | |
| RECOMMENDATION: | Staff seeks input and direction regarding issuing an RFP to conduct a Community Survey. | |
| ATTACHMENTS: | • N/A | |
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Amount already included in the FY 16-17 Budget <input type="checkbox"/> Funds to be transferred from Acct.# - - | |
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL | |
| Stephanie Russell, Bookkeeper | | |

| | | |
|--|--|--------------|
| ACTIONS TAKEN | | |
| APPROVAL | READINGS PASSED | OTHER |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | |

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | |
|---------------|--|
| TOPIC: | Discussion and Direction Regarding Landscape Architect Proposal. |
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| BACKGROUND: | The Executive Director would like input from the Board regarding a Landscape Architect Proposal for major thoroughfares within the District. |
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| RECOMMENDATION: | Staff seeks input and direction regarding a Landscape Architect Proposal. |
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| | |
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| ATTACHMENTS: | • N/A |
|---------------------|-------|

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|-----------------------|--|
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Amount already included in the FY 16-17 Budget <input type="checkbox"/> Funds to be transferred from Acct.# - - |
|-----------------------|--|

| | |
|--------------------------------|------------------------------------|
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL |
| Stephanie Russell, Bookkeeper | |

ACTIONS TAKEN

| | | |
|---|--|--------------|
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |
|---|--|--------------|

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | |
|---------------|--|
| TOPIC: | Review and Approve the City's Proposed Annual Agreement Requesting Funding from the District for Fiscal Year 2018-2019 |
|---------------|--|

| | | | | | | | | | | | | | | | | | |
|--|--|-------------|---------|-------------------------------|----------|-----------------------------|----------|----------------------|----------|--------------------|---------|----------------------------|-----------|-------------|-----------|--|------------------|
| BACKGROUND: | <p>During the August 2, 2018 meeting, the board discussed the budget items that the City of Dickinson would be submitting to the District. The only change from the previous discussion is that the contribution to EMS is less than what was discussed during the August 2nd meeting. Below is a breakdown of the request for next fiscal year:</p> <table border="0"> <tr> <td>Connect CTY</td> <td align="right">\$8,363</td> </tr> <tr> <td>Mowing of Major Thoroughfares</td> <td align="right">\$38,005</td> </tr> <tr> <td>Expanded Demolition Program</td> <td align="right">\$50,000</td> </tr> <tr> <td>Legislative Services</td> <td align="right">\$18,000</td> </tr> <tr> <td>Financial Services</td> <td align="right">\$6,000</td> </tr> <tr> <td>Public Safety Vehicles (4)</td> <td align="right">\$249,000</td> </tr> <tr> <td>EMS Medic 2</td> <td align="right">\$254,400</td> </tr> <tr> <td>Total Requested for FY2018-2019</td> <td align="right">\$623,768</td> </tr> </table> <p>These amounts have been included in the Fiscal Year 2018-2019 Budget that will be considered in the next agenda item. A letter from the City requesting funding for Fiscal Year 2018-2019 is provided with this Agenda Item and is included with the annual Agreement for District Services as Exhibit "A" to the Agreement.</p> | Connect CTY | \$8,363 | Mowing of Major Thoroughfares | \$38,005 | Expanded Demolition Program | \$50,000 | Legislative Services | \$18,000 | Financial Services | \$6,000 | Public Safety Vehicles (4) | \$249,000 | EMS Medic 2 | \$254,400 | Total Requested for FY2018-2019 | \$623,768 |
| Connect CTY | \$8,363 | | | | | | | | | | | | | | | | |
| Mowing of Major Thoroughfares | \$38,005 | | | | | | | | | | | | | | | | |
| Expanded Demolition Program | \$50,000 | | | | | | | | | | | | | | | | |
| Legislative Services | \$18,000 | | | | | | | | | | | | | | | | |
| Financial Services | \$6,000 | | | | | | | | | | | | | | | | |
| Public Safety Vehicles (4) | \$249,000 | | | | | | | | | | | | | | | | |
| EMS Medic 2 | \$254,400 | | | | | | | | | | | | | | | | |
| Total Requested for FY2018-2019 | \$623,768 | | | | | | | | | | | | | | | | |

