CITY COUNCIL AGENDA

Notice is hereby given that the Rockport City Council will hold a regular meeting on Tuesday, May 12, 2015, at 6:30 p.m. The meeting will be held at Rockport City Hall, 622 E. Market, Rockport, Texas. The matters to be discussed and acted upon are as follows:

Opening Agenda

1. Call meeting to order.

2. Pledge of Allegiance.

3. Proclamation: Preservation Month - Aransas County Historical Commission.

4. Proclamation: National Public Works Week.

5. Citizens to be heard.
   At this time, comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda.

6. Presentation of Certificates of Election to newly-elected officials for Ward 1 and Ward 3.
   (Presentación de los certificados de elección a los recién elegidos para el Barrio 1 y Barrio 3.)

7. Administration of Oath of Office to newly-elected officials for Ward 1 and Ward 3.
   (Administración de su juramento a nuevos funcionarios electos para el Barrio 1 y Barrio 3.)

8. Deliberate and act on election by Council of Mayor Pro-Tem.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

9. Deliberate and act on approval of City Council Workshop Minutes and Regular Meeting Minutes of April 28, 2015.

Regular Agenda

10. Deliberate and act on first reading of an Ordinance amending City of Rockport Code of Ordinances Chapter 42, "Environment," Article II, "Sanitation and Nuisance Abatement," repealing Division 1 "Keep Rockport Beautiful Advisory Board" in its entirety to disband the City of Rockport Keep Rockport Beautiful Advisory Board.

11. Deliberate and act on first reading of an Ordinance amending the City of Rockport, Texas Code of Ordinances Chapter 54 "Health and Sanitation," by renaming Article I "In General" to Article I "Regulation of Single-Use Plastic (checkout) Bags"; setting definitions, prohibitions and requirements, scope and applicability, and exemptions; establishing

implementation of a voluntary ban and setting date of mandatory compliance; and providing for effective date, reading, publication and severance.

12. Deliberate and act on second reading of an Ordinance amending City of Rockport, Code of Ordinances, Chapter 2 "Administration" Article VII "Investment Policy"; providing for severabililty; and providing an effective date.

13. Reports from Council.
At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Keep Rockport Beautiful Advisory Board; Parks & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport Heritage District Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Project Committee; Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Aransas County, Aransas County Independent School District, Aransas County Navigation District, Town of Fulton, and Texas Municipal League. No formal action can be taken on these items at this time.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

14. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: 1) Templeton, 2) Petty, and 3) Bay Education Center.

15. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

16. City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

17. Adjournment.

Special Accommodations

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (361) 729-2213, ext. 225 or FAX (361) 790-5966 or email citysec@cityofrockport.com for further information. Braille is not available. The City of Rockport reserves the right to convene into executive session under Government Code §§ 551.071-551.074 and 551.086.

Certification

I certify that the above notice of meeting was posted on the bulletin board at City Hall, 622 E. Market Street, Rockport, Texas on Friday, May 8, 2015, by 5:00 p.m. and on the City's website at www.cityofrockport.com. I further certify that the following News Media were properly notified of this meeting as stated above: *The Rockport Pilot*, *Coastal Bend Herald*, and *Corpus Christi Caller Times*.

Teresa Valdez

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 3

Proclamation: Preservation Month - Aransas County Historical Commission

SUBMITTED BY: Aransas County Historical Commission

APPROVED FOR AGENDA: PKC

BACKGROUND: Collin Jackson, Chairman of Aransas County Historical Commission requested the City of Rockport proclaim the month of May as Preservation Month.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Not an action item.

PROCLAMATION

WHEREAS, historic preservation in 2015 is all about **People + Place**. This theme is a reminder that preservation is more than just buildings. It's about our connection to the places that are special to us all; and

WHEREAS, historic preservation is an effective tool for managing growth and development, revitalizing neighborhoods, fostering local pride and maintaining community character while enhancing livability; and

WHEREAS, it is important to celebrate the role of history in our lives and the contributions made by dedicated individuals in helping to preserve the tangible aspects of the heritage that has shaped us as a people; and

WHEREAS, "People + Place" is the theme for National Preservation Month 2015, cosponsored by The Aransas County Historical Commission, The Friends of the History Center, The Aransas County Historical Society, and the National Trust for Historic Preservation.

NOW, THEREFORE, I Charles J. Wax, Mayor of the City of Rockport, do hereby proclaim May 2015, as

Preservation Month

in the City of Rockport, and call upon the citizens of Rockport, Texas to join their fellow citizens across the United States in recognizing and participating in this special observance.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Rockport, Texas, to be affixed this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

_____

Charles J. Wax, Mayor

ATTEST:

_____

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 4

Proclamation: National Public Works Week May 17 – 23, 2015.

SUBMITTED BY: Public Works Director Mike Donoho

APPROVED FOR AGENDA: PKC

BACKGROUND: Since 1960 the American Public Works Association has sponsored National Public Works Week to educate the public on the importance of the contribution of public works to their daily lives. There would be no community without the quality of life that public works provides. This year's theme "Community Begins Here" speaks to the essential nature of Public Works services in support of everyday quality of life. The 61 men and women of the City of Rockport Public Works Department are proud to efficiently and effectively provide for the health, safety, and comfort of the citizens of Rockport and its visitors.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Not an action item.

PROCLAMATION

WHEREAS, services provided in our community by our public works department are an integral part of our citizen's everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, waste water, streets, gas, public facilities and fleet services; and

WHEREAS, the health, safety and comfort of this community greatly depends on these facilities and services; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works employees; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff the public works department is materially influenced by the people's attitude and understanding of the importance of the work they perform; and

WHEREAS, the year 2015 marks the 55th annual National Public Works Week sponsored by the American Public Works Association with the theme " Community Begins Here"; and

WHEREAS, it is most appropriate that we recognize the significant role that public works professionals play in providing the systems, services, and facilities essential to our economy and quality of life.

NOW, THEREFORE, I Charles J. Wax, Mayor, of the City of Rockport, do recognize the week of May 17 through May 23, 2015, as Public Works Week, and further extend appreciation to our Public Works employees for the vital services they perform and their exemplary dedication to the City Of Rockport.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Rockport, Texas, to be affixed this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

_____

Charles J. Wax, Mayor

ATTEST:

_____

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 6

Presentation of Certificates of Election to newly-elected officials for Ward 1 and Ward 3.

(Presentación de los certificados de elección a los recién elegidos para el Barrio 1 y Barrio 3.)

SUBMITTED BY: City Secretary Teresa Valdez *(Secretario de ciudad Teresa Valdez)*

APPROVED FOR AGENDA: PKC

BACKGROUND: Texas Election Code §67.016 requires that, after the completion of a canvass, the presiding officer of the local canvassing authority shall prepare a certificate of election for each candidate who is elected to an office for which the official result is determined by that authority's canvass.

(De la Elección de Tejas §67.016 Código requiere que después de la terminación de un sondeo, el oficial presidente de la autoridad local que solicita preparará un certificado de elección para cada candidato que es elegido a una oficina para que el resultado oficial es determinado por el sondeo de esa autoridad.)

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: Staff recommends presentation of Certificates of Election to newly-elected officials by Mayor C.J. Wax.

(El personal recomienda presentación de Certificado de Elección a oficiales nuevamente-elegidos por Alcalde C.J. Wax.)

Certificate of Election

IN THE NAME AND BY THE AUTHORITY OF

THE STATE OF TEXAS

This to certify that

James Russell (Rusty) Day, Jr.

was duly elected

Council Member Ward 1

of the City of Rockport, Texas

pursuant to the City of Rockport Resolution No. 2015-05 canceling the unopposed election that was scheduled to be held on

May 9, 2015.

In testimony whereof, I have hereunto signed my name and caused the Seal of Rockport to be affixed, this the 12TH day of May 2015.

_____

Charles J Wax, Mayor

Certificate of Election

IN THE NAME AND BY THE AUTHORITY OF

THE STATE OF TEXAS

This to certify that

Patrick (Pat) Roland Rios

was duly elected

Council Member Ward 3

of the City of Rockport, Texas

pursuant to the City of Rockport Resolution No. 2015-05 canceling the unopposed election that was scheduled to be held on

May 9, 2015.

In testimony whereof, I have hereunto signed my name and caused the Seal of Rockport to be affixed, this the 12TH day of May 2015.

_____

Charles J Wax, Mayor

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 7

Administration of Oath of Office to newly-elected officials for Ward 1 and Ward 3.

(Administración de su juramento a nuevos funcionarios electos para el Barrio 1 y Barrio 3.)

SUBMITTED BY: City Secretary Teresa Valdez *(Secretario de ciudad Teresa Valdez)*

APPROVED FOR AGENDA: PKC

BACKGROUND: Article XVI §1, Texas Constitution prescribes an oath that all officers must take before they enter upon the duties of their offices.

(El artículo XVI §1, Constitución de Tejas prescribe un juramento que todos los oficiales deben tomar antes que entren sobre los deberes de sus oficinas.)

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: Staff recommends Oaths of Office be administered to newly-elected City Council Members for Ward 1 and Ward 3.

(El personal recomienda juramentos de oficina se administrará a recién elegido Alcalde y miembros del Consejo de la ciudad de Barrio 1 y Barrio 3).

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, James Russell (Rusty) Day, Jr., do solemnly swear (or affirm), that I will faithfully execute the duties of the office of City Council Member Ward 1 of the City of Rockport, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

_____
James Russell (Rusty) Day, Jr.

SWORN TO and subscribed before me by affiant on this 12th day of May 2015.

_____
Charles J. Wax, Mayor
City of Rockport, Texas

In the name and by the authority of

The State of Texas

OATH OF OFFICE

I, Patrick (Pat) Rios, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of City Council Member Ward 3 of the City of Rockport, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

_____
Patrick (Pat) Rios

SWORN TO and subscribed before me by affiant on this 12th day of May 2015.

_____
Charles J. Wax, Mayor
City of Rockport, Texas

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 8

Deliberate and act on election by Council of Mayor Pro-Tem.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Section 3.04 of the City of Rockport Home Rule Charter (below) states the Mayor Pro-Tem shall be a Councilperson elected by the City Council at the first regular meeting after each election of Council Member and/or Mayor.

Sec. 3.04 - Mayor and Mayor Pro-Tem.

1. The Mayor shall be the official head of the City Government. He shall be the chairman and shall preside at all meetings of the City Council. The Mayor shall have the same right to vote, as do other Council Members. He shall, when authorized by the City Council, sign all official documents; such as, ordinances, resolutions, conveyances, official plats and bonds. He shall perform such other duties consistent with this Charter as may be imposed upon him by the City Council.
2. The Mayor Pro-Tem shall be a Councilperson elected by the City Council at the first regular meeting after each election of Council Member and/or Mayor. The Mayor Pro-Tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the rights conferred upon the Mayor.

FISCAL ANALYSIS: N/A

STAFF RECOMMENDATION: Staff recommends election of a Mayor Pro-Tem.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 9

Deliberate and act on approval of City Council Workshop Minutes and Regular Meeting Minutes of April 28, 2015.

SUBMITTED BY: City Secretary Teresa Valdez

APPROVED FOR AGENDA: PKC

BACKGROUND: Please see the accompanying minutes of the Workshop & Regular Meetings of April 28, 2015.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council approve the Minutes, as presented.

CITY OF ROCKPORT

MINUTES

CITY COUNCIL WORKSHOP MEETING
1:30 p.m., Tuesday, April 28, 2015
Rockport City Hall, 622 East Market Street

On the 28th day of April 2015, the City Council of the City of Rockport, Aransas County, Texas, convened in Workshop Session at 1:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT
Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT
City Manager Kevin Carruth
City Secretary Teresa Valdez
City Attorney Terry Baiamonte
Police Commander Larry Sinclair
Public Works Director Mike Donoho
Finance Director Patty Howard
Parks & Leisure Services Director Tom Staley
Building Inspector Frank Truitt

ELECTED OFFICIALS

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Workshop Session of the Rockport City Council was called to order by Mayor Wax at 1:32 p.m. on Tuesday, April 28, 2015, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

Regular Agenda

2. Hear and deliberate on presentation by Aransas County Pathways Committee on future trail development.

Aransas County Project Manager John Strothman addressed the Council. Mr. Strothman gave a

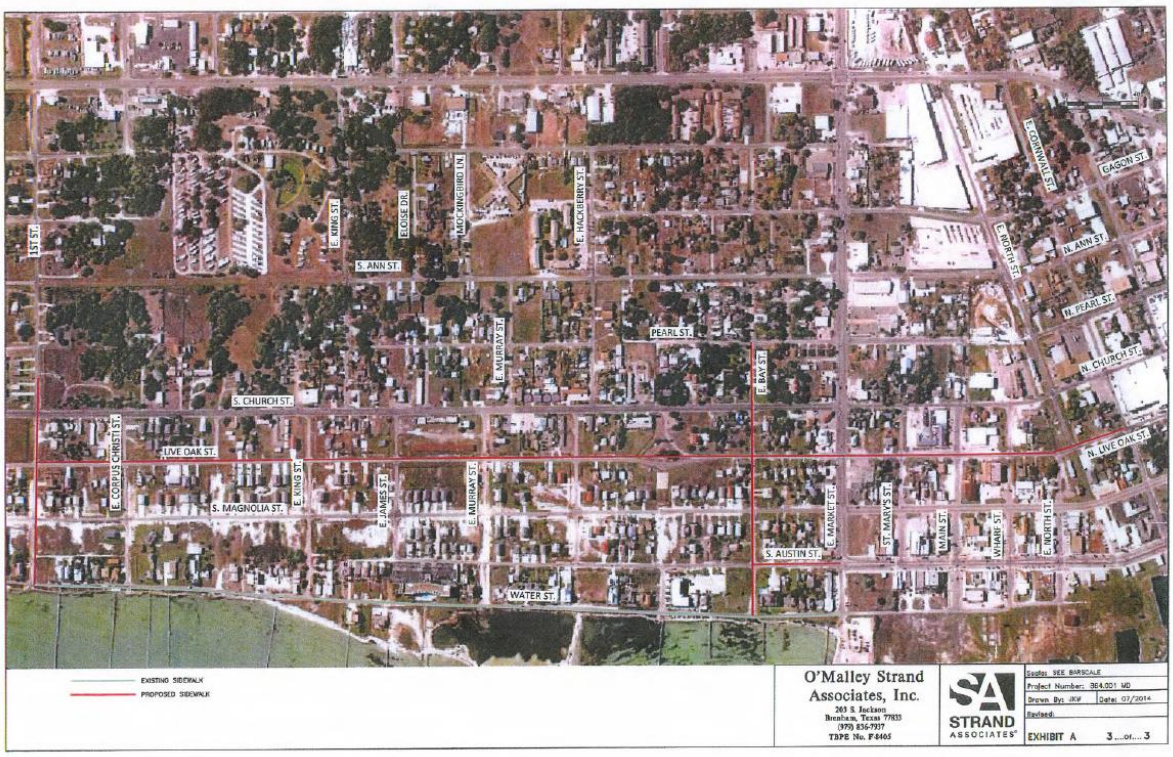
presentation on the proposed Aransas Pathway southern trail route (below).

