

**CITY OF FAIR OAKS RANCH
CITY COUNCIL MEETING**

Thursday, April 16, 2026 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn Rd Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

AGENDA

OPEN MEETING

1. Roll Call- Declaration of a Quorum
2. Pledge of Allegiance

CITIZENS and GUEST FORUM

To address the City Council, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, Council or Committee may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.

3. Citizens to be heard

PRESENTATIONS

4. Administrative Professionals Day Proclamation

Gregory C. Maxton, Mayor

5. Municipal Clerks Week Proclamation

Gregory C. Maxton, Mayor

CONSENT AGENDA

All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council or Committee Member by making such request prior to a motion and vote.

6. Approval of the April 2, 2026 Regular City Council meeting minutes

Amanda Valdez, TRMC, Deputy City Secretary

7. Approval of a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

8. Approval of a resolution authorizing the execution of an agreement with All-Pro Paving, LLC for sealcoating, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

9. Approval of a resolution authorizing the execution of an agreement with Pavement Restoration, Inc. for asphalt rejuvenator, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

10. Approval of Council Member Olvera's absence from the April 16, 2026 Regular City Council meeting

Ruben Olvera, Council Member, Place 3

CONSIDERATION/DISCUSSION ITEMS

11. Consideration and possible action approving a resolution of the City Council of the City of Fair Oaks Ranch establishing the Fair Oaks Parkway Beautification Committee; appointing City Council members as co-chairs; and authorizing the City Manager to assign staff to the Committee

Keith Rhoden, Council Member, Place 2

12. Consideration and possible action approving a resolution amending the City's Investment Policy
- Summer Fleming, CGFO, Director of Finance

REPORTS FROM STAFF/COMMITTEES

13. Semiannual Report from the Capital Improvements Advisory Committee (CIAC)

Chris Weigand, CIAC Chairman

REQUESTS AND ANNOUNCEMENTS

14. Announcements and reports by Mayor and Council
15. Announcements by the City Manager
16. Requests by Mayor and Council Members that items be placed on a future City Council agenda

ADJOURNMENT

Signature of Agenda Approval:

s/ Gregory C. Maxton
Gregory C. Maxton, Mayor

I, Amanda Valdez, TRMC, Deputy City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by April 10, 2026 and remained so posted continuously for at least 3 business days before said meeting was convened. A quorum of various boards, committees, and commissions may attend the City Council meeting.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

PROCLAMATION
City of Fair Oaks Ranch
Office of the Mayor

WHEREAS, administrative professionals play a vital role in coordinating the operations of businesses, government agencies, educational institutions, and other organizations, ensuring efficiency and productivity in the workplace; and

WHEREAS, these professionals serve as key points of contact, expertly managing schedules, organizing information, facilitating communication, and supporting teams with dedication and professionalism; and

WHEREAS, the scope of their responsibilities has grown significantly over the years, requiring advanced knowledge in office technology, project management, communications, and customer service; and

WHEREAS, administrative professionals are adaptable, resourceful, and essential to the success of any organization, contributing significantly to a positive and organized work environment; and

WHEREAS, Administrative Professionals Day is observed annually to recognize the outstanding contributions of these individuals, and to celebrate their commitment to excellence in the modern workplace; and

WHEREAS, the City of Fair Oaks Ranch is proud to acknowledge and celebrate the administrative professionals who support our municipal operations and serve our community with professionalism and care.

NOW THEREFORE, I, Gregory C. Maxton, Mayor of the City of Fair Oaks Ranch, do recognize April 22, 2026, as Administrative Professionals Day in the City of Fair Oaks Ranch, and further extend appreciation to our administrative professionals, Dayanara Zamirski, Veronica Kiley, Camille Browser, Candace Robles and to all administrative professionals for the vital services they perform and their exemplary dedication to the communities they represent.

WITNESS MY HAND AND SEAL THIS 16th DAY OF APRIL 2026.

Gregory C. Maxton, Mayor

Amanda Valdez, TRMC
Deputy City Secretary

PROCLAMATION
City of Fair Oaks Ranch
Office of the Mayor

WHEREAS, the Office of the Professional Municipal Clerk is the oldest among public servants, and a vital part of local government; and

WHEREAS, the Office of the Professional Municipal Clerk provides the professional link between the citizens, the local governing bodies, and agencies of government at other levels; and

WHEREAS, Professional Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

WHEREAS, Professional Municipal Clerks serve as the information center for local government and community, managing, preserving, and providing city records to its citizens, thus ensuring a transparent open government; and

WHEREAS, Professional Municipal Clerks prepare, post, and advertise notices of the agenda for all official public meetings of City Council, Boards and Commissions; and

WHEREAS, Professional Municipal Clerks administer municipal elections according to established election schedules in accordance with all laws, the City Charter, Texas Election Code, regulations, and standards; and

WHEREAS, Professional Municipal Clerks maintain the seal of the City and affix the seal to all appropriate documents; and

WHEREAS, it is most appropriate that we recognize the accomplishments of the Office of the Professional Municipal Clerk.