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|------------------------|--|
| RECOMMENDATION: | Staff recommends approval of the Agreement for District Services with City of Dickinson for Fiscal Year 2018-2019. |
|------------------------|--|

| | |
|---------------------|---|
| ATTACHMENTS: | <ul style="list-style-type: none"> • City's Request for Funding for Fiscal Year 2018-2019 • Agreement for District Services Between Dickinson Management District No. 1 and City of Dickinson for Fiscal Year 2018-2019 |
|---------------------|---|

| | |
|-----------------------|--|
| FUNDING ISSUES | <input type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input checked="" type="checkbox"/> Full Amount included in FY2018-2019 Proposed Budget. |
|-----------------------|--|

| | |
|--------------------------------|------------------------------------|
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL |
| Stephanie Russell, Bookkeeper | |

| ACTIONS TAKEN | | |
|--|--|--------------|
| APPROVAL | READINGS PASSED | OTHER |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | |

AGREEMENT FOR DISTRICT SERVICES

This Agreement for District Services (the "Agreement") is made and entered into by **Dickinson Management District No. 1**, a municipal management district and a political subdivision of the State of Texas (the "District"), acting by and through its governing body, the Board of Directors, and the **City of Dickinson, Texas**, a municipal corporation and political subdivision of the State of Texas (the "City"), acting by and through its governing body, the City Council (each a "Party" or collectively the "Parties").

RECITALS

WHEREAS, Dickinson Management District No. 1 (the "District") was created by Senate Bill No. 1866, Acts of the 79th Legislature, Regular Session, codified as Chapter 3853, Texas Special District Local Laws Code (the "Act"), and governed by Chapter 375, Texas Local Government Code (the "Code"); and

WHEREAS, the Legislature found and declared in the Act that the creation of the District is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the District; and

WHEREAS, the Legislature further found and declared in the Act that the creation of the District is in the public interest and is essential to further the public purposes of developing and diversifying the economy of the state, eliminate unemployment and underemployment, and develop or expand transportation and commerce; and

WHEREAS, the Legislature further found and declared in the Act that the District will promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the District, and of the public, and provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the District territory as a community and business center; and

WHEREAS, the Code, particularly Section 375.122, provides an exhaustive list of improvements and services that can be provided by the District and such list of improvements and services is further expanded by the Act; and

WHEREAS, Section 375.122 of the Code specifically provides authority for services of the District for advertising, economic development, promoting the area in the District, health and sanitation, public safety, maintenance, security, business recruitment, development, elimination or relief of traffic congestion, recreation, and cultural enhancement; and

WHEREAS, Section 3853.152 of the Act provides that the District may acquire, construct, finance, operate, or maintain any improvement or service authorized under the Act or the Code using any money available to the District; and

WHEREAS, Section 3853.203 of the Act provides that the District may adopt a sales and use tax for the benefit of the District; and

WHEREAS, by Order dated September 25, 2008, the Board of Directors of the District levied a sales and use tax at a rate of 0.5% within the District (the "District Sales Tax"); and

WHEREAS, collection of the District's Sales Tax began on January 1, 2009; and

WHEREAS, all of the territory within the District is within the corporate limits of the City; and

WHEREAS, the City has historically provided services consistent with many of the purposes and goals of the District, including the promotion of employment, commerce, economic development, safety and general welfare within the City and the District; however, the City will be forced to eliminate or reduce such services and without funding from the District; and

WHEREAS, the District desires to contract with the City to provide services to the District; and

WHEREAS, the District and the City agree it is mutually beneficial that the City provide certain bookkeeping and financial services to the District; and

WHEREAS, Section 375.281 of the Code provides that notwithstanding any other law to the contrary, a municipality may contract with the District without further authorization to carry out the purposes of the Code; and

WHEREAS, the Parties desire to enter into this Agreement for District Services;

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, obligations, and benefits herein set forth, the Parties contract and agree as follows:

Section 1. District Services.