Aransas Pathway Southern Trail Route

1. Trail starts at corner of Live Oak Street and Cornwall Street.
2. Proceed down Live Oak to Market Street (Rt. 1069)
3. Cross Market and proceed down Live Oak on the left side of street.
4. Proceed down Live Oak and cross Bay Street.
5. A short distance past Bay Street there will be a community garden/tot lot on the right side of the street. Past garden cross street and proceed down right side.
6. Continue down right side of Live Oak to 1st Street.
7. Turn Left on 1st and follow to Water Street.
8. Turn left of Water Street and use existing hiker/biker trail.
9. Follow to Bay Street and turn left.
10. Continue down the right side of the street.
11. Sidewalk ends at Live Oak.

Side Trails

1. Live Oak and 1st Street turn right and continue across Church Street to front of Connie Hagar.
2. Live Oak and Bay Street turn right on to Bay and follow to Pearl Street. Cross the Street to Zackary Taylor Park.
3. At Bay Street and Austin Street turn right onto Austin. Follow to Market Street.



Mr. Strothman informed the Council that the pathway constructed will be concrete and six (6) feet wide. Mr. Strothman said the project's estimated cost is over $500,000 and Aransas Pathways has venue money set aside to use as match in applying for grants.

Aransas Pathways Steering Committee Co-Chairman Tom Callan addressed the Council. Mr. Callan stated the trail will be constructed on City of Rockport right-of-way, but City right-of-way lies on private property, so the Aransas County Attorney is researching the type of legal instrument that can be used for lease of right-of-way. Mr. Callan added that after that is completed the engineering contract and construction documents will be prepared. Mr. Callan said it was important to get an indication from Council at some point whether this was going to be an approved deal.

Mayor Wax stated he would welcome something that enhances the walkability of the City, especially in the southern portion of the City that includes contact with our existing parks plus the Connie Hagar birding site. Mayor Wax said the City Manager and City Attorney will be the contacts for working out the details.

Brief discussion was held among Council, Mr. Strothman and Mr. Callan in regard to the proposed trail.

3. Hear and deliberate on City of Rockport Heritage District Zoning Overlay Code.

Rockport Heritage District Board Chairman Lee Copeland addressed the Council and reviewed the letter (below) he had delivered to the Council, City Manager Kevin Carruth and Building and Development Director Mike Donoho.

Monday, April 20, 2015

To: Mayor Wax, City Manager Carruth, Council Member Day, Council Member Villa, Council Member Rios, Council Member Gurtner, and Building and Development Department Director Donoho

From: RHDB Chairman Lee Copeland and Member Janie White

Re: Request for the Rockport City Council to review the duties of the RHDB described in the RHDZO, as Amended September 9, 2014, and facilitate the ability of that board to fulfill their duties as described in the code.

As you are aware, there has been much discussion on the effective implementation of the Rockport Heritage District Zoning Overlay ordinance (RHDZO). Janie and I have been present since this effort was initiated and we have constantly reviewed and studied the ordinance and its intent. While there remain a number of issues we feel must be clarified, we have prioritized that which we consider the most important and wish to utilize the RHDB to establish consensus and form amendments necessary to fulfill our duties as described in **Sec. 3.8.1.vi: Duties and Responsibilities of the RHDB: "To adopt, promulgate or implement policies, rules and bylaws reasonable and necessary to govern the functions of the board and carry out the purpose and intent of the code."**

Since the formation of the RHDB in August of 2013, five noted projects have received permitting in the Overlay Zone without formal review of the board–even when design issues had been brought to the City's attention. Most recently, the Austin St. Bar and Grill was presented to the RHDB in January. It was determined that the applicant had not fulfilled their duties as described in **Sec. 3.7.1** of the code, yet the applicant was still able to get approval from the City. As outlined in **Appendix B**, whatever appeal was made to the City by the Developer should have been reviewed by the RHDB as described in **Sec. 3.8.1, ix: "Hear appeals to staff's decisions on development applications or Design Exceptions."** This did not happen.

Janie and I believe the major problem exists in **Appendix B** (attached). Unlike the Civic/Public side that designates the RHDB as the decision maker of compliance, the private side leaves the decision maker of compliance undeclared. Who is the decision maker? In most cases, that responsibility falls to a "review board." Examples are, Historic Review Boards, Architectural review boards, HOAs, Zoning boards... It is duty of the boards to establish appropriateness. Because of the uniqueness of architecture, many cases are not black and white issues as defined in the ordinance. One must understand the intent of the code. We feel by allowing the RHDB to make a determination on compliance first, missteps that are happening can be avoided and this will generate a smooth flow for the Applicant, City and the RHDB. First, the Applicant can receive direction and assistance from the RHDB and make adjustments necessary for a positive recommendation as described in **Sec.3.8.1.x: "Hear requests for design direction and/or interpretation of any requirements of this code."** Second, this process will remove an added duty for the City and Staff by redirecting RHDZO compliance away from their duties in the permitting process.

Should the Applicant wish to appeal the decision of the RHDB they have two options. If they are "Minor Modifications," the City Manager or designee may allow only those described in **Sec. 3.6.5, Table 3.2.** Should the applicant not agree with the RHDB or the City Manager or Designee, they should then be able to appeal to City Council. This is the same outline on the Civic/Public side of the Appendix. Note: The decisions made by the City Manager or designee still require RHDB review as described in **Sec. 3.8.1.ix**.

* Note on the use of "City Manager or Designee" in Appendix B. I have discussed this issue with Gateway Planning and I believe the author of the code meant this to be "Director of Planning." Scott at Gateway has offered his assistance if requested.

Furthermore, we fail to understand how an "Appeal to the District Court" plays a role in the ordinance unless the Applicant feels his rights have been legally violated. It seems that an appeal to the District Court could only happen after a City Council denial. Again this is the same as the Civic/Public side of Appendix B.

Janie and I created and propose a revised Appendix B from the applicant's perspective. The question is; as an applicant, what must I do to seek approval? With that in mind, we created a flow chart that puts the process in order and gives reference to the specific chapter and item the applicant must follow to seek approval. We feel that amending Appendix B, as submitted, and attaching a cover letter to the applicant will simplify the process for all concerned. We feel the "cover letter" should include the fact that the RHDB is available to "Hear requests for design direction and/or interpretation of and requirements of this code" as described in **Sec. 3.8.1.x**. Simply stated, this method will give the Building Department a fixed response to the applicant's requirements and the applicant will have the RHDB for assistance in obtaining their goals.

We hope the discussion will include:

1. The Duties of the RHDB as described in **Section 3. Administration** - Page 5 thru page 14 (attached).
2. The current **Appendix B** and the proposed **Revised Appendix B** for consensus. (Both attached.)
3. The consideration of the formation and content of a Cover Letter to Appendix B and the possible inclusion of said letter for distribution to applicant.

In closing, we would also like to bring to your attention to the requirement that the RHDB should be holding "Regular Meetings" and making "Quarterly Reports to City Council" (**Sec. 3.8.5 - 3.8.6**). The RHDZO ordinance was created to play a critical role in the future of the Heritage District's preservation and development. It seems imperative that we get it working simply and effectively before the city is challenged with major development issues. In August of 2015, the RHDB members will have each served 2 years and we remain challenged to effectively apply this ordinance. We seek the City's assistance in moving forward toward our goals and responsibilities.

Respectfully submitted

Alan Lee Copeland

2.1.2 Development Standards: The RHD Zoning Overlay Code (the text portion of this Code) enumerates the development standards with text and graphics for Character Districts, Frontages, building form, civic open space, landscape, building design, signage, lighting, and all related standards for public and private development. Building form, site development, and design standards contained within each character district are those activities that will promote or enhance the development of a specific area of the RHD in response to the recommendations of 2006 Rockport Heritage District Plan.

3. ADMINISTRATION

This section sets forth the provisions for reviewing and approving development applications within the RHDZO. The intent is to ensure that all development is consistent with the provisions of this Code. All sections of this Code shall be applied during the review process.

3.1 All applications for development and redevelopment within the RHD Zoning Overlay shall require the approval of a site plan prior to issuance of a building permit per Table 3.1.

Table 3.1 RHDO Applicability Matrix

Code Section	Building Form – Frontages	Building Form – Placement	Building Form – Height	Building Form – Parking & Service	Building Form – Street Screen	Building Form – Encroachments	Building Form – Residential Transition	Building Design Standards	Landscaping	Streetscaping	Signage	Civic/Open Space and Private Open Space
Type of Development												
Commercial (retail, office, restaurant, lodging), mixed use building, apartment/multi-family building (3 or more units per lot), and live-work uses												
New Construction	X	X	X	X	X	X	X	X	X	X	X	X
Change of Use/Expansion of use*				X	X						X	
Expansion of Building Area												
0% - 49% increase in building area AND less than 50% increase in building value ☐ Standards in applicable sections shall apply only to the expansions	X	X	X	X	X	X	X	X	X		X	X
50% or greater increase in building area AND less than 50% increase in building value ☐ Standards in applicable sections shall apply only to the expansions	X	X	X	X	X	X	X	X	X		X	X
Any increase of building area AND 50% or greater increase in building value ☐ Standards in applicable sections shall apply the entire building including retrofitting of the existing building if non-conforming	X	X	X	X	X	X	X	X	X	X	X	X

Code Section	Building Form – Frontages	Building Form – Placement	Building Form – Height	Building Form – Parking & Service	Building Form – Street Screen	Building Form – Encroachments	Building Form – Residential Transition	Building Design Standards	Landscaping	Streetscaping	Signage	Civic/Open Space and Private Open Space
Type of Development												
Expansion of parking area only (not in conjunction with a building or use expansion)												
Up to 10 spaces				X	X							
11 or more additional spaces				X	X				X			
Façade changes to existing buildings												
Type 'A' Street façade					X	X		X			X	
All other street facades						X						
Signage												
Refacing or changing a panel on an existing sign												
Modification of an existing sign where cost of the modification is valued at less than fifty (50) % of the replacement value of the existing sign												
Modification of an existing sign where cost of the modification is valued at more than fifty (50) % of the replacement value of the existing sign											X	
New sign or complete replacement of an existing sign											X	
Residential Uses (single family attached, duplexes, and detached buildings)												
New construction	X	X	X	X	X	X		X	X	X	X	X
Change of Use*				X	X				X		X	
Expansion of use/structure (any building addition, deck, porch, etc.)	X	X	X			X		X				X
Expansion of use/structure (new accessory building/structure on the lot or pool)	X	X	X			X		X				X
Façade changes												
Type 'A' Street façade					X	X		X				
All other street facades						X						

* with no expansion of building

3.2 The development standards under Chapter 118 of the City of Rockport Code of Ordinances, as amended, shall not apply to the RHDZO except as specifically referenced herein. Development standards not addressed in this ordinance shall be governed by the City of Rockport Code of Ordinances to the extent they are not in conflict with the intent or text of the RHDZO Code. Land uses shall be governed by the underlying zoning district for all properties within the RHDZO per Chapter 118 in the City of Rockport Code of Ordinances. All development in RHDZO shall also meet the standards in the City's Building Code, as amended.

3.3 Sign Standards under Chapter 6, as amended, of the City of Rockport Code of Ordinances, shall not apply to RHDZO except as specifically referenced herein.

3.4 Using this Code: The following basic steps should be followed to determine the development standards applicable on property within the RHDZO:
3.4.1 Locate the subject property on the RHDZO Regulating Plan.

3.4.2 Identify:
i. the Character District in which the property is located;
ii. the Street Type designation along all its street frontages; and,
iii. any specific Frontage Type that may be applicable to the subject property.
3.4.3 Examine the corresponding district standards in the Building Form and Development Standards in Section 6 to determine the applicable development standards.
3.4.4 Refer to Section 5.5 for Frontage Standards.
3.4.5 Refer to Section 7 for Building Design Standards.
3.4.6 Refer to Section 8 for Streetscape and Landscape Standards.
3.4.7 Refer to Section 9 for Signage Standards
3.4.8 Refer to Section 10 for Civic Space and Private Open Space Standards.

The information from the above listed steps explains where the building will sit on the lot, the limits on its three dimensional form and the palette of materials that will cover it.

3.5 Development within the RHDZO that complies with the provisions of this Code may be approved by the City Manager or designee (see Appendix B for flow chart of the review process). In addition to complying with applicable City regulations that are not in conflict with this Code, the applicant shall provide the information to adequately show compliance with this Code as required in Section 3.7. The City Manager or designee shall be responsible for the following:
3.5.1 Reviewing site plan applications for compliance with the requirements of RHDZO Code.
3.5.2 Approving site plan applications that are in compliance with the requirements of the RHDZO Code.
3.5.3 Making determinations on the applications and interpretations of standards in this Code.
3.5.4 Approving revisions to previously approved site plans that comply with this Code and all applicable city ordinances.
3.5.5 Approving any minor modifications to the approved Regulating Plan and Code per Section 3.8.
3.5.6 Forwarding any appeals to the decision of the City Manager and/or major modifications to the Rockport Heritage District Board (RHDB).