NOW THEREFORE, I, Gregory C. Maxton, Mayor of the City of Fair Oaks Ranch, do recognize the week of May 3 through May 9, 2026, as Professional Municipal Clerks Week, and further extend appreciation to our Professional Municipal Clerks, Christina Picioccio and Amanda Valdez and to all Professional Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

WITNESS MY HAND AND SEAL THIS 16th DAY OF APRIL, 2026.

Gregory C. Maxton, Mayor

Amanda Valdez, TRMC
Deputy City Secretary



CITY OF FAIR OAKS RANCH CITY COUNCIL MEETING

Thursday, April 2, 2026 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn Rd Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

MINUTES

OPEN MEETING

1. Roll Call- Declaration of a Quorum

Council Present: Mayor Maxton and Council Members: Stroup, Rhoden, Olvera, Pearson, Parker and Swarek

With a quorum present, the meeting was called to order at 6:30 PM.

2. **Pledge of Allegiance** – The Pledge of Allegiance was recited in unison.

CITIZENS and GUEST FORUM

3. **Citizens to be heard** – None.

CONSENT AGENDA

4. **Approval of the March 19, 2026 Regular City Council meeting minutes**

5. **Approval of the cancellation of the May 21, 2026 City Council meeting**

6. **Approval of Council Member Rhoden’s absence from the December 4, 2025 Regular City Council meeting**

MOTION: Made by Council Member Parker, seconded by Council Member Olvera, to approve the Consent Agenda.

VOTE: 7 - 0; Motion Passed.

CONSIDERATION/DISCUSSION ITEMS

7. **Consideration and possible action approving a resolution authorizing the execution of an agreement with R.L. Jones L.P. for the SAWS Emergency Interconnect Project, expenditure of the required funds, and execution of all applicable documents by the City Manager**

MOTION: Made by Council Member Rhoden, seconded by Council Member Swarek, to approve a resolution authorizing the execution of an agreement with R.L. Jones L.P. for the SAWS Emergency Interconnect Project, expenditure of the

required funds, and execution of all applicable documents by the City Manager.

VOTE: 7 - 0; Motion Passed.

8. Consideration and possible action approving a resolution authorizing the execution of a Waterline Project Cost-Sharing Agreement with G Leon Family Partnership for a contribution towards the SAWS Emergency Interconnect Project

MOTION: Made by Council Member Parker, seconded by Council Member Stroup, to approve a resolution authorizing the execution of a Waterline Project Cost-Sharing Agreement with G Leon Family Partnership for a contribution towards the SAWS Emergency Interconnect Project.

VOTE: 7 - 0; Motion Passed.

9. Consideration and possible action approving a resolution authorizing the execution of an Interlocal Agreement with Kendall County for repair and improvements to soften the northern curve on Ammann Road, expenditure of the required funds, and execution of all applicable documents by the City Manager

MOTION: Made by Council Member Swarek, seconded by Council Member Pearson, to approve a resolution authorizing the execution of an Interlocal Agreement with Kendall County for repair and improvements to Ammann Road to soften the northern curve on Ammann Road, expenditure of the required funds, and execution of all applicable documents by the City Manager.

VOTE: 7 - 0; Motion Passed.

WORKSHOP

10. FY 2025-26 Annual Street Maintenance Plan

Assistant Public Works Director Steven Fried led a workshop with the City Council regarding the City's annual street maintenance and pavement marking plans. The presentation included an overview of planned activities aimed at extending the lifespan of the City's roadways.

11. Outdoor Lighting Workshop

City Planner Jessica Relucio presented a workshop to the City Council regarding conflicts between the City's existing outdoor lighting ordinance and the adopted Unified Development Code. The presentation included an overview of identified inconsistencies and potential revisions. Following discussion, the City Council directed staff to revise the applicable regulations to clarify that outdoor lighting must be turned off from 10:00 p.m. to sunrise, that security motion sensor lighting must automatically turn off after five

minutes, to pursue designation as an International Dark Sky Community, and to research the availability of grant funding to assist the City in achieving compliance, if necessary.

12. 2026 Strategic Plan Update

Assistant City Manager Jim Williams led a workshop with the City Council regarding the City's Strategic Plan update. The presentation included an overview of proposed updates and revisions. Following discussion, the City Council provided feedback and asked to view a final draft for review prior to publication with a future meeting agenda.

REPORTS FROM STAFF/COMMITTEES

13. Fourth of July Community Event Update

Assistant City Manager Jim Williams reported that the Fourth of July celebration, which did not take place last year, is on track to return this year. He noted that the vendor issued the City a credit for the fireworks display originally scheduled for 2025. Council directed staff to research the potential for increasing the event budget in recognition of the 250th anniversary of the United States.