(a) The facts, determinations and findings contained in the recitals hereto are hereby found to be true and correct.

(b) By letter dated August 24, 2018, a copy of which is attached hereto as **Exhibit "A,"** (the "City Request Letter") the City requested funding from the District for

certain services, and purchase of equipment to support such services, during the City's Fiscal Year 2018-2019. The City Request Letter requests funding from the District in the amount of \$623,768.00, to support certain services (the "District Services").

(c) The City Request Letter explains in detail the relationship between the District Services and the purposes and goals of the District, including the promotion of employment, commerce, economic development, safety and general welfare within the City and the District. The Board of Directors of the District and the City Council of the City hereby find and determine that the facts recited and the justification for District funding in the City Request Letter are true and correct.

(d) Even though certain of the District Services have been provided in the past by the City, both the Board of Directors of the District and the City Council of the City find, determine and agree that the City would be forced to reduce or eliminate the District Services for its next fiscal year without District funding. Therefore, both the Board of Directors of the District and the City Council of the City find, determine and agree that funding of the District Services by the District does not relieve the City of Dickinson from providing the level of services provided as of the effective date of the Act to the area in the District, nor is the District supplanting the City services provided in the area in the District.

(e) The District agrees to fund the District Services as detailed in the City Request Letter solely from the actual net collections of the District's Sales Tax, subject to the retention by the District of: (i) amounts sufficient to pay current and anticipated administrative and operating costs of the District, as determined by the Board of Directors of the District, and (ii) amounts sufficient to pay "Program Grants" as defined by and pursuant to various "Economic Development Agreements" between the District and various grantees.

(f) The obligation of the District to the City under this Agreement is limited to the District's Sales Tax that is actually collected by the City. This Agreement shall create no obligation on the District that is payable from other moneys of the District other than the District's Sales Tax that is actually collected by the District as limited by the preceding paragraph.

(g) The City shall use the funds provided by the District pursuant to this Agreement solely for the payment of the District Services.

Section 2. District Bookkeeping and Financial Services to be Provided by the City.

(a) The City will provide bookkeeping and financial services to the District via the City's Finance Department as described in this Section.

(b) The City, through its Finance Department, will provide the following services to the District:

1. Establish necessary bank and investment accounts, reconcile such accounts on a monthly basis, and deposit District funds in the appropriate account on a timely basis.
2. Prepare and present for approval by the Board of Directors, all checks or appropriate documentation for monetary transfers, with invoices attached.
3. Prepare statements, as often as requested by the District, showing all activity within each District account, and the current distribution of monies within each fund.
4. Maintain all journals and ledgers pertaining to the District's accounts in accordance with generally accepted accounting guidelines for public funds, and the applicable laws of the State of Texas.
5. Complete posting and close all journals and ledgers within 30 days of the end of the District's fiscal year.
6. Assist the District's auditor to efficiently perform the annual audit.
7. Allow one or more of its officers or employees to be designated as the District's Investment Officer pursuant to the Public Funds Investment Act, with such person to provide a quarterly investment report detailing compliance with the Public Funds Investment Act and the District's Investment Policy.
8. Verify that securities are provided for District funds in accordance with State law and the policy of the Board of Directors.
9. Attend Board meetings if requested by the Board of Directors.
10. Prepare an annual operating fund budget for the District and compare budget with actual expenditures on a monthly and cumulative basis
11. Prepare Forms 1096 and 1099, or other reporting forms required by State or Federal government.