3.6 Minor Modifications to the RHDZO Code:
The City Manager or designee shall have the authority to approve a request for minor modifications to RHDZO Code that:
3.6.1 Does not materially change the circulation and building location on the site;
3.6.2 Does not increase the building area permitted under this Code;
3.6.3 Does not change the relationship between the buildings and the street;
3.6.4 Does not allow greater height of any building or reduction of any parking requirement established in this Code; or

3.6.5 Does not change any required element of the Regulating Plan beyond the thresholds established in Table 3.2 below.
The City Manager or designee shall also have the authority to approve minor modifications outlined in Table 3.2. Any appeals to the decisions of the City Manager on minor modifications shall be heard by the RHDB.

Table 3.2 Minor Modifications Allowed

Standard	*Minor Modification Allowed*	*Comments*
Area/boundary of Character Districts (including any Required Civic/Open Spaces)	No more than a 15% change (increase or decrease) in the area of any Character District (aggregate or per block)	☐ Shall not eliminate any Character District ☐ 15% measurement shall be based on the total area of that specific Character District within the entire RHDZO ☐ For the purposes of this code, any increase in any Character District that results from the elimination of a recommended street shall not count towards the 15% threshold.
Location of any Required Street	Location shall not move more than 50' in any direction	☐ Shall maintain the connectivity intended by the Regulating Plan
Building Form and Development Standards		
☐ Build to zones/setbacks	No more than a 25% change in the maximum or minimum setback.	☐ Changes to the build to zones and setbacks may only be due to any changes to the street cross sections, change in the width of a sidewalk, or to address the base flood elevation requirements. ☐ In no case shall the sidewalk be less than 6 feet in width
☐ Building Frontage	No more than a 15% reduction in the required building frontage along each block of a Type 'A' Street.	☐ Any reduction in the required building frontage shall be to accommodate porte-cocheres for drop-off and pick-up.
☐ Street screen	Waiver of street screen requirement along a Type 'B' Street.	☐ Requirement for a street screen may only be waived along a Type 'B' Street along the frontage of any interim surface parking lot (off-street) that is intended to be in-filled with a parking structure. ☐ In no case shall any portion of the surface parking have frontage along a Type 'A' Street without a required street screen. ☐ In no case shall the (off-street) surface parking lot be located at a street intersection for a minimum depth of 20' along each street (regardless of the Street Type).
Streetscape standards	Street tree planting, street lighting, and other streetscape standards may be adjusted based on the development context.	☐ Any changes to the streetscape standards shall be based on specific development context such as vegetation, natural features, drainage, and fire access and is subject to approval by the City.
Streetscape and sidewalk standards	Fee-in lieu allowed	☐ City may accept a proportional fee-in lieu for any streetscape and sidewalk improvements required based on the status of development or redevelopment on either side of the subject property or based on any improvements proposed through the city's Capital Improvements Program (CIP). ☐ The fee-in lieu shall be based on the proportional frontage along all streets and based on construction costs agreed upon by the city.
Any numerical standard in the RHDZO Code	A modification up to 10% (increase or decrease)	☐ A minor modification of a numerical standard is needed to accommodate existing conditions. ☐ The proposed development still meets the intent of this Code.

3.7 All applications for development based on the applicability established in Table 3.1 within the RHDZO shall require the following:

3.7.1 The applicant shall prepare a site plan demonstrating compliance with the Overlay District standards and the RHDZO Regulating Plan for administrative review. A site plan application shall include maps (to an appropriate scale) and/or reports that include the following information:

i. Title block containing the name of the site plan, type of application, name and address of the applicant, plan preparer, and owner and a written and graphic scale.
ii. Location of the subject property including delineation of Character Districts, Required and Recommended streets (if any), and any frontage designations (if any).
iii. When subdivision of land is required, the layout of proposed blocks, lots, streets, easements, alleys, and trails, if any, consistent with this Code and other city ordinances and plans;
iv. The location of all physical improvements, both existing and proposed, including but not limited to buildings, sidewalks, driveways, parking, landscaping, open space, etc.
v. All proposed uses on the property and/or buildings.
vi. Street designation along all public frontages of the property and compliance with the building form and development standards for the specific Character District the property is located in per Section 6 of this Code.
vii. Screening, landscaping, and private open space provision as required by this Code.
viii. Site plans, building plans, architectural elevations and renderings of proposed building(s) including demonstration of compliance with Building Design Standards in Section 7 of this Code.
ix. Any other information that may be reasonably necessary to review and determine whether the proposed development complies with this Code.

3.8. Rockport Heritage District Board Established. The City Council shall appoint a five (5) member citizen board called the Rockport Heritage District Board (RHDB).

3.8.1 Duties and Responsibilities: The RHDB shall have the following duties and responsibilities:

i. To coordinate, if necessary, with both the Aransas County Historical Commission and the Aransas County Historical Society regarding studies of historic residences, buildings, properties, or landmarks and support the preparation of a plan for their preservation in accordance with the guidelines of the Texas Historical Commission and/or the National Register of Historic Places;
ii. To recommend to the Rockport City Council the adoption of standards for preservation, redevelopment, and new construction of buildings within the RHDZO;
iii. Make recommendations to the Rockport Building and Development Department staff regarding proposed demolition of existing historic buildings or buildings with historic significance within the RHDZO;

iv. Coordinate with other departments of city government on matters of mutual interest and concern;
v. Advise and assist property owners and other persons to better understand the standards described herein for the preservation, redevelopment and construction of buildings within the RHDZO;
vi. To adopt, promulgate, or implement policies, rules, and bylaws reasonable and necessary to govern the functions of the board and carry out the purpose and intent of this code;
vii. To review and make recommendations to City Council on development applications for civic/public buildings (new and redevelopment of existing buildings);
viii. To review and make recommendations to City Council on all development and/or redevelopment within the Harbor Destination District;
ix. Hear appeals to staff's decisions on development applications or Design Exceptions; and
x. Hear requests for design direction and/or interpretation of any requirements of this code.

3.8.2 Board Composition: City Council shall appoint five (5) members with at least one from each of the following categories or as determined by City Council:

i. Historic Preservation representative (professional with interest and expertise in Historic Preservation, or representative of a design profession such as architecture, landscape architecture, urban design, interior design, historic preservation, engineering or similar profession with interest and expertise in Historic Preservation).
ii. Development or construction industry representative (developer, builder, contractor, real estate professional, broker or similar profession)
iii. Rockport community representative
iv. Heritage District resident representative
v. Heritage District business owner representative

3.8.3 Terms of Appointment: One (1) member of the board shall serve for a term of one (1) year, two (2) members of the board shall serve for a term of two (2) years, and two (2) members of the board shall serve for a term of three (3) years. Thereafter, the term of all members shall be for a term of three (3) years, and they may be reappointed for additional terms. Each member shall serve until the appointment and qualification of his or her successor. Vacancies on the board shall be filled by City Council when the vacancy occurs during a term of office. The person selected shall be appointed for the unexpired portion of the term.

3.8.4 Election of Officers: Members of the board shall serve without compensation and the board shall annually elect from among its membership, one (1) member who shall serve as chair, one (1) member who shall serve as vice chair, and one (1) member who shall serve as secretary. The vice chair shall perform all duties and functions of the chair in the latter's absence or incapacity. The board shall keep official minutes and other appropriate

records of its meetings and all proceedings and matters brought before it, and shall make same available for public inspection to the extent required by law. All members of the board shall be familiar with and abide by the city's attendance policies, as amended from time to time. Specifically, no board members shall participate in any discussion or vote on any matter coming before the board involving property in which they have a direct ownership, financial, or business interest.

3.8.5 Conduct of Meetings: The board shall adopt and make public, rules for the transaction of its business and shall hold regular meetings and specially called meetings, as deemed necessary and appropriate. Written agendas shall be prepared for all regular and specially called meetings and shall be made available for public inspection. All meetings shall comply with the Texas Open Meetings Act. A simple majority of the membership of the board shall be required to conduct the business of the board.

3.8.6 Quarterly Report: The board shall report at least quarterly to the Rockport City Council on the activities and accomplishments of the board.

3.9 Appeals and Design Exceptions. Any appeals to the decision of the City Manager or requests for Design Exceptions to standards in this Code may be made to the Rockport Heritage District Board (RHDB) within 30 days of such a decision in writing by the City Manager. All requests for appeals or Design Exceptions shall be heard by the RHDB within 30 days of such a request or at the next available regularly scheduled meeting of the RHDB, whichever occurs first. Appeals of decisions of the RHDB shall be made to District Court of Aransas County. All appeals shall be taken in the District Court within thirty (30) days after the action or decisions of the RHDB and all decisions which have not been appealed within thirty (30) days shall become final. After the appeal is taken, the procedure shall be governed by the rules of civil procedure.

3.10 Variances. All decisions on variances to dimensional standards for setbacks and heights in the RHDO shall be determined by the Zoning Board of Adjustment after a recommendation has been made by the RHDB. In granting or denying a variance RHDB and Zoning Board of Adjustment shall evaluate the extent to which the proposed modifications result in greater or lesser conformance with the specifications of the RHDO and the extent to which the modifications meet the vision and intent of the Heritage District Master Plan.

3.11 In addition to standards in Section 6.6, all public/civic buildings within the RHDO may only be approved by City Council after a recommendation has been made on the application by the RHDB. In reviewing such development applications, the following shall be taken into consideration:

3.11.1 Civic and public buildings should occupy prominent sites such as at the end of a terminated vista.

3.11.2 Major entrances and exits should be clearly marked and should front on plazas or wide sidewalks that allow pedestrians safe ingress and egress into the building.

3.11.3 Major entrances and key street intersections, including locations recommended for vista terminations, shall be emphasized with vertical elements that create a unique identity to the civic building.

3.11.4 Public buildings may be larger in scale than retail and mixed use buildings and thus have larger setbacks to provide for appropriate transitions. They should be articulated horizontally and vertically with architectural elements to break the mass of the structure down.

3.11.5 Major street frontages such as Type 'A' frontages shall not be blank walls. Windows, changing building materials, arcades, building articulation, and other architectural elements shall be used to add interest at the street level.

3.11.6 Building materials used should convey the impression of permanence and stability and to the extent possible, masonry (brick, stone, stucco using the three step process, marble, or granite) should be used for a majority of the exterior building facades.

3.12 Harbor Destination District – All development within the Harbor Destination District may only be approved by City Council after a recommendation has been made on the application by the RHDB. In reviewing such development applications, the following shall be taken into consideration:

3.12.1 The creation of an overall Harbor Destination Master Plan complementing the Heritage District Master Plan for the various uses within the district that coordinates and integrates buildings, establishes an architectural design theme and palette of building materials, provides linkages between different uses, parking, accommodates pedestrian and automobile access, service uses, open spaces, and provides unified wayfinding signage for all destinations located within the district.

3.12.2 The extent to which the design of the building is sensitive to the context of the Heritage District and an overall Harbor Destination Master Plan, if any.

3.13 RHDB Review Considerations: In providing design direction and clarification, reviewing Design Exception requests or hearing appeals, the Rockport Heritage District Board shall use the following criteria:

3.13.1 the goals and intent of Rockport Heritage District Master Plan;
3.13.2 whether the proposal fits the adjoining design context by providing appropriate transitions;
3.13.3 extent to which the application provides public benefits such as usable civic and open spaces, livable streets, structured and/or shared parking, and linkages to transit; and
3.13.4 considerations of health and welfare of the general public.

3.14 Demolitions.

3.14.1 All applications for demolition of buildings or portions of buildings within the RHD Zoning Overlay shall require the approval of a demolition permit by the City after a recommendation has been made on the application by the RHDB. In reviewing a request for demolition, the RHDB shall consider the following:

i. The public's interest in the preservation of the cultural resource.
ii. Whether the building is a contributing building that has the potential to be a historic building.
iii. The age of the cultural resource, its uniqueness or uncommon design, texture, and/or material and its ability to be reproduced without unreasonable difficulty and/or expense.
iv. The ability of the cultural resource to help preserve and protect a historic place or prehistoric site or area of historic interest in the City.
v. The ability of the cultural resource to promote the general welfare of the City by:
   1) Encouraging the study of local and American History, architecture and design;
   2) Developing an understanding of the importance and value of the American culture and heritage; and
   3) Making the City a more attractive and desirable place in which to live.
vi. Whether the building is being demolished for new construction on the same site which is more economically feasible than restoring the existing structure.

3.14.2 A request for demolition may only be approved by the City Manager or designee if the RHDB finds that:

i. A building or part of a building is deemed as not being historically significant to Rockport's cultural roots or is not a contributing building;
ii. The building can be replaced more economically by another that better supports the goals of the 2006 Rockport Heritage District Master Plan;
iii. A building or part of a building is structurally unstable or in a stage of advanced deterioration and has been deemed by the City as a hazard to public safety or an attractive nuisance;
iv. The demolition will not significantly impact adjoining properties or the integrity of Rockport's Heritage District; or
v. The costs of rehabilitation are prohibitive and evidence is presented that the existing improvement is incapable of reasonable use or producing an economic return.

3.15 Non-Conforming Buildings, Uses, and Signs:

3.15.1 Regardless of transfer of ownership, existing Non-Conforming Buildings with a Non-Conforming Use that do not conform to the provisions of this Code may continue as they are until:

i. the building is reconstructed or substantially modified such that the collective reconstructions or modifications within any continuous three (3) year period are valued at more than the greater of either $50,000 or a total of fifty (50) % of the assessed value of the improvements in the most recently certified tax rolls; or
ii. any building façade on a designated Type 'A' Street is changed. These may include changes to architectural elements, sidewalks, windows, doors, or any other feature that alters that façade (excluding façade colors, window/glass replacement and maintenance of existing signage). Only sections of the RHDZO code that affect the façade design of a building in Section 7 of this code shall apply when Type 'A' Street facades are modified.

3.15.2 Regardless of transfer of ownership, existing Non-Conforming Buildings that do not conform to the provisions of this Code may change use within the same building, provided the new use is permitted in the underlying zoning district until:

i. the building is reconstructed or substantially modified such that the collective reconstructions or modifications within any continuous three (3) year period are valued at more than the greater of either $50,000 or a total of fifty (50) % of the assessed value of the improvements in the most recently certified tax rolls;
ii. any building façade on a designated Type 'A' Street is changed. These may include changes to architectural elements, sidewalks, windows, doors, or any other feature that alters that façade (excluding façade colors, window/glass replacement and maintenance of existing signage). Only sections of the RHDZO code that affect the façade design of a building in Section 7 of this code shall apply when Type 'A' Street facades are modified.