REQUESTS AND ANNOUNCEMENTS

14. Announcements and reports by Mayor and Council

Mayor Maxton announced that City offices will be closed Friday, April 3, 2026, in observance of Good Friday. He also shared that, for the third consecutive year, the City has been recognized as a Tree City USA. Lastly, he explained that the City's General Election will take place on May 2, while the Primary Runoff Election will be held on May 26. Mayor Maxton emphasized that there are two separate elections and noted that staff will be issuing communications for each as the dates approach.

15. Announcements by the City Manager

None.

16. Requests by Mayor and Council Members that items be placed on a future City Council agenda

None.

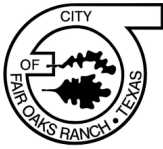
ADJOURNMENT

Mayor Maxton adjourned the meeting at 8:19 PM.

Gregory C. Maxton, Mayor

ATTEST:

Amanda Valdez, TRMC, Deputy City
Secretary



CITY COUNCIL CONSENT ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: April 16, 2026

DEPARTMENT: Finance

PRESENTED BY: Clayton Hoelscher, Procurement Manager

INTRODUCTION / BACKGROUND:

The City budgeted \$831,511 for various street maintenance projects in the current fiscal year. This agenda item represents the micro-surfacing component of that program, also known as slurry seal. A pavement preservation map showing the location of each treatment is attached for reference as **Attachment A**.

The City is utilizing the Interlocal Purchasing System Cooperative (TIPS) for this purchase. As a member, the City is able to take advantage of competitively bid pricing through the cooperative.

This year's plan includes 14,850 square yards of micro-surfacing treatment, at a cost of \$100,489.84. Staff recommends including a 5% contingency, resulting in a total amount of \$105,514.33.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

- Supports Priority 3.4 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives
- Complies with Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$831,511 for the FY 2025–26 Annual Street Maintenance Program. This agreement represents the micro-surfacing component of the program. The cost of the micro-surfacing work is \$100,489.84, with a contingency of \$5,024.49, for a total amount not to exceed \$105,514.33.

LEGAL ANALYSIS:

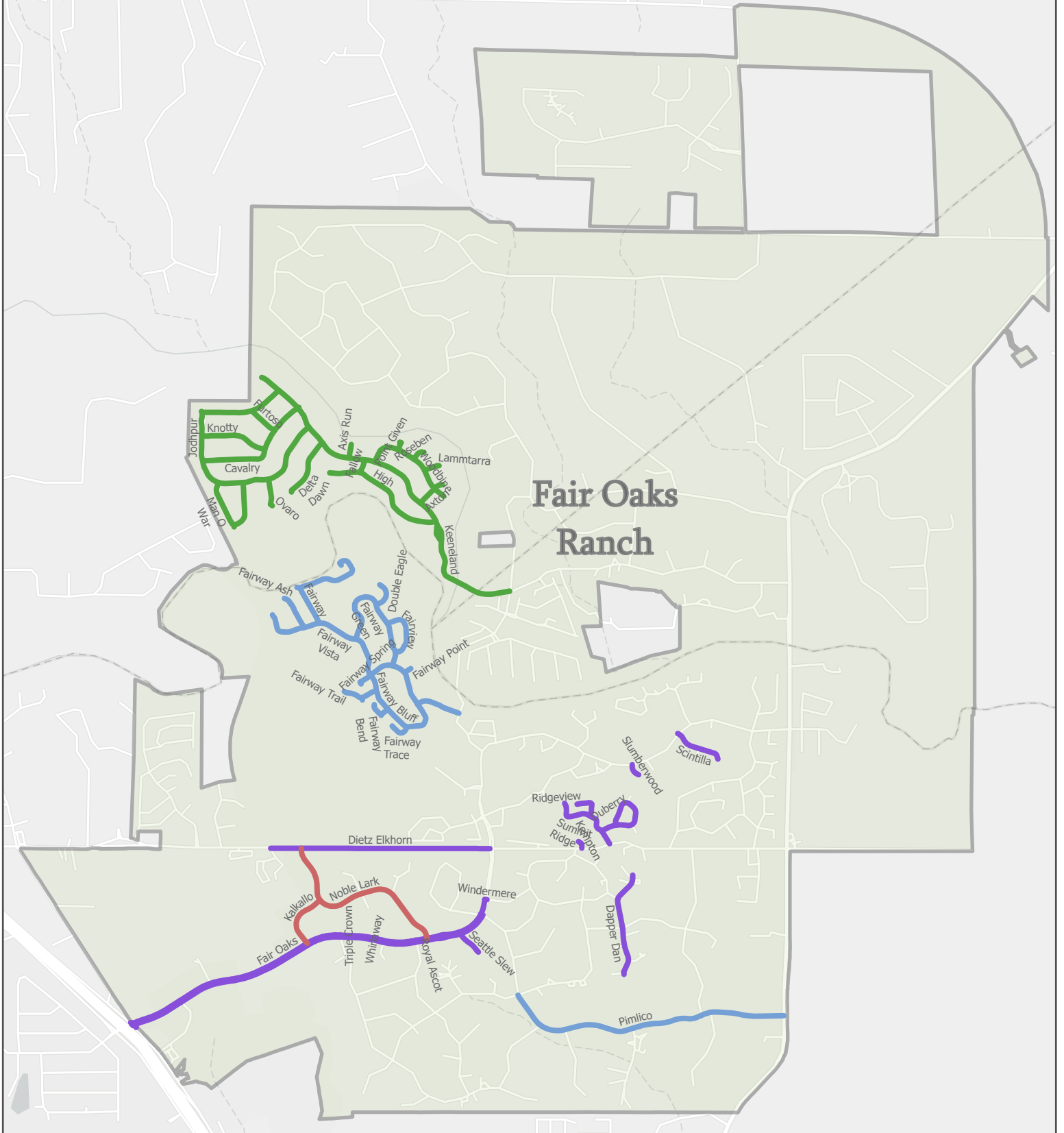
The City's Standard Construction Agreement is being utilized for this project. Resolution approved as to form.