(b) The District shall reimburse the City for the services detailed in this Section 2(a), the sum of \$500 per month. In addition, the District will reimburse the City for all out-of-pocket expenses reasonably and necessarily incurred by the City in the performance of such services, including but not limited to, printing, duplication of documents, postage, messenger or expedited delivery fees, fax or telecopy fees.

(c) The City agrees that the employee(s) performing such functions pursuant to this Section 2 are covered by a public employee blanket bond and/or other insurance coverage as may be necessary to protect the Parties.

Section 3. Term and Termination.

(a) This Agreement shall become effective as of the date of execution by both parties and remains in force and effect until all payments from the District to the City required hereunder have been made.

(b) This Agreement may be terminated by mutual, written agreement and consent of the District and the City.

(c) The services provided by the City to the District pursuant to Section 2 of this Agreement may be terminated and discontinued by the District, with or without cause, by delivering written notice to the City 30 days in advance of such termination or discontinuance. In such instance, the District will pay the City for such work that has been performed prior to termination or discontinuance and the District shall not be obligated to pay for such City services after the date of the termination or discontinuance.

Section 4. Assignment. No Party hereto shall make, in whole or in part, any assignment of this Agreement or any obligation hereunder without the prior written consent of the other Parties hereto.

Section 5. Notices. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (a) depositing same in the United States mail, addressed to the Party to be notified, postage prepaid and registered or certified with return receipt requested; (b) delivering the same in person to such Party; or (c) sending same by facsimile. Notice given by mail shall be effective upon deposit in the United States mail and notice delivered in person or sent by facsimile shall be effective upon receipt.

Addresses for notice shall be as follows:

DISTRICT: Dickinson Management District No. 1
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attention: Jessica Holoubek
Facsimile: 713-860-6616

CITY: The City of Dickinson
4403 State Highway 3
Dickinson, TX 77539

Attention: City Administrator
Facsimile: 281-337-6190

From time to time, a Party may designate another address for all purposes of this Agreement by giving to the other Parties not less than 15 days advance written notice of such change of address.

Section 6. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 7. Sole Agreement. This Agreement contains the entire agreement between the Parties relating to the rights granted and the obligations assumed herein. This Agreement supersedes and replaces any prior agreement between the Parties pertaining to the rights granted and the obligations assumed herein.

Section 8. Modification/Expansion. This Agreement shall be subject to change or modification only by formal amendment approved by the governing bodies of each Party.

Section 9. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the Parties and their legal successors and assigns and shall not be construed to confer any rights upon any third party.

[EXECUTION PAGES FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple counterparts, each of which shall be deemed to be an original.

DICKINSON MANAGEMENT DISTRICT
NO. 1

President, Board of Directors

Date: _____

ATTEST:

Secretary, Board of Directors

(SEAL)

THE CITY OF DICKINSON, TEXAS

Mayor

Date: _____

ATTEST:

City Secretary

(SEAL)

LIST OF EXHIBITS

Exhibit A City Request Letter

Exhibit A

City Request Letter



August 24, 2018

Dr. Perry Fulcher, President
Dickinson Management District No. 1
c/o City of Dickinson
4403 State Highway 3
Dickinson, TX 77539

RE: Request for Funding by City of Dickinson for FY 2018-2019

Dear President Fulcher and Board Members:

This letter shall serve as the City of Dickinson's formal request for funding from Dickinson Management District No. 1 for Fiscal Year 2018-2019 in the amount of \$623,768.

The City of Dickinson ("the City") and Dickinson Management District No. 1 ("District"), undertake a variety of projects each year to ensure that the City remains an attractive, viable location for businesses. Recent projects have included: public infrastructure improvements, business advocacy efforts, marketing and promotional efforts, investment in tourism development projects, partnering with developers to create new and unique business opportunities, and continual streamlining of City processes.

Some of the services provided to the business community and within the District by the City include emergency medical services, notification services for various incidents and emergencies that occur within or affect the District, mowing of major thoroughfares, neighborhood revitalization through demolition of substandard buildings, and technological services.