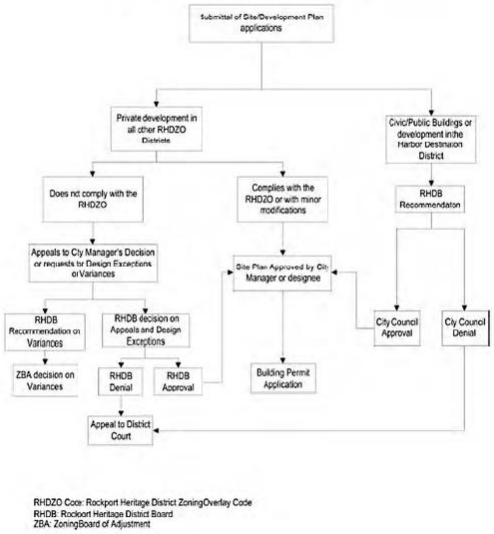
3.15.3 Regardless of transfer of ownership, existing Non-Conforming Signs that do not conform to the provisions of this Code may continue as they are until the sign is reconstructed or substantially modified such that the modifications are valued at more than fifty (50) % of the replacement value of the sign.

3.15.4 Standards in Chapter 118 of the City of Rockport Code of Ordinances shall apply to existing Non-Conforming Buildings and Non-Conforming Uses that have lost their Non-Conforming status.

3.15.5 Any reconstruction or modification of or change to a Type 'A' Street façade of a non-conforming building or non-conforming sign shall meet the provisions of this Code unless a Design Exception is granted by the RHDB. In granting or denying Design Exception the RHDB shall evaluate the extent to which the proposed modifications result in greater or lesser conformance

Current Appendix B

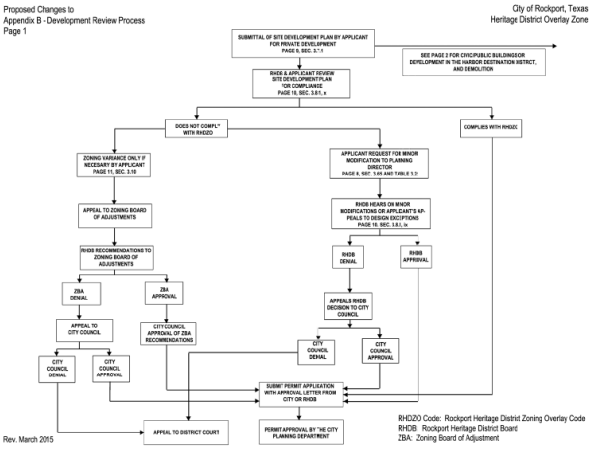
Appendix B - Development Review Process



RHDZO Code: Rockport Heritage District Zoning/Overlay Code
RHDB: Rockport Heritage District Board
ZBA: Zoning/Board of Adjustment

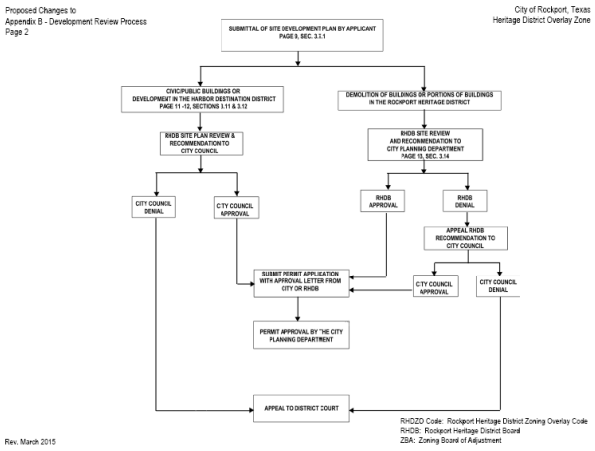
Proposed Changes to
Appendix B - Development Review Process
Page 1

City of Rockport, Texas
Heritage District Overlay Zone



Rev. March 2015

RHDZO Code: Rockport Heritage District Zoning Overlay Code
RHDB: Rockport Heritage District Board
ZBA: Zoning Board of Adjustment



Extensive discussion was held among Council, Mr. Copeland, Heritage District Board Members Janie White, Jim Godfrey, Penny Hong and Loretta Schindler, members of City staff, and City Attorney Terry Baiamonte regarding Mr. Copeland's letter.

Bill Fisher addressed the Council. Mr. Fisher stated he believes everything proposed for the Heritage District should be presented to the Heritage District Board.

Todd Pearson addressed the Council. Mr. Pearson said the City is going to be faced with development of the harbor front, and the Heritage District Board should be involved.

Mayor Wax stated he would like to accomplish the following: 1) Establish May 12, 2015, at 1:30 p.m., in the City Hall Council Chambers, a meeting of the Rockport Heritage District Board (RHDB), the purpose of which is to review the letter Mr. Copeland has written to the City and to provide to the City the entire Board's understanding and support or disagreement with or modification of that particular information, and then return to the Council to discuss not only the letter but also whether there are particular portions of the Heritage District Zoning Code Ordinance that the Board would like to alter, and bring a committee recommendation to the Council; 2) Understand that the Rockport Heritage District Board is not treated any differently than any other City board; the rules are exactly the same for all boards; and 3) Know that everybody in the Council Chambers tonight, the RHDB and City staff, are focused on the same goal, which is "to preserve and protect what this unique community already has and what its future will be." Mayor Wax added that the RHDB's principal point of contact will be the City's Community Planner within the Public Works Department.

4. Adjournment.

At 2:42 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

CITY OF ROCKPORT, TEXAS

_____
Charles J. Wax, Mayor

ATTEST:

_____
Teresa Valdez, City Secretary

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING
6:30 p.m., Tuesday, April 28, 2015
Rockport City Hall, 622 East Market Street

On the 28th day of April 2015, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

CITY COUNCIL MEMBERS PRESENT
Mayor Charles J. Wax
Mayor Pro-Tem Pat Rios, Ward 3
Council Member Rusty Day, Ward 1
Council Member J. D. Villa, Ward 2
Council Member Barbara Gurtner, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT
City Manager Kevin Carruth
City Attorney Terry Baiamonte
City Secretary Teresa Valdez
Police Commander Larry Sinclair
Public Works Director Mike Donoho
Finance Director Patty Howard
Parks & Leisure Services Director Tom Staley

ELECTED OFFICIALS

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Wax at 6:30 p.m. on Tuesday, April 28, 2015, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

2. Pledge of Allegiance.

Council Member Villa led the Pledge of Allegiance.

3. Presentation: Government Finance Officers Association - Distinguished Budget Presentation Award.

Mayor Wax presented a Certificate of Recognition for Budget Presentation to Finance Director Patty Howard for the Distinguished Budget Presentation Award for the current budget from the Government Finance Officers Association.

4. Proclamation: Travel and Tourism Week

Mayor Wax proclaimed May 2-10, 2015 as Travel and Tourism Week in the City of Rockport. Mayor Wax presented the Proclamation to Rockport-Fulton Chamber of Commerce Chair Karen Mella and President Diane Probst.

5. Citizens to be heard.

At this time comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take any action on any item that has not been posted on the agenda.

Shawn Johnston addressed the Council. Ms. Johnston stated she appreciated the fact that there are groups trying to improve the quality of life in Rockport, but the banning of plastic bags is an overage. Ms. Johnston voiced opposition to the banning of single-use plastic bags.

Richard Rock addressed the Council. Mr. Rock stated he lives on the south end of Water Street and he can see plastic bags and plastic water bottles in the bay. Mr. Rock voiced support of the banning of single-use plastic bags.

<u>Consent Agenda</u>

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

6. Deliberate and act on approval of City Council Regular Meeting Minutes of April 14, 2015.

7. Deliberate and act on 2nd quarter report from the Rockport Center for the Arts for Fiscal Year 2014-2015 marketing expenditures.

8. Deliberate and act on 2nd quarter report from Rockport-Fulton Chamber of Commerce for Fiscal Year 2014-2015 marketing expenditures.

9. Deliberate and act on request by Rockport Center for the Arts for lease of 402 Laurel Street for the 2015 ArtLink for Kids and Teens program.

10. Deliberate and act on reorganization of TMCA Project Committee.

11. Deliberate and act on bid proposal for digester cleaning at Wastewater Treatment Plant.

Mayor Wax called for requests to remove any item from the Consent Agenda for separate discussion. There being no requests, Mayor Wax called for a motion.

MOTION: Mayor Pro-Tem Rios moved to adopt the Consent Agenda Items as presented. Council Member Villa seconded the motion. Motion carried unanimously.

Regular Agenda

12. Hear and deliberate on presentation of Chamber of Commerce Keep Rockport-Fulton Moving quarterly report.

Rockport-Fulton Chamber of Commerce President Karen Mella addressed the Council. Ms. Mella presented the Rockport-Fulton Chamber of Commerce's Keep Rockport-Fulton Moving quarterly report.

Discussion was held between Council and Chamber President & Chief Executive Officer Diane Probst, Ms. Mella and Director of Tourism and Events Sandy Jumper in regard to the quarterly report.

13. *Tabled March 10, 2015* - Deliberate and act on first reading of an Ordinance pursuant to Article 23 "Conditional Use Permit" (CUP) Rockport Zoning Ordinance Number 1027 granting a CUP to property located at 2501 San Antonio Street for the purpose of installation of a mobile home; setting out additional conditions in addition to those conditions stipulated under Article 23, Rockport Zoning Ordinance 1027; repealing all ordinances in conflict therewith; providing for severability; and providing an effective date.

MOTION: Mayor Wax moved to take this item off the table. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

MOTION: Mayor Wax moved to deny without prejudice the request for a Conditional Use Permit to property located at 2501 San Antonio Street for the purpose of installation of a mobile home. Council Member Villa seconded the motion. Motion carried unanimously.

14. Deliberate and act on first reading of an Ordinance amending City of Rockport Code of Ordinances, Chapter 2 "Administration" Article VII "Investment Policy"; providing for severability; and providing an effective date.

Finance Director Patty Howard addressed the Council. Ms. Howard stated the suggested changes to the Investment Policy had been presented to the City Council at the March 24, 2014 Council Workshop. Ms. Howard recommended approval of the first reading of the Ordinance.

Brief discussion was held among Council and Ms. Howard.

MOTION: Mayor Pro-Tem Rios moved to approve the first reading of an Ordinance amending City of Rockport Code of Ordinances, Chapter 2 "Administration" Article VII "Investment Policy"; providing for severability; and providing an effective date. Council Member Gurtner seconded the motion. Motion carried unanimously.

15. Deliberate and act on Intergovernmental Cooperation Agreement with Aransas County for jail services.

Mayor Wax stated the Council was aware of the issues and confusion regarding the fees, $40.00 versus $55.00. Mayor Wax called the Council's attention to the letter (below) he had sent Aransas County Judge Mills in regard to the $40.00 versus $55.00 fee.

CITY of ROCKPORT, TEXAS
Est. 1870

March 26, 2015

Honorable C. H. Mills, Jr.
Aransas County Judge
301 N. Live Oak St.
Rockport, TX 78382

Dear Judge Mills:

Thank you for your letter of March 20, 2015, in which you explained your reasoning for the charges to include in our Jail Services Agreement with Aransas County. You mentioned that you were disappointed in being excluded from the most recent discussions regarding this interlocal agreement. I assume you were talking of my email of March 11 in which I had provided a copy of the most recent letter I shared with you on February 13. I had been asked, in a social setting, about the status of the interlocal and I provided a copy to each of the Commissioners to bring them up to date. Since you already had the letter in hand, I did not see the need to provide you with an additional copy.

Within your letter of March 20, you requested the following stipulations be included in the agreement:

"The City of Rockport will pay Aransas County a Booking Fee of $40.00 for each prisoner for up to six (6) hours. Thereafter, the City would be charged the normal [daily] fee of $55.00 per day per inmate, defined as a twenty-four (24) hour day to start at the time of initial booking."

Following our conversation this morning, we understand that the $40.00 charge is for the first six hours of incarceration. Should that incarceration extend past six hours, then the daily rate of $55 will apply. This approach to future billings appears more fair to the citizens of Rockport and we agree with the wording. I would ask your staff to redraft the agreement with this inclusion and we shall move quickly to respond and execute the final agreement.

Sincerely,

Charles J. Wax
Mayor

622 E. Market Street, Rockport, Texas 78382 Phone: (361) 729-2213 Fax: (361) 790-5966
www.cityofrockport.com

Discussion was held among Council and City Manager Kevin Carruth.

MOTION: Council Member Day moved to approve the Intergovernmental Cooperation Agreement with Aransas County for jail services. Council Member Villa seconded the motion. Motion carried unanimously.

16. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee, Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Keep Rockport Beautiful Advisory Board; Parks & Leisure Services Advisory Board; Planning Zoning Commission; Rockport Heritage Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Project Committee; Texas Maritime Museum; Fulton Mansion; Rockport Center for the Arts; Aransas County; Aransas County Independent School District; Aransas County Navigation District; Town of Fulton; and Texas Municipal League. No formal action can be taken on these items at this time.

Mayor Wax complimented the City Department Directors and City Manager for distributing the department reports earlier than previously distributed. Mayor Wax asked that staff verify that these reports are being placed on the City's website.

Mayor Wax informed the Council that he had checked on the legislative bills dealing with plastic bags. He stated Senate Bill 1806 that deals with fracking, trees, red lights, plastic bags, etc. is scheduled for a hearing on Thursday, April 30th. Mayor Wax said he has a 13 page summary of bills that impact local control, which the Texas Municipal League is watching. Mayor Wax asked the City Secretary to provide a copy of this to the Council.

Mayor Wax stated that as he had announced at the last Council meeting, the Aransas Pathways volunteer appreciation luncheon will be held on May 9, 2015, at 12:15 p.m. at the Linda S. Castro Sanctuary. Mayor Wax informed the Council that the City had received a request for a $500 contribution to help defray cost of the luncheon. Mayor Wax expressed that the City should support this volunteer based organization.

Mayor Wax reminded the Council of the Texas Municipal League Region 11 meeting to be held in Cuero on Thursday, April 30, 2015, beginning at 5:30 p.m.