RECOMMENDATION / PROPOSED MOTION:

I move to approve a resolution authorizing the execution of an agreement with

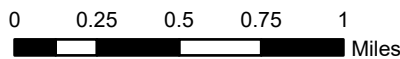
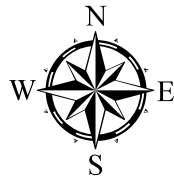
Intermountain Slurry Seal, Inc. for a total value not to exceed \$105,514.33, expenditure of the required funds, and execution of all applicable documents by the City Manager.

ATTACHMENT A



Proposed Activity

- FOR - Fog Seal (In House)
- FOR - Fog Seal (TRMSS)
- FOR - Micro Seal
- FOR - Rejuvenation



PAVEMENT RESTORATION (FY 26 Plan)

Date Saved: 1/20/2026 4:48 PM

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH INTERMOUNTAIN SLURRY SEAL, INC. FOR MICRO-SURFACING, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, The City of Fair Oaks Ranch (the "City") included funding in the FY2025-26 budget for the Annual Street Maintenance Program; and

WHEREAS, Chapter 791 of the Texas Government Code authorizes local governments to enter into Interlocal Agreements with other local governments or state agencies; and

WHEREAS, the City is a member of the Interlocal Purchasing System Cooperative and can utilize competitively procured pricing through this cooperative; and

WHEREAS, the cost for the micro-surfacing component of the program is \$100,489.84, with a 5% contingency for a total amount not to exceed \$105,514.33; and

WHEREAS, the City Council of the City of Fair Oaks Ranch hereby finds it necessary and appropriate to authorize the execution of an agreement with Intermountain Slurry Seal, Inc. **(Exhibit A)**.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The City Council hereby authorizes the City Manager to execute an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, to expend required funds up to \$105,514.33 and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and

the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 6. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 7. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 16th day of April 2026.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda Valdez, TRMC
Deputy City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The Project shall be completed for inspection and acceptance by the City on or before September 30, 2026.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

Exhibit A

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

- (1) By the mutual agreement and consent of both Contractor and City;
- (2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;
- (3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;
- (4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act") and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

29. Liquidated Damages. Contractor hereby acknowledges that the award of the contract includes the requirement to timely commence the work on the Project in accordance with the fully executed Contract. Contractor hereby further agrees to pay to City as liquidated damages the applicable sum quoted below, for each calendar day in excess of the time set forth for completion of the Project. Time of completion is of the essence for the Project.

For each day that any work shall remain uncompleted after the time specified in the Contract, or the increased time granted by the City, or as equitably increased by additional work or materials ordered after the Contract is executed, the sum per day given in the following schedule, unless otherwise specified in the special provisions, shall be deducted from the monies due from the City:

AMOUNT OF CONTRACT	AMOUNT OF LIQUIDATED DAMAGES
Less than \$25,000.00	\$100.00 Per Day
\$25,000.00 to \$99,999.99	\$150.00 Per Day
\$100,000.00 to \$499,999.99	\$200.00 Per Day
\$500,000.00 to \$1,000,000.00	\$250.00 Per Day
More than \$1,000,000.00 (sliding scale)	\$350 Per Day first 30 days; \$400 Per Day 31-60 days; \$500 Per Day 90 days and beyond

Exhibit A

The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the default shall continue after the time stipulated in the Contract for completing the