The City needs to replace four public safety vehicles next fiscal year. For safety purposes, the City needs to be able to continue to provide notification services for various incidents and emergencies that occur within the District. This service is provided through Connect CTY and allows the fastest communication method for reaching businesses and residents when needed. The mowing of major thoroughfares allows the City and District to maintain curb appeal for new businesses and residents looking to relocate within the District. To continue neighborhood revitalization efforts, the City has undertaken increased efforts to address blighted areas through a demolition program. The City respectfully requests the funding the demolition program again in next fiscal year to allow the City to address additional properties through the demolition program.

In FY 2014-2015, the Texas Legislature passed legislation that changed sales tax regulations and resulted in the State Comptroller implementing rules affecting sales tax collections that negatively impacted both the City and the District. During the interim legislative committee meetings, additional changes to State sales tax legislation has been proposed, and even more sweeping changes are being proposed at the federal level. Based on what is happening at both the State and Federal levels, it is anticipated that there will be new legislation at both the State and Federal levels addressing sales tax application and collection that may negatively impact the City and the District. To be proactive in monitoring and addressing any possible negative legislation and rulemakings at both State and Federal levels, the City has contracted with HMWK, Inc. to continue to provide legislative services to both the City and the District next fiscal year. The City respectfully requests that the District share the cost of these services with the City to protect both entities.

The costs associated with each of these items are as follows:

| | |
|----------------------------------|------------------|
| ➤ Connect CTY | \$8,363 |
| ➤ Mowing of Major Thoroughfares | \$38,005 |
| ➤ Expanded Demolition Program | \$50,000 |
| ➤ Legislative Services | \$18,000 |
| ➤ Financial Services | \$6,000 |
| ➤ Public Safety Vehicles (4) | \$249,000 |
| Total FY2018-2019 Request | \$369,368 |

In Fiscal Year 2013-2014, the City Council made a policy decision to reduce the EMS service level to the operation of Medic 1 ambulance on a full-time basis and Medic 2 ambulance during the business week. To maintain all other City services at their current levels and continue to provide Medic 2 on a part-time basis, the City respectfully requests that the District fund a subsidy for EMS in the amount of \$254,400. This amount is significantly less than last year as the City anticipates reimbursement from the Texas Health and Human Services Commission for Medicare services. A copy of the FY 2018-2019 EMS Departmental Budget reflecting all the expenditures associated with providing its service is included for your information and review.

Thank you for your consideration of this funding request. Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Stephanie Russell
Assistant City Administrator/CFO