Mayor Pro-Tem Rios stated he had been given a copy of a 2011 petition circulated in Ward 3 that was in opposition to the banning of plastic bags. Mayor Pro-Tem Rios said this petition contained over 200 signatures.

Council Member Villa informed the Council he will begin active duty in two weeks, but he will remain in Rockport.

<u>Executive Session</u>

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

17. Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: 1) Templeton, 2) Petty, and 3) Bay Education Center.

18. Section 551.076 Deliberations Regarding Security Devices or Security Audits: Closed Meeting.

19. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

At 7:25 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071(1)(A) and Section 551.071(2) Consultation with Attorney: Pending or contemplated litigation: 1) Templeton, 2) Petty, and 3) Bay Education Center; Section 551.076 Deliberations Regarding Security Devices or Security Audits: Closed Meeting; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

Open Session

20. City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

At 8:18 p.m., Mayor Wax reconvened the Rockport City Council into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

No action was taken.

21. Adjournment

At 8:19 p.m., Council Member Gurtner moved to adjourn. Motion was seconded by Council Member Villa and carried unanimously.

CITY OF ROCKPORT, TEXAS

_____

Charles J. Wax, Mayor

ATTEST:

_____

Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 10

Deliberate and act on first reading of an Ordinance amending City of Rockport Code of Ordinances Chapter 42, "Environment", Article II, "Sanitation and Nuisance Abatement", repealing Division 1 "Keep Rockport Beautiful Advisory Board" in its entirety to disband the City of Rockport Keep Rockport Beautiful Advisory Board.

SUBMITTED BY: Keep Rockport Beautiful Advisory Board

APPROVED FOR AGENDA: PKC

BACKGROUND: The Keep Rockport Beautiful Advisory Board was established by Ordinance No. 1244 (attached) on April 22, 2003.

The Keep Rockport Beautiful Advisory Board (KRB) met on May 5, 2015 and voted unanimously to recommend to the City Council that the Keep Rockport Beautiful Advisory Board be disbanded. An excerpt from the unapproved May 5, 2015 KRB meeting minutes is shown below.

> **5. Deliberate and act to recommend repurposing or disbanding the Keep Rockport Beautiful Advisory Board.**
>
> Board Chairman Long said that the City Park Maintenance staff does not have the manpower to assume responsibility for additional beautification sites identified by this Board. She added that the City's enhanced code enforcement efforts eliminate the need KRB's involvement. She said there is not sufficient interest in litter clean-ups. So, there is no current reason for KRB to continue. Board Member Green commented that KRB has probably run its course.
>
> **MOTION**: Board Member Green introduced a motion recommending to the City Council that the Keep Rockport Beautiful Advisory Board be disbanded. Board Member Rhodes seconded the motion. Motion unanimously passed.
>
> Board members applauded Barbara Long for her 13 years as the "one and only" KRB Board Chair and congratulated her on her accomplishments in beautifying a variety of locations in the city for both residents and visitors to enjoy and appreciate.

See the accompanying ordinance creating KRB and a draft ordinance disbanding it.

FISCAL ANALYSIS: N/A

RECOMMENDATION: Staff recommends Council deny the ordinance disbanding Keep Rockport Beautiful and instead retain the existing ordinance, thank the current members for their service, and suspend future appointments until there is an interest from the community and/or a new charge from the Council.

ORDINANCE NO. 1244

AN ORDINANCE AMENDING CHAPTER 42 "ENVIRONMENT" OF THE CODE OF ORDINANCES OF THE CITY OF ROCKPORT; AMENDING ARTICLE II, DIVISION 1, BY ESTABLISHING "KEEP ROCKPORT BEAUTIFUL ADVISORY BOARD"; ESTABLISHING THE COMPOSITION, APPOINTMENTS, ORGANIZATION, PURPOSE AND DUTIES; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1 – Deletion

That Chapter 42, "Environment," Article II, "Sanitation and Nuisance Abatement," Division 1, "Generally" of the Code of Ordinances is hereby deleted.

SECTION 2 - Amendment

A. That the City Council, pursuant to its Home Rule Charter, hereby establishes the Keep Rockport Beautiful Advisory Board.

B. That the City of Rockport Code of Ordinances, Chapter 42, "Environment", Article II, "Sanitation and Nuisance Abatement", is amended by adding Division 1, "Keep Rockport Beautiful Advisory Board" and by adding the following Sections to said Division, to-wit:

Section 42-11. Appointments.

A. Members of the board shall be qualified voters residing in the City.

B. Keep Rockport Beautiful Advisory Board shall consist of eleven (11) members and include as officers a chairman, vice chairman and secretary. The Mayor, or his designate, shall be an ex-officio member. The appointment of members will be by the Mayor and approved by the City Council for three (3) year overlapping terms with the exception of the initial members who shall be appointed as follows:
   (1) Four (4) members to be appointed for three (3) years.
   (2) Four (4) members to be appointed for two (2) years.
   (3) Three (3) members to be appointed for one (1) year.

C. All members so appointed shall serve until their successors are appointed and qualified. Members shall serve without compensation, but may be reimbursed for personal expenses incurred in the performance of their duties, when authorized in advance by the City Manager. The board will elect officers of the board.

D. The City Council should strive to balance Board membership to represent best each Ward.

Section 42-12. Organization.

A. The Keep Rockport Beautiful Advisory Board shall:

(1) Hold one (1) regular monthly meeting and other special meetings as deemed necessary.

(2) Elect a chairman, vice-chairman and secretary-treasurer to serve out a term of one calendar year, who shall serve the board as follows:

(a) *Chairman.* The chairman of the board shall be responsible for the calling and the conduct of all meetings and shall be responsible for the preparation and posting of meeting agendas as required by law.

(b) *Vice Chairman.* The vice chairman shall act in the absence of the chairman and perform other such duties as directed by the chairman.

(c) *Secretary-Treasurer.* The secretary-treasurer of said board shall keep a permanent record of the proceedings of meetings and submit a copy of said proceedings to the City Council each month, and shall also keep a permanent record of donated funds. Such funds received shall be delivered to the City of Rockport Finance Director to be maintained in a separate trust account, with the funds expended only for the purpose for which they were donated. Such account shall be audited annually as part of the regular city audit.

B. The City Manager shall ensure that the Keep Rockport Beautiful Advisory Board receives the staff support necessary to prepare minutes, correspondence and other written material.

C. All meetings of the advisory board will be open to the public and in conformance with the rules and regulations of the Texas Open Meetings Law.

(1) The board shall hold all meetings at the Rockport City Hall.

(2) A majority of the members of the board shall constitute a quorum for the transaction of business.

(3) Any member who is absent from three (3) consecutive meetings of the board without valid excuse, as determined the board, shall be automatically dismissed form the membership and the City Council advised that such vacancy exists.

(4) Vacancies occurring on the board, for whatever reason, will be filled for the remainder of the unexpired term within thirty-(30) days, by appointment of the Mayor with the consent of the City Council.

Section 42-13. Purpose.

The Keep Rockport Beautiful Advisory Board shall have the purpose of working towards continued city improvement and beautification of its environment and shall:

A. actively encourage citizen support for improving and beautifying the city.

B. regularly report to the City Council any resolutions, recommendations and reports adopted by the board.

Section 42-14. Duties.

The Keep Rockport Beautiful Advisory Board shall:

A. determine the goals of the city beautification and develop long range plans and programs for improvement and beautification within the city.

B. prepare, with recommendations, an annual Keep Rockport Beautiful budget, to be submitted for approval by the City Council. The funds included in the budget shall be for normal administrative costs of the committee. In addition, the committee may recommend different projects for beautification, which, if implemented by the city, will be budgeted as part of its regular budgeting procedure.

C. recommend the selection and employment of such personnel, agents or consultants as the board deems necessary, within the limits of their approved city budget.

D. act as the city's representative in all matters relating to state, federal and county beautification programs.

E. arrange and conduct, subject to prior council approval, publicity campaigns relative to its activities, for better public understanding. Any such plan shall have prior City Council approval before implementation.

F. accept, with approval of City Council, gifts, donations and grants on behalf of the city for the development of beautification and improvement of the city.

G. recommend to City Council schedules of fees and charges for the use of any such facilities under the jurisdiction of said board.

Section 42-15. Liaisons.

A. With the approval of the council, the Mayor shall designate one council member to serve as the council liaison to the Keep Rockport Beautiful Advisory Board. The appointed individual shall receive notice of all Keep Rockport Beautiful Advisory Board meetings, minutes of all meetings, and all other materials submitted to or from the park and leisure services advisory board.

B. The Park & Leisure Service Director will serve as a staff advisor to the Keep Rockport Beautiful Advisory Board.

SECTION 3 – Effective Date

This ordinance shall become effective immediately upon adoption by second and final reading.

APPROVED ON FIRST READING this ***8th*** day of ***APRIL*** **2003**.

CITY OF ROCKPORT, TEXAS

Todd W. Pearson, Mayor

ATTEST:

Irma G. Parker, City Secretary

APPROVED, PASSED AND ADOPTED ON SECOND READING this ***22nd*** day of ***APRIL*** **2003.**

CITY OF ROCKPORT, TEXAS

Todd W. Pearson, Mayor

ATTEST:

Irma G. Parker, City Secretary

ORDINANCE NO. 2015 - _____

AN ORDINANCE AMENDING CITY OF ROCKPORT CODE OF ORDINANCES CHAPTER 42, "ENVIRONMENT," ARTICLE 11, "SANITATION AND NUISANCE ABATEMENT," REPEALING DIVISION 1 "KEEP ROCKPORT BEAUTIFUL ADVISORY BOARD" IN ITS ENTIRETY TO DISBAND THE CITY OF ROCKPORT KEEP ROCKPORT BEAUTIFUL ADVISORY BOARD; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council may, by ordinance, create, suspend, and disband such boards, commissions, and committees as it determines to be in the best interest of the City and its inhabitants; and

WHEREAS, Ordinance No. 1244 adopted April 22, 2003, established the Keep Rockport Beautiful Advisory Board; and

WHEREAS, the Keep Rockport Beautiful Advisory Board met on May 5, 2015, and voted unanimously to recommend to the City Council that the Keep Rockport Beautiful Advisory Board be disbanded; and

WHEREAS, the City Council wishes to disband the Keep Rockport Beautiful Advisory Board;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS, THAT:

Section 1. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Chapter 42 "Environment" Article II "Sanitation and Nuisance Abatement," Division 1 "Keep Rockport Beautiful Advisory Board," of the Code of Ordinances of the City is hereby repealed in its entirety.

Section 3. Chapter 42, "Environment" Article II "Sanitation and Nuisance Abatement" of the Rockport Code of Ordinances is hereby amended as provided herein. Any previously adopted ordinances, and any subsequent amendments to them, that are in conflict with this Ordinance are all hereby repealed.

Section 4: If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by

reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 5. This Ordinance shall become effective upon adoption on second reading by the Rockport City Council.

APPROVED on the first reading this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

_____
Charles J. Wax, Mayor

ATTEST:

_____
Teresa Valdez, City Secretary

APPROVED, PASSED and **ADOPTED** on second and final reading this _____ day of May 2015.

CITY OF ROCKPORT, TEXAS

_____
Charles J. Wax, Mayor

ATTEST:

_____
Teresa Valdez, City Secretary

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 11

Deliberate and act on first reading of an Ordinance amending the City of Rockport, Texas Code of Ordinances Chapter 54 "Health and Sanitation," by renaming Article I "In General" to Article I "Regulation of Single-Use Plastic (checkout) Bags"; setting definitions, prohibitions and requirements, scope and applicability, and exemptions; establishing implementation of a voluntary ban and setting date of mandatory compliance; and providing for effective date, reading, publication and severance.

SUBMITTED BY: Council Member Ward 4 Barbara Gurtner

APPROVED FOR AGENDA: PKC

BACKGROUND: Following deliberation on single use plastic bags at the December 9 City Council workshop, staff was directed to bring a draft ordinance to City Council for review and consideration. The proposed ordinance was drafted with the assistance of Skip the Plastic and is modeled on the ordinance adopted by the City of Port Aransas in November 2014.

City Council discussed regulations concerning single use plastic bags at its March 24, 2015, workshop. Given that the Texas Legislature was considering bills (specifically the accompanying HB 1939 and its companion bill SB 1550) that would prevent the City's ability adopt such regulations, it was the consensus of City Council to wait until April to evaluate the status of the bills. As shown in the accompanying screenshot from the Texas Legislature Online website, HB 1939 was referred to the Urban Affairs Committee on March 16 and SB 1550 was referred to Business and Commerce Committee on March 23. Neither bill has had action since they were referred to their respective committees.

The following Texas cities have implemented plastic bag regulations include Austin, Brownsville, Fort Stockton, Freer, and South Padre Island. Copies of their respective ordinances as well as the proposed ordinance in Port Aransas and an opinion from the Attorney General's office concerning the legality of plastic bag bans accompany this briefing sheet.

Websites with additional information can also be found at:

1. http://www.texastribune.org/2014/08/29/abbott-opinion-murky-plastic-bag-bans/
2. http://plasticbaglaws.org/legislation/state-laws/texas/
3. http://www.dep.state.fl.us/waste/retailbags/pages/map_USA.htm
4. http://www.bagtheban.com/in-your-state/.
5. http://www.baglaws.com/legislation.php?state=Texas
6. http://www.austinbagban.com/
7. http://www.surfrider.org/pages/plastic-bag-bans-fees
8. http://www.cawrecycles.org/issues/plastic_campaign/plastic_bags/national

9. http://www.texasmonthly.com/daily-post/dallass-plastic-bag-ban-went-effect-january-1st-and-nobody-seems-happy-about-it

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FISCAL ANALYSIS: Unable to determine at this time; however, any measure that reduces litter that employees pick up also should reduce the amount of labor required to clean a given area. Additionally, anything that improves aesthetics and the local environment has a positive impact on the tourism sector of our local economy.

RECOMMENDATION: If the proposed ordinance fully addresses the Council's concerns, staff recommends approval on first reading.