DIVIDER PAGE

CITY OF DICKNSON
FY 2018-2019 RECOMMENDED BUDGET-UPDATED 8/21/18
GENERAL FUND EXPENDITURES

EMERGENCY MEDICAL SERVICES: DEPARTMENT 17

| Account | Account Name | FY 16-17 Actual | FY 17-18 Projection | FY 17-18 | | Increase/ (Decrease) |
|---------------------------------------|----------------------------|--------------------|------------------------|--------------------|--------------------|-------------------------|
| | | | | Original Budget | FY 18-19 Budget | |
| SALARY & BENEFITS | | | | | | |
| 8101 | Salary & Wages | 229,848 | 217,785 | 254,349 | 216,700 | (37,649) |
| 8102 | Overtime Pay | 94,648 | 90,943 | 90,000 | 90,000 | - |
| 8103 | Natural Disaster Pay | 27,767 | - | - | - | - |
| 8104 | PTE Base Salary | 353,166 | 332,745 | 362,275 | 367,600 | 5,325 |
| 8113 | Certification/Edu. Pay | 5,694 | 5,738 | 10,000 | 7,600 | (2,400) |
| 8114 | Longevity Pay | 4,128 | 2,025 | 1,350 | 900 | (450) |
| 8150 | FICA Tax | 11,905 | 10,165 | 15,166 | 15,900 | 734 |
| 8151 | Payroll Tax | 9,590 | 9,009 | 10,411 | 9,900 | (511) |
| 8152 | Unemployment Tax | 632 | 4,159 | 4,503 | 4,400 | (103) |
| 8153 | Retirement (TMRS) | 49,995 | 51,990 | 45,325 | 39,200 | (6,125) |
| 8155 | Employee Group Insurance | 39,451 | 42,741 | 47,428 | 40,200 | (7,228) |
| 8156 | Worker's Comp. Insurance | 16,190 | 22,518 | 16,025 | 15,200 | (825) |
| TOTAL SALARY & BENEFITS | | 843,014 | 789,817 | 856,832 | 807,600 | (49,232) |
| OTHER EXPENDITURES | | | | | | |
| Supplies | | | | | | |
| 8204 | Fuel | 11,237 | 11,178 | 15,000 | 15,000 | - |
| 8206 | Supplies | 33,007 | 27,042 | 34,800 | 30,700 | (4,100) |
| 8210 | Office Supplies & Postage | 972 | 213 | 500 | 900 | 400 |
| 8213 | Uniforms & Apparel | 1,173 | - | 5,000 | 1,700 | (3,300) |
| Subtotal Supplies | | 46,389 | 38,433 | 55,300 | 48,300 | (7,000) |
| Maintenance | | | | | | |
| 8301 | Building & Property Maint. | 21,945 | 13,351 | 20,000 | 22,900 | 2,900 |
| 8302 | Culvert Maintenance | | | | | |
| 8304 | Service Contract | 5,202 | 6,853 | 9,620 | 5,200 | (4,420) |
| 8307 | Vehicle Maintenance | 16,502 | 13,872 | 13,000 | 14,100 | 1,100 |
| Subtotal Maintenance | | 43,649 | 34,076 | 42,620 | 42,200 | (420) |
| Operational Expenses | | | | | | |
| 8402 | Travel & Training - Staff | 1,600 | 2,574 | 4,000 | 2,000 | (2,000) |
| 8403 | Dues/Subscriptions/Books | 5,111 | 10,219 | 3,500 | 4,300 | 800 |
| 8407 | Comm.-Paggers & Phones | 6,533 | 6,497 | 7,000 | 6,500 | (500) |
| 8417 | Utilities | 28,915 | 14,216 | 28,000 | 28,900 | 900 |
| 8424 | EMS - DISD Services | 1,500 | 938 | 2,250 | 1,200 | (1,050) |
| Subtotal Other Services | | 43,659 | 34,443 | 44,750 | 42,900 | (1,850) |
| Contract Services | | | | | | |
| 8527 | Contract Services | 10,800 | 8,100 | 11,000 | 10,800 | (200) |
| 8541 | EMS Patient Billing | 60,933 | 36,204 | 41,000 | 53,000 | 12,000 |
| Subtotal Contract Services | | 71,733 | 44,304 | 52,000 | 63,800 | 11,800 |
| Property & Equipment | | | | | | |
| 8604 | Furniture & Equip. | 156 | - | - | - | - |
| Subtotal Property & Equip. | | 156 | - | - | - | - |

CITY OF DICKNSON
FY 2018-2019 RECOMMENDED BUDGET-UPDATED 8/21/18
GENERAL FUND EXPENDITURES

EMERGENCY MEDICAL SERVICES: DEPARTMENT 17

| Account | Account Name | FY 16-17 Actual | FY 17-18 Projection | FY 17-18 Original Budget | FY 18-19 Budget | Increase/ (Decrease) |
|---------------------------------|---------------------------|--------------------|------------------------|--------------------------------|--------------------|-------------------------|
| Insurance | | | | | | |
| 8709 | Public Officials E&O Ins. | 2,901 | 4,510 | 4,080 | - | (4,080) |
| Subtotal Insurance | | 2,901 | 4,510 | 4,080 | - | (4,080) |
| TOTAL OPERATING EXPENSES | | 1,051,502 | 945,582 | 1,055,582 | 1,004,800 | (50,782) |
| DEPARTMENT TOTAL | | 1,051,502 | 945,582 | 1,055,582 | 1,004,800 | (50,782) |

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

TOPIC: Discussion and Approval of Proposed Fiscal Year 2018-2019 Budget and Various Projects to Be Considered for Funding.

BACKGROUND: The Proposed Fiscal Year 2018-2019 Budget was developed based on the Fiscal Year 2017-2018 Original Budget as well as current actuals. This Proposed Budget includes a projected 2% increase over actuals to-date in Sales Tax Revenue which is \$3,347,800. Interest has also been increased based on actual projections.

Regarding expenditures:

Contractual & Operating

- 380 Rebates are projected to increase in proportionally to the increase in sales tax.
- \$50,000 is proposed for landscape architecture.

Programs

- The Expansion of EMS – Medic 2 has been decreased due to anticipated reimbursements from the State.
- \$35,000 has been added for a Community Survey.

Capital

- The \$249,000 proposed in Vehicles and Equipment Maintenance to replace five public safety vehicles.

All other amounts have been rounded to the nearest hundred.

Overall, budgeted revenue less expenditures is \$142,895 for FY2018-2019.

RECOMMENDATION: Staff recommends approval of the FY2018-2019 Proposed Budget.

ATTACHMENTS: • FY2018-2019 Proposed Budget

FUNDING ISSUES

Not applicable
 Not budgeted
 Amount already included in the FY 16-17 Budget
 Funds to be transferred from Acct.# - -

| | |
|---|------------------------------------|
| SUBMITTING STAFF MEMBER Stephanie Russell, Bookkeeper | EXECUTIVE DIRECTOR APPROVAL |
|---|------------------------------------|

| | | |
|---|--|--------------|
| ACTIONS TAKEN | | |
| APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO | READINGS PASSED <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | OTHER |