Texas Legislature Online
History

Home | My TLO | House | Senate | Legislation | Search | Committees | Calendars

History | Text | Actions | Companions | Amendments | Authors | Sponsors | Captions | Bill Stages

Bill: HB 1939 **Legislative Session:** 84(R)

Last Action: *03/16/2015 H Referred to Urban Affairs: Mar 16 2015 4:36PM*

Caption Version: Introduced
Caption Text: Relating to the provision of bags to customers of a business at the point of sale.

Author: Rinaldi | Springer

Coauthor: Sanford | Tinderholt

Cosponsor:

Subjects: Business & Commerce--General (I0050)
City Government--General (I0060)
County Government--General (I0096)

House Committee: Urban Affairs
Status: In committee

Actions: (descending date order)

Description	Comment	Date	Time	Journal Page
H Referred to Urban Affairs		03/16/2015	04:36 PM	717
H Read first time		03/16/2015		717
H Filed		02/25/2015		

Texas Legislature Online
History

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History | Text | Actions | Companions | Amendments | Authors | Sponsors | Captions | Bill Stages

Bill: SB 1550 **Legislative Session:** 84(R)

Last Action: *03/23/2015 S Referred to Business & Commerce*

Caption Version: Introduced
Caption Text: Relating to the provision of bags to customers of a business at the point of sale.

Author: Hall

Cosponsor:

Subjects: Business & Commerce--General (I0050)
City Government--General (I0060)
County Government--General (I0096)

Senate Committee: Business & Commerce
Status: In committee

Actions: (descending date order)

Description	Comment	Date	Time	Journal Page
S Referred to Business & Commerce		03/23/2015		531
S Read first time		03/23/2015		531
S Filed		03/12/2015		
S Received by the Secretary of the Senate		03/12/2015		

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE CITY OF ROCKPORT, TEXAS CODE OF ORDINANCES CHAPTER 54 "HEALTH AND SANITATION," BY RENAMING ARTICLE I "IN GENERAL" TO ARTICLE 1 "REGULATION OF SINGLE-USE PLASTIC (CHECKOUT) BAGS;" SETTING DEFINITIONS, PROHIBITIONS AND REQUIREMENTS, SCOPE AND APPLICABILITY, AND EXEMPTIONS; ESTABLISHING IMPLEMENTATION OF A VOLUNTARY BAN AND SETTING DATE OF MANDATORY COMPLIANCE; AND PROVIDING FOR EFFECTIVE DATE, READING, PUBLICATION, AND SEVERANCE.

WHEREAS, the City of Rockport, Texas has a duty to protect the natural environment, the economy and the health of its citizens; and

WHEREAS, our local economy is based upon the tourism industry, fishing, birdwatching, abundant pollution free waterways, marine life diversity, agriculture and ranching, all of which are impacted negatively by discarded single-use plastic checkout bags; and

WHEREAS, the City of Rockport is facing financial, environmental, and aesthetic problems caused by the use and discarding of single-use plastic checkout bags and plastic bags are consistently listed among the top items found in Texas Adopt-A-Beach and highway cleanups; and

WHEREAS, single-use plastic checkout bags are eaten by farm animals blocking their digestive systems and are blown into cotton fields, negatively affecting the agricultural economy; and

WHEREAS, plastics do not biodegrade but break down into smaller and smaller pieces that harm over 260 different species of marine life, including whales, dolphins, fish, seals, sea turtles, and shorebirds, who suffer and die after ingesting or becoming entangled in plastic bags and other plastic debris; and,

WHEREAS, curbside recycling for plastic shopping bags is not available in Rockport or many other Texas municipalities and statewide statistics indicate that less than 10% of single-use plastic checkout bags are recycled; and,

WHEREAS, ordinances restricting single-use plastic checkout bags serve to heighten public awareness among residents and visitors regarding the importance of recycling and proper disposal of all plastics items; and

WHEREAS, discarded plastic bags last indefinitely and create such an aesthetic blight and hazard to wildlife and the environment that it is in the best interest of the public health, safety, and welfare to adopt the proposed ordinance on the distribution of plastic bags at point of sale within the boundaries of the City of Rockport, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1.

That Chapter (54) "Health and Sanitation," Article I "In General" is hereby renamed Article I "Regulation of Single-Use Plastic Bags" and is hereby added to wit:

Sec. 54-1. Definitions.

The following words, terms, and phrases, when used in this chapter, shall have the meanings ascribed to them in this chapter/article/division, expect where the context clearly indicates a different meaning:

Affected retail establishment means any retail establishment or temporary vendor that sells perishable or nonperishable goods, including, but not limited to, clothing, food, and personal items directly to the customer; and is located within the geographical limits of the City of Rockport.

Business establishment means a commercial enterprise or establishment, including sole proprietorships, joint ventures, partnerships, corporations, or any other legal entity including contractors associated with the business.

Plastic Checkout Bag means a plastic bag that is provided by a business establishment to a customer, typically at the point of sale, for the purpose of transporting goods after sale, and is intended and constructed for single use.

Recyclable Paper Bag means a paper carryout bag provided by a retail establishment to a customer at the point of sale for purposes of transporting groceries or other goods and meets all of the following requirements contains no old growth fiber; is 100% recyclable; contains a minimum of 40% post-consumer recycled content; and displays the words *"Reusable"* and *"Recyclable"* in a highly visible manner on the outside of the bag.

Reusable Bag means a bag that is specifically designed and manufactured for multiple reuse and is made of cloth or other fabric, or other durable material suitable for reuse, and has durable built-in handles or draw-strings.

Sec. 54.2. Prohibitions and Requirements.

Affected retail establishments are prohibited from providing plastic checkout bags to their customers at the point of sale. Reusable bags and recyclable paper bags are allowed alternatives. Affected retail establishments are strongly encouraged to provide incentives for the use of reusable bags through education, credits, rebates, or tokens for individuals who bring reusable bags.

Nothing in this section shall be read to preclude affected retail establishments from making reusable or recyclable paper bags available for sale or free to customers. No person shall distribute plastic checkout bags at any City sponsored event, City Facility, or any event held on City property.

Sec. 54.3. Implementation of Voluntary Ban on Plastic Checkout Bags.

The City will promote a Voluntary Ban of plastic checkout bags throughout the City beginning on June 1, 2015 through December 31, 2015 in preparation for the Mandatory Ban of plastic checkout bags to begin on January 1, 2016.

Sec. 54.4. Scope and Applicability.

Business establishments participating in the Voluntary Ban may begin to provide recyclable paper checkout bags or reusable bags with or without charge, as of __(date)____. and be in full compliance with this Ordinance by __(date)___.

Sec. 54.5. Exemptions.

This Division does not apply to:

(a) Bags used for the purpose of containing bait or seafood sales; or

(b) Bags without handles, provided to effect food safety for a purchaser of food by preventing contamination from any raw food; i.e. fruits, vegetables, raw meat, raw seafood, raw poultry.

Sec. 54.6. Penalty Clause.

Any violation of this Ordinance may be punished by a fine not to exceed five hundred dollars ($500.00) for each offense or for each day such offense shall continue.

Sec. 54.7. Effective Date.

As provided by Article III, Section 3.11 of the Charter of the City of Rockport, this ordinance shall be effective upon adoption and, in addition, if any penalty, fine or forfeiture is imposed by this ordinance, then this ordinance shall be effective only after having been published once in its entirety or summary form in the official newspaper of the City of Rockport.

Sec. 54.8. Reading.

As provided by Article III, Section 3.11 of the Charter of the City of Rockport, this ordinance or the caption of it shall be read at two (2) city council meetings with at least one (1) week between readings.

Sec. 54.9 Severance.

If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

APPROVED on the first reading this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

_____

Charles J. Wax, Mayor

ATTEST:

_____

Teresa Valdez, City Secretary

APPROVED, PASSED and **ADOPTED** on second and final reading this _____ day of May 2015.

CITY OF ROCKPORT, TEXAS

_____

Charles J. Wax, Mayor

ATTEST:

_____

Teresa Valdez, City Secretary

By: Rinaldi H.B. No. 1939

A BILL TO BE ENTITLED

AN ACT

relating to the provision of bags to customers of a business at the point of sale.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 6, Business & Commerce Code, is amended by adding Chapter 205 to read as follows:

CHAPTER 205. RIGHT OF BUSINESS TO PROVIDE BAG TO CUSTOMER

Sec. 205.001. PROVISION OF BAG AUTHORIZED. A business that sells an item to a customer may provide to the customer at the point of sale a bag or other container made from any material.

Sec. 205.002. REGULATIONS INVALID. An ordinance or regulation adopted by a municipality purporting to restrict or prohibit a business from, require a business to charge a customer for, or tax or impose penalties on a business for providing to a customer at the point of sale a bag or other container made from any material is invalid and has no effect.

SECTION 2. Sections 361.0961(a) and (c), Health and Safety Code, are amended to read as follows:

(a) A local government or other political subdivision may not adopt an ordinance, rule, or regulation to:

(1) prohibit or restrict, for solid waste management purposes, the sale or use of a container or package, including a bag provided by a business to a customer, in a manner not authorized by state law;

(2) prohibit or restrict the processing of solid waste by a solid waste facility, except for a solid waste facility owned by the local government, permitted by the commission for that purpose in a manner not authorized by state law; or

(3) assess a fee or deposit on the sale or use of a container or package, including a bag provided by a business to a customer.

(c) This section does not limit the authority of a local government to enact zoning ordinances, except that a zoning ordinance enacted by a local government may not prohibit, restrict, or assess a fee or deposit on the use or provision by a business of a bag to a customer at the point of sale.

SECTION 3. Beginning September 1, 2015, a municipality may not enforce any ordinance or regulation adopted by the municipality before that date that prohibits or restricts a business from providing to a customer at the point of sale a bag or other container made from any material.

SECTION 4. This Act takes effect September 1, 2015.

CITY COUNCIL AGENDA
Regular Meeting: Tuesday, May 12, 2015

AGENDA ITEM: 12

Deliberate and act on second reading of an Ordinance amending City of Rockport, Code of Ordinances, Chapter 2 "Administration" Article VII "Investment Policy"; providing for severability; and providing an effective date.

SUBMITTED BY: Finance Director Patty Howard and City Manager Kevin Carruth

APPROVED FOR AGENDA: PKC

BACKGROUND: Public Funds Investment Act, V.T.C.A. Government Code, 2256.001 requires that the governing body must annually review and adopt an Investment Policy. City Manager Kevin Carruth and Finance Director Patty Howard have worked with Ms. Linda Patterson, President of Patterson & Associates, for several weeks to review and update the City's Public Funds Investment Policy.

Ms. Patterson has been a hands-on manager of public funds since 1983. She is a register adviser and certified finance administrator and teaches nationally on the full range of treasury functions including investment strategy, investments, benchmarking, cash flow, cash handling and banking. During her 20 years in public finance, Ms. Patterson was the City Treasurer of Fort Worth, TX and Deputy State Treasurer for Texas. Ms. Patterson is an active member of multiple public finance professional organizations, has authored two books on public investing, holds a Master of Public Administration degree, and was a Fulbright Scholar in Germany.

The proposed changes were reviewed and discussed at the March 24, 2014, Council Workshop.

Please see attached finalized Investment Policy for additional details.

City Council approved the first reading of the Ordinance at the April 28, 2015, City Council meeting. There have been no changes in format or content since the first reading.

FISCAL ANALYSIS: The proposed changes and reporting will allow the City to maximize its return on investments.

RECOMMENDATION: Staff recommends Council approve the second and final reading of the Ordinance, as presented.

ORDINANCE NO. ____

AN ORDINANCE AMENDING CITY OF ROCKPORT, CODE OF ORDINANCES, CHAPTER 2 "ADMINISTRATION" ARTICLE VIII "INVESTMENT POLICY"; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1 - AMENDMENT

That Chapter 2 "Administration," Article III. "Investment Policy is hereby amended to wit:

ARTICLE VIII. INVESTMENT POLICY AND STRATEGY

Sec. 2-211. Policy Statement.

It is the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investment shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

The receipt of a market yield will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The earnings from investments will be used in a manner that best serves the interests of the city.

Sec. 2-212. Scope.

This Investment Policy applies to all the financial assets and funds of the City. The City commingles its funds into one pooled investment portfolio for investment purposes to gain efficiency and maximum investment opportunity. These funds are defined in the City's comprehensive annual financial report (CAFR) and include:

(1) General fund;

(2) Enterprise funds;

(3) Special revenue funds;

(4) Capital project funds;

(5) Debt Service funds;

(6) Trust and agency funds;

(7) Vehicle and equipment replacement funds; and

(8) Any new fund created, unless specifically exempted by City council and this policy.

Sec. 2-213. Objectives and Strategy.

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity in response to cash needs and market conditions. The choice of high-credit quality government investments and money market instruments are designed to assure the marketability of those investments should liquidity needs arise. To meet anticipated cash flow and control for over-extension the maximum weighted average maturity (WAM) of the overall portfolio shall not exceed six months.

(1) *Safety of principal*. Safety of principal is the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they be from security defaults, safekeeping, or erosion of market value.

(2) *Liquidity*. The City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

(3) *Diversification*. Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage.

(4) *Yield*. The City's investment portfolio shall be designed with the objective of attaining a reasonable market rate, taking into account the City's risk constraints and the cash flow needs of the portfolio. The benchmark for the commingled portfolio shall be the yield on the current six month U.S. Treasury Bill For the comparable period designated for its comparability to the expected cash flow and maximum weighted average maturity (WAM).

Strategy.

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the

portfolio. The City shall pursue a conservative strategy. Securities may be sold before they mature if market conditions present an opportunity to benefit from the trade but the strategy will be primarily buy-and-hold.

A. The investment strategy for operating funds has as its primary objective assurance that anticipated liabilities are matched and adequate liquidity provided. This may be accomplished by purchasing high credit quality securities (0-2 years) which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.

B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before any maturity extension.

C. The investment strategy for debt service reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high quality securities. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.

D. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. A liquidity buffer should be maintained to provide flexibility and for unanticipated project outlays.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a cash management program which includes timely collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

Sec. 2-214. Legal limitations, responsibilities and authority.

Authority to manage the City's investment program is derived from the City Charter, ordinances, statutes and resolutions. Direct specific investment parameters for the investment of public funds in Texas are found in the Act. (http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2256.htm). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes, bond requirements and City ordinances to include Ord. 1351, § 3, 5-9-06; Ord 1354, § 1, 05-09-06, Ord. 1433, §1, 05-27-08, Ord. 1499, § 1, 4-27-10, and Ord. 1559, §1, 2-14-12.

Sec. 2-215. Delegation of investment authority.

Management responsibility for the investment program is hereby delegated to the City Manager who shall be responsible for administrative oversight.

The City Manager is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

Investment Officer(s).

The City Council will designate Investment Officer(s) by resolution. The Investment Officer(s) shall develop and maintain procedures for the operation of the investment program consistent with this Investment Policy. Procedures will include safekeeping, , funds transfers, investment procedures, banking services, and collateral.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer(s) shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the supporting procedures.

Each designated Investment Officer will obtain ten hours of investment training within the first 12 months of taking the position and ten hours of training within each two year fiscal years thereafter.

City Council Responsibilities

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

Sec. 2-216. Prudence.

The standard of care to be used in the investment function shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio. This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

Limitation of personal liability.

The Investment Officer(s) and those delegated investment authority under this policy, when acting in accordance with the written procedures and this Policy and in accord with the prudent person rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in

a timely manner and that appropriate action is taken to control adverse market effects. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the Officer has responsibility rather than a consideration as to the prudence of a single investment.

Sec. 2-217. Internal controls.

(a) *Controls.* The investment Officer(s) shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the city.

(b) *Cash flow forecasting*. Cash flow forecasting is designed to protect and sustain cash flow requirements. Supplemental to the financial and budgetary systems, the Investment Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

(c) *Monitoring Credit Ratings.* The Investment Officer(s) shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within one week.

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

(e) *Competitive Bidding*. All securities, including certificates of deposit, will be purchased or sold only after three or more offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

(f) *Delivery versus Payment (DVP)*. All securities shall be purchased on a delivery versus payment (DVP) settlement basis. The safekeeping agent shall not release City funds until receipt of the security. The safekeeping agent shall provide the City with proof of ownership delivered within one business day.

(g) *Unauthorized Investments.* Investments need not be liquidated if authorized at the time of purchase.

(h) *Documentation of Investment Transactions.* All investment transactions, including the transfer of funds for investment purposes, shall be documented and such documentation maintained by the Investment Officer(s).

(i) *Compliance Audit.* At least once a year, the Investment Officer(s) shall complete a compliance audit to assure that the investment program is operating in compliance with the Policy and the Act.

Sec. 2-218. Authorized investments.

(a) Authorized investments shall be limited to the instruments listed below and as further described by the Act. If additional types of securities are approved for investment by state statute, they will not be eligible for investment by the City until this Policy has been amended and the amended version adopted by the City Council.

(1) Obligations of the United States government, its agencies and instrumentalities, not to exceed two years to stated maturity, excluding all mortgage-backed securities ;

(2) Fully insured or collateralized depository certificates of deposit issued by a bank or a savings bank doing business in Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or collateralized in accordance with this Policy not to exceed two years to stated maturity, to include CDARS.

(3) Fully insured share certificates from Texas based credit unions, insured by the NCUIF, with a stated maturity not to exceed two years.

(4) FDIC insured *brokered* certificates of deposit *securities* from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed two years to maturity. Purchased from a bank or broker doing business in Texas. Before purchase, the Investment Officer must verify the FDIC status of the bank (on www.fdic.gov) to assure that the bank is FDIC insured.

(5) Fully collateralized repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, managed under an executed Bond Market Association Master Repurchase Agreement. The repurchase transactions shall be placed only through a primary government securities dealer, as defined by the Federal Reserve of NY, or a financial institution doing business in Texas. Flex repurchase agreements specifically for capital projects may extend beyond two years but must to match the expenditure plan of the bond projects;

(6) AAA-rated SEC registered money market mutual funds which strive to maintain a $1 net asset value;

(7) Texas Local Government Investment Pools, complying with the Act, which strive to maintain a $1 net asset value; and,

(8) Fully insured or collateralized interest-bearing accounts in any bank in Texas.

Sec. 2-219. Ethics and conflicts of interest.

Investment Officer(s) 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.

Investment Officer(s) shall disclose to the Texas Ethics Commission and the City Council, within the quarter, any personal financial interest representing ten percent ownership or voting stock in an amount greater than $10,000.00 with a business, or receipt of funds from the business exceeding ten percent of gross income for the previous year, or interest in real property if the interest has a fair market value of $2,500.00 or more. Any relationships within the second degree by affinity or consanguinity, as specified in chapter 171 of the Texas Local Government Code with their officers, brokers and employees who conduct business with the City shall also be reported.

Sec. 2-220. Authorized financial dealers and institutions.

(a) All investments made by the City will be made through an authorized broker/dealer or a bank in Texas. A list of a least three broker/dealers will be maintained in order to assure competitive bidding (Exhibit A to the Policy).

(b) Securities broker/dealers must meet certain criteria as determined by the Investment Officer(s). The following criteria must be met by those firms on the list:

(1) Provision of a audited financial statement each year,

(2) Proof of certification by the Financial Industry Regulatory Agency (FINRA) and provision of firm's CRD number,

(3) Proof of current registration with the Texas State Securities Commission, and

(4) Policy certification.

(c) Every broker/dealer, pool, and bank with whom the City transacts business will be provided a copy of this Investment Policy for review to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification acceptable to both parties stating that the Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the City. Material changes to the Policy will require re-certification of the Policy.

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

(e) In order to perfect the DVP process the banking services depository, or its brokerage subsidiary, will not be used as a broker.

Sec. 2-221. Diversification and Maturity Limitations.

(a) It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. Diversification guidelines by security type shall be:

SECURITY TYPE	*MAX % OF PORTFOLIO*
U.S. Treasury Obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed 80%
Depository CDs	Not to exceed 50%
Brokered Certificate of Deposit Securities	Not to exceed 30%
Repurchase Agreement Flex agreement by bond issue	Not to exceed 20% 100%
Money Market Fund % Ownership of Fund	100% Not to exceed 10%
Local Government Investment Pools	100%
• Maximum percent ownership of pool	Not to Exceed 20%

(b) The Investment Officer(s) shall diversify security types and maturities, to the extent possible and attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. The Investment Officer may not invest more that 20 percent of the portfolio for a period greater than one year. The Investment Officer may not invest any portion of the portfolio for a period greater than two years with the exception of a flex repurchase agreement.

Sec. 2-222. Safekeeping.

(a) The laws of the state and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the City, an independent third party financial institution, or the City's designated banking services depository.

(b) All safekeeping arrangements shall be designated by the Investment Officer(s) and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the city. Substitution allowed with prior City approval.

(c) All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Sec 2-223 Collateralization of Time and Demand Deposits

(a) *Collateralization*. Collateralization is required on all time and demand deposits above FDIC insurance coverage. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102 percent of the book value of the principal plus accrued interest. Collateral will be held in accordance with a written agreement approved by the pledging bank's Board or Loan Committee to fulfill FDIC requirements.

(b) *Custody.* Collateral shall be held by an independent, third party custodian approved by the City. The custodian shall provide a written monthly report directly to the City listing all pledged collateral by description and market value at a minimum. The pledging bank is responsible for maintaining collateral levels at all times.

[e] *Authorized collateral*.

(1) Obligations of the U.S. government, its agencies and instrumentalities including mortgage-backed securities and CMO which pass the *bank test;*

(2) Obligations of any U.S. state, agencies, counties, cities, or other political subdivisions of any state rated at least A as to investment quality by a nationally recognized rating agency;

(3) An irrevocable Letter of Credit from the FHLB.

(4) Pooled collateral under the terms of the Public Funds Collateral Act.

Sec. 2-223. Performance evaluation and reporting.

The Investment Officer(s) shall submit monthly to the City Manager and quarterly to the City Council investment reports containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and in compliance with the Act. Market prices for market valuations will be obtained from an independent source.

Sec. 2-224. Depositories.

(a) *Banking Services Depository*. The City will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered.

All time and demand deposits in any depository shall be insured or collateralized at all times in accordance with this Policy.

(b) *Additional Depositories.* Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to the City. All depositories holding deposits above FDIC coverage will execute a written depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement and provide collateral in accordance with the Policy.

Sec. 2-225. Investment Policy and Strategies Review and Adoption by City Council

The City's Investment Policy and Strategies shall be reviewed and adopted annually by the City Council. A written resolution adopting that review and denoting changes to the Policy from the review will be passed by the City Council.

Secs. 2-226—2-239. Reserved.

SECTION 2: Any previously adopted ordinances, and any subsequent amendments to them, that are in conflict with this Ordinance are all hereby repealed.

SECTION 3: If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 4: This ordinance shall become effective upon adoption on second reading by the Rockport City Council.

APPROVED on first reading this 28th day of April 2015.

CITY OF ROCKPORT, TEXAS

_____
Charles J. Wax, Mayor

ATTEST:

_____
Teresa Valdez, City Secretary

APPROVED, PASSED and **ADOPTED** on second and final reading this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

_____
Charles J. Wax, Mayor

ATTEST:

_____
Teresa Valdez, City Secretary

ORDINANCE NO. ____

AN ORDINANCE AMENDING CITY OF ROCKPORT, CODE OF ORDINANCES, CHAPTER 2 "ADMINISTRATION" ARTICLE VIII "INVESTMENT POLICY"; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKPORT, TEXAS:

SECTION 1 - AMENDMENT

That Chapter 2 "Administration," Article III. "Investment Policy is hereby amended to wit:

ARTICLE VIII. INVESTMENT POLICY AND STRATEGY*

Sec. 2-211. Policy ~~s~~Statement.

It is the policy of the City that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investment shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

The receipt of a market ~~rate of return~~ yield will be secondary to the requirements for safety and liquidity. It is the intent of the City to be in complete compliance with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (the "~~a~~Act"). The earnings from investments will be used in a manner that best serves the interests of the city.

~~(Ord. No. 1351, § 3, 5-9-06)~~

Sec. 2-212. Scope.

This ~~i~~Investment ~~p~~Policy applies to all the financial assets and funds of the ~~c~~City. The City commingles its funds into one pooled investment ~~fund~~ portfolio for investment purposes ~~for~~to gain efficiency and maximum investment opportunity. These funds are defined in the ~~c~~City's comprehensive annual financial report (CAFR) and include:

(1) General fund;
(2) Enterprise funds;
(3) Special revenue funds;
(4) Capital project funds;
(5) Debt Service funds;
(6) Trust and agency funds;
(7) Vehicle and equipment replacement funds; and

(8) Any new fund created, unless specifically exempted by City council and this policy.

~~(Ord. No. 1351, § 3, 5-9-06; Ord. No. 1433, § 1, 5-27-08)~~

Sec. 2-213. Objectives and ~~s~~Strategy.

It is the policy of the City that all funds shall be managed and invested with four primary objectives, listed in order of their priority: ~~S~~safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity in response to cash needs and market conditions. The choice of high-credit quality~~grade~~ government investments and ~~high-grade,~~ money market instruments are designed to assure the marketability of those investments should liquidity needs arise. To ~~match~~ meet anticipated cash flow ~~requirements~~ and control for over-extension the maximum weighted average maturity (WAM) of the overall portfolio ~~may~~ shall not exceed six months.

(1) *Safety of principal*. Safety of principal is the foremost objective of the ~~c~~City. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital ~~in the overall portfolio~~. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they be from security defaults, safekeeping, or erosion of market value.

(2) *Liquidity*. The ~~c~~City's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

(3) *Diversification*. Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. ~~Competitive bidding will be used on each sale and purchase.~~

(4) *Yield*. The ~~c~~City's investment portfolio shall be designed with the objective of attaining a reasonable market rate ~~of return~~, taking into account the ~~c~~City's risk constraints and the cash flow needs of the portfolio. ~~"Market rate of return: may be defined as the average yield of~~ The benchmark for the commingled portfolio shall be the yield on the current six month U.S. Treasury Bill~~."~~ For the comparable period designated for its comparability to the expected cash flow and maximum weighted average maturity (WAM).

Strategy.

The City maintains one commingled portfolio for investment purposes which incorporates the specific investment strategy considerations and the unique characteristics of the fund groups represented in the portfolio. The City shall pursue a conservative strategy. Securities may be sold before they mature if market conditions present an opportunity to benefit from the trade but the strategy will be primarily buy-and-hold.

A. The investment strategy for operating funds has as its primary objective assurance that anticipated liabilities are matched and adequate liquidity provided. This may be accomplished by purchasing high credit quality securities (0-2 years) which will complement each other in a laddered maturity structure permitting some extension for yield enhancement.

B. The investment strategy for debt service funds shall have as its primary objective the assurance of available funds adequate to fund the debt service obligations on a timely basis. Successive debt service dates will be fully funded before any maturity extension.

C. The investment strategy for debt service reserve funds shall have as its primary objective the ability to generate a revenue stream to the debt service funds from high quality securities. The potential for loss shall be further controlled through the purchase of securities within the desired maturity range.

D. The investment strategy for capital projects or capital project funds will have as its primary objective assurance that anticipated cash flows are matched and provide adequate investment liquidity. A liquidity buffer should be maintained to provide flexibility and for unanticipated project outlays.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a ~~comprehensive~~ cash management program which includes timely collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services.

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Authority to manage the ~~c~~City's investment program is derived from the City Charter, ordinances, statutes and resolutions. Direct specific investment parameters for the investment of public funds in Texas are found in the Act~~,~~. (http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2256.htm). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public funds deposits. All investments will be made in accordance with these statutes, bond requirements and City ordinances to include Ord. 1351, § 3, 5-9-06; Ord 1354, § 1, 05-09-06, Ord. 1433, §1, 05-27-08, Ord. 1499, § 1, 4-27-10, and Ord. 1559, §1, 2-14-12.

~~(Ord. No. 1351, § 3, 5-9-06)~~

~~**Editor's note—** It should be noted that Exhibit A referenced above is not set out at length herein,~~

~~but is on file and available for inspection in the office of the City secretary.~~

Sec. 2-215. Delegation of investment authority.

Management responsibility for the investment program is hereby delegated to the City ~~m~~Manager who shall ~~develop and maintain written~~ be responsible for administrative oversight.

The City Manager is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

Investment Officer(s).

The City Council will designate Investment Officer(s) by resolution. The Investment Officer(s) shall develop and maintain procedures for the operation of the investment program ~~which are~~ consistent with this ~~i~~Investment ~~p~~Policy. Procedures will include ~~reference to~~ safekeeping, ~~require and include repurchase agreements~~, ~~wire~~ funds transfers ~~agreements~~, investment procedures, banking services ~~contracts~~, and ~~other investment related activities~~ collateral.

The ~~i~~Investment ~~o~~Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The ~~i~~Investment ~~o~~Officer(s) shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the ~~i~~Investment ~~o~~Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the supporting procedures ~~established~~.

Each designated Investment Officer will obtain ten hours of investment training within the first 12 months of taking the position and ten hours of training within each two year fiscal years thereafter.

City Council Responsibilities

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

Sec. 2-216. Prudence.

~~(a)~~The standard of ~~prudence~~ care to be used in the investment function shall be the "prudent

person~~" standard~~ rule" and shall be applied in the context of managing the overall portfolio. This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived."

~~(b)~~*Limitation of personal liability.*
The ~~i~~Investment ~~o~~Officer(s) and those delegated investment authority under this policy, when acting in accordance with the written procedures and this ~~p~~Policy and in accord with the prudent person rule, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the Officer has responsibility rather than a consideration as to the prudence of a single investment.

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(a) *Controls.* The investment ~~o~~Officer(s) shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the ~~c~~City. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the city.

(b) *Cash flow forecasting*. Cash flow forecasting is designed to protect and sustain cash flow requirements ~~of the city~~. Supplemental to the financial and budgetary systems, the ~~i~~Investment ~~o~~Officer(s) will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

(c)*Monitoring Credit Ratings.* The Investment Officer(s) shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the City Manager of the loss of rating, and liquidate the investment within one week.

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

(e)*Competitive Bidding*. All securities, including certificates of deposit, will be purchased or

sold only after three or more offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

(f)*Delivery versus Payment (DVP)*. All securities shall be purchased on a delivery versus payment (DVP) settlement basis. The safekeeping agent shall not release City funds until receipt of the security. The safekeeping agent shall provide the City with proof of ownership delivered within one business day.

(g)*Unauthorized Investments.* Investments need not be liquidated if authorized at the time of purchase.

(h)*Documentation of Investment Transactions.* All investment transactions, including the transfer of funds for investment purposes, shall be documented and such documentation maintained by the Investment Officer(s).

(i)*Compliance Audit.* At least once a year, the Investment Officer(s) shall complete a compliance audit to assure that the investment program is operating in compliance with the Policy and the Act.
(j)
~~(Ord. No. 1351, § 3, 5-9-06)~~

Sec. 2-218. Authorized investments.

(a) ~~Acceptable~~Authorized investments ~~under this policy~~ shall be limited to the instruments listed below and as further described by the ~~Public Funds Investment~~ Act. If additional types of securities are approved for investment by state statute, they will not be eligible for investment by the City until this Policy has been amended and the amended version adopted by the City Council.

(1) Obligations of the United States government, its agencies and instrumentalities~~, and government sponsoring enterprises~~, not to exceed two years to stated maturity, excluding all mortgage-backed securities ~~collateralized mortgage obligations (CMOs); and securities issued by the Student Loan Marketing Association (SLMAs)~~;

(2) Fully insured or collateralized depository certificates of deposit issued by a bank or a savings bank doing business in Texas which is guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor, or collateralized in accordance with this Policy not to exceed two years to stated maturity, to include CDARS.

(3)Fully insured share certificates from Texas based credit unions, insured by the NCUIF, with a stated maturity not to exceed two years.

(4)FDIC insured *brokered* certificates of deposit *securities* from a bank in any US state, delivered versus payment to the City's safekeeping agent, not to exceed two years to maturity. Purchased from a bank or broker doing business in Texas. Before purchase, the Investment Officer must verify the FDIC status of the bank (on www.fdic.gov) to assure that the bank is FDIC insured.

~~from:~~

~~a.A broker or the depository institution 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 by Government Code Section 2256.025;~~

~~b.A broker or the depository institution selected by the investing entity that 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;~~

~~c.Any other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas of the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, and under the terms of a written depository agreement with that bank, not to exceed two years to stated maturity to include certificates of deposits purchased through the CDARS program with a Texas bank.~~

(5~~3~~) Fully collateralized ~~R~~repurchase ~~agreement and reverse repurchase~~ agreements as defined by the ~~a~~Act, not to exceed 180 days to stated maturity, ~~provided~~ managed under an executed Bond Market Association Master Repurchase Agreement ~~is on file with the City and the counterparty bank or primary dealer~~. The repurchase transactions shall be placed only through a primary government securities dealer, as defined by the Federal Reserve of NY, or a financial institution doing business in Texas. Flex repurchase agreements ~~used~~ specifically for capital projects may extend beyond two years but ~~only~~ must to match the expenditure plan of the bond projects;

(6~~4~~) AAA-rated ~~No-load,~~ SEC registered money market mutual funds~~, each approved specifically before use by the city~~ which strive to maintain a $1 net asset value;

(7~~5~~) Texas Local Government Investment Pools, ~~as defined by~~ complying with the ~~Public Funds Investment~~ Act, which strive to maintain a $1 net asset value; and,

(8~~6~~) Fully insured or collateralized ~~l~~interest-bearing accounts in any bank in Texas. ~~negotiated order of withdrawal (NOW) accounts~~.

(b)~~If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the City until this policy has been amended and the amended version approved by the City council.~~

(c)~~*Competitive bidding requirement*. All securities, including certificates of deposit, will be purchased or sold after three offers/bids are taken to verify that the City is receiving fair market value/price for the investment.~~

(d)~~*Delivery versus payment*. All security transactions, including collateral for repurchase agreements, entered into by the city, shall be conducted on a delivery versus payment (DVP) basis.~~

~~(Ord. No. 1351, § 3, 5-9-06; Ord. No. 1354, § 1, 6-27-06; Ord. No. 1433, § 1, 5-27-08; Ord. No. 1499, § 1, 4-27-10; Ord. No. 1559, § 1, 2-14-12)~~

Sec. 2-219. Ethics and conflicts of interest.

Investment Officer(s) 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.

Investment ~~officials~~ Officer(s) shall disclose to the Texas Ethics Commission and the City ~~c~~Council, within the quarter~~ly reports~~, any personal financial interest ~~of~~ representing ten percent ownership or voting stock in an amount greater than $10,000.00 with ~~financial a~~institutions business, or ~~receive~~ receipt of funds from the business exceeding ten percent of gross income for the previous year, or ~~has an~~ interest in real property if the interest has a fair market value of $2,500.00 or more. ~~, and a~~Any relationships within the second degree by affinity or consanguinity, as specified in chapter 171 of the Texas Local Government Code with their officers, brokers and employees who conduct business with the ~~c~~City shall also be reported.

~~(Ord. No. 1351, § 3, 5-9-06)~~

Sec. 2-220. Authorized financial dealers and institutions.

(a) All investments made by the City will be made through ~~either the city's banking services bank or a primary~~ an authorized broker/dealer or a bank in Texas. A list of a least three broker/dealers will be maintained in order to assure competitive bidding ~~and shown as~~ (Exhibit ~~"~~A~~"~~ to the Policy) ~~to this section, a copy of which is on file in the office of the City Secretary of the City of Rockport, Texas~~. ~~Said exhibit is hereby referred to, adopted, and made a part hereof,~~

~~as if fully set out in this section.~~

(b) Securities broker/dealers must meet certain criteria as determined by the iInvestment ~~o~~Officer(s). The following criteria must be met by those firms on the list:

(1) Provision of a audited financial statement each year,

(2) Proof of certification by the ~~National Association of Securities Dealers~~ Financial Industry Regulatory Agency (~~NASD~~FINRA) and provision of firm's CRD number,

(3) Proof of current registration with the Texas State Securities Commission, and

(4) ~~Proof of errors and omissions insurance.~~Policy certification.

(c) Every broker/dealer, pool, and bank with whom the City transacts business will be provided a copy of this iInvestment ~~p~~Policy for review to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification acceptable to both parties stating that the ~~p~~Policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to the ~~c~~City. Material changes to the Policy will require re-certification of the Policy.

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

(e) In order to perfect the DVP process the banking services depository, or its brokerage subsidiary, will not be used as a broker.

~~(Ord. No. 1351, § 3, 5-9-06; Ord. No. 1559, § 2, 2-14-12)~~

Sec. 2-221. Diversification and ~~m~~Maturity lLimitations.

(a) It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. ~~At a minimum, d~~Diversification guidelines ~~standards~~ by security type ~~and issuer~~ shall be:

SECURITY TYPE	*MAX % OF PORTFOLIO*
U.S. Treasury Obligations	100%
U.S. Government agencies and instrumentalities	Not to exceed ~~5~~80%
~~Fully insured or collateralized~~ Depository CDs	Not to exceed 50%
Brokered Certificate of Deposit Securities	Not to exceed 30%
Repurchase Agreement~~s~~ Flex agreement by bond issue	Not to exceed ~~10~~20% 100%
Money Market Fund~~s~~ % Ownership of Fund	100% Not to exceed 10%
~~• For Bond Funds~~	~~80%~~
Local Government Investment Pools	100%
~~• Liquidity Pools~~	~~100%~~
• Maximum percent ownership of pool	Not to Exceed 20%
~~• For Bond Funds~~	~~50%~~

(b) ~~The investment officer shall be required to diversify maturities.~~ The ~~i~~Investment ~~o~~Officer(s) shall diversify security types and maturities, to the extent possible~~,~~ and ~~will~~ attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. ~~Unless matched to a specific requirement, t~~The ~~i~~Investment ~~o~~Officer may not invest more that 20 percent of the portfolio for a period greater than one year. ~~Unless matched to a specific requirement, t~~The ~~i~~Investment ~~o~~Officer may not invest any portion of the portfolio for a period greater than two years with the exception of a flex repurchase agreement.

~~(Ord. No. 1499, § 2, 4-27-10)~~

Sec. 2-222. Safekeeping ~~and collateralization~~.

(a) The laws of the state and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the ~~c~~City, an independent third party financial institution, or the ~~c~~City's designated banking services depository.

(b) All safekeeping arrangements shall be designated by the ~~i~~Investment ~~o~~Officer(s) and an agreement of the terms executed in writing. The third party custodian shall be required to issue

safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the city. Substitution allowed with prior City approval.

(c) All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which the securities are pledged.

Sec 2-223 Collateralization of Time and Demand Deposits

(a)*Collateralization*. Collateralization is required on all time and demand deposits ~~over~~ above ~~the~~ FDIC insurance coverage. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102 percent of the ~~market~~ book value of the principal ~~and~~ plus accrued interest. Collateral will be held in accordance with a written agreement approved by the pledging bank's Board or Loan Committee to fulfill FDIC requirements.

(b)*Custody.* Collateral shall ~~will~~ be held by an independent, third party custodian approved by the City. The custodian shall provide a written monthly report directly to the City listing all pledged collateral by description and ~~par~~ market value at a minimum. The pledging ~~B~~bank is responsible for maintaining collateral levels at all times.

[e] *Authorized collateral*.

(1) Obligations of the U.S. government, its agencies and instrumentalities including mortgage-backed securities and CMO which pass the *bank test;*, ~~and~~

(2) Obligations of any U.S. state, agencies, counties, cities, or other political subdivisions of any state rated at least ~~A~~A as to investment quality by ~~at least two~~ a nationally recognized rating agency~~ies;~~.

(3)An irrevocable Letter of Credit from the FHLB.

(4)Pooled collateral under the terms of the Public Funds Collateral Act.

~~(Ord. No. 1433, § 1, 5-27-08; Ord. No. 1499, § 3, 4-27-10)~~

Sec. 2-223. Performance evaluation and reporting.

The ~~finance~~ Investment ~~o~~Officer(s) shall submit monthly to the City ~~m~~Manager and quarterly to the City ~~c~~Council investment reports containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program and ~~consistent with statutory requirements. All reports shall be~~ in compliance with the ~~a~~Act. Market prices for market ~~e~~valuations will be obtained from an independent source.

~~(Ord. No. 1351, § 3, 5-9-06)~~

Sec. 2-224. Depositories.

(a)*Banking Services Depository.* The City will designate one banking institution through a competitive process as its central banking services provider at least every ~~three~~ five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered.

All time and demand deposits in any depository shall be insured or collateralized at all times in accordance with this Policy.

(b)*Additional Depositories.* Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to the ~~c~~City. All depositories holding deposits above FDIC coverage will execute a written depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement and provide collateral in accordance with the Policy.

~~(Ord. No. 1351, § 3, 5-9-06)~~

Sec. 2-225. Investment ~~p~~Policy and ~~s~~Strategies rReview~~ed~~ and ~~a~~Adopt~~ioned~~ by City ~~c~~Council.

The ~~c~~City's iInvestment ~~p~~Policy and ~~s~~Strategies shall be reviewed and adopted annually by the City C~~c~~ouncil. A written resolution ~~approving~~ adopting that review and denoting changes to the ~~p~~Policy from the review will be passed by the City ~~c~~Council.

~~(Ord. No. 1433, § 1, 5-27-08; Ord. No. 1499, § 4, 4-27-10)~~

Secs. 2-226—2-239. Reserved.

SECTION 2: Any previously adopted ordinances, and any subsequent amendments to them, that are in conflict with this Ordinance are all hereby repealed.

SECTION 3: If any provision, section, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof, or provisions or regulations contained herein, shall become inoperative or fail by reason of any unconstitutionality of any other portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

SECTION 4: This ordinance shall become effective upon adoption on second reading by the Rockport City Council.

APPROVED on first reading this 28th day of April 2015.

CITY OF ROCKPORT, TEXAS

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Charles J. Wax, Mayor

ATTEST:

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Teresa Valdez, City Secretary

APPROVED, PASSED and **ADOPTED** on second and final reading this 12th day of May 2015.

CITY OF ROCKPORT, TEXAS

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Charles J. Wax, Mayor

ATTEST:

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Teresa Valdez, City Secretary