**DICKINSON MANAGEMENT DISTRICT #1
FY2018-2019 PROPOSED BUDGET**

| | FY2016-17 Actual | FY2017-18 Projection | FY2017-18 Original Budget | FY2018-19 Proposed Budget | Increase/ (Decrease) |
|---|-----------------------------|---------------------------------|--|--|---------------------------------|
| REVENUE | | | | | |
| Sales Tax Revenue | 3,214,389 | 2,168,400 | 3,341,306 | 3,347,800 | 6,494 |
| Interest Income | 2,633 | 2,300 | 2,097 | 2,500 | 403 |
| TOTAL REVENUE | 3,217,022 | 2,170,700 | 3,343,403 | 3,350,300 | 6,897 |
| EXPENDITURES | | | | | |
| Contractual & Operating | | | | | |
| 380 Rebates | 2,263,543 | 1,517,900 | 2,338,914 | 2,343,500 | 4,586 |
| Audit Services | 3,636 | 5,500 | 5,500 | 5,500 | - |
| Financials Services | 6,000 | 4,500 | 6,000 | 6,000 | - |
| Insurance Expense | 1,458 | 1,500 | 1,458 | 1,500 | 42 |
| Legal Services | 2,034 | 800 | 5,000 | 5,000 | - |
| Professional Services | 1,140 | - | - | 50,000 | 50,000 |
| Legislative Services | 18,000 | 13,500 | 18,000 | 18,000 | - |
| Office Supplies/Postage | 13 | - | 500 | 500 | - |
| Subtotal Contractual & Operating | 2,295,825 | 1,543,700 | 2,375,372 | 2,430,000 | 54,628 |
| Programs | | | | | |
| Connect CTY Service | 8,363 | 8,363 | 8,363 | 8,400 | 37 |
| Expansion of City Demolition | 50,000 | 37,500 | 50,000 | 50,000 | - |
| Major ROW Mowing Service | 38,005 | 28,500 | 38,005 | 38,005 | - |
| EMS -Medic 2 | 443,497 | 451,333 | 451,333 | 254,400 | (196,933) |
| Fixed Route Bus Service | 47,645 | 47,600 | 47,645 | 47,600 | (45) |
| Local Match-Bus Stop Improv. | - | - | 20,000 | 20,000 | - |
| Holiday Decorations | 66,082 | 26,400 | 65,500 | 65,500 | - |
| Street Light Install | 9,454 | - | 9,500 | 9,500 | - |
| Community Survey | - | - | - | 35,000 | 35,000 |
| Subtotal Programs | 663,046 | 599,696 | 690,346 | 528,405 | (161,941) |
| Grants | | | | | |
| Red, White & Bayou Sponsorship | 25,000 | - | 25,000 | - | (25,000) |
| Dickinson Volunteer Fire Dept | - | 50,000 | 50,000 | - | (50,000) |
| Subtotal Grants | 25,000 | 50,000 | 75,000 | - | (75,000) |
| Capital | | | | | |
| EMS Stretcher | 43,000 | - | - | - | - |
| EMS Tablets | 7,144 | - | - | - | - |
| EMS-Cardiac Monitors | - | 25,000 | 25,000 | - | (25,000) |
| Vehicles & Equipment Purchase | 304,000 | 50,000 | 50,000 | 249,000 | 199,000 |
| Subtotal Capital | 354,144 | 75,000 | 75,000 | 249,000 | 174,000 |
| TOTAL EXPENDITURES | 3,338,014 | 2,268,396 | 3,215,718 | 3,207,405 | (8,313) |
| REVENUE-EXPENDITURES | (120,993) | (97,696) | 127,685 | 142,895 | |
| <i>*Unaudited</i> | | | | | |
| Beginning Fund Balance | 700,092 | 579,100 | 579,100 | 481,404 | |
| ENDING FUND BALANCE | 579,100 | 481,404 | 706,785 | 624,299 | |
| Minimum Fund Balance | 268,618 | 187,624 | 219,201 | 215,976 | |
| Capital Reserve | 70,829 | 15,000 | 15,000 | 49,800 | |
| Available Fund Balance | 239,653 | 278,780 | 472,584 | 358,522 | |

*Minimum Fund Balance is 25% of Expenditures less 380 Rebates

**Dickinson Management District Number 1
Agenda Item Data Sheet**

MEETING DATE August 30, 2018

| | | |
|--------------------------------|--|--|
| TOPIC: | Discussion and Direction Regarding 2018 Holiday Decorations. | |
| BACKGROUND: | TxDOT has started construction at the intersection of I-45 and FM 517. This work affects the holiday display installed at the corner of this intersection. The District has a contract to install pencil cone Christmas trees, presents, and toy soldiers at these intersections. Staff would like direction from the Board on alternative locations for these displays. | |
| RECOMMENDATION: | Staff seeks input and direction regarding placement of the 2018 Holiday Decorations. | |
| ATTACHMENTS: | <ul style="list-style-type: none"> • I-45 & FM517 Display | |
| FUNDING ISSUES | <input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Not budgeted <input type="checkbox"/> Amount already included in the FY 16-17 Budget <input type="checkbox"/> Funds to be transferred from Acct.# - - | |
| SUBMITTING STAFF MEMBER | EXECUTIVE DIRECTOR APPROVAL | |
| Stephanie Russell, Bookkeeper | | |

| ACTIONS TAKEN | | |
|--|--|--------------|
| APPROVAL | READINGS PASSED | OTHER |
| <input type="checkbox"/> YES <input type="checkbox"/> NO | <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd | |



ADJOURN

TIME: _____

MOTION: _____

SECOND: _____

VOTE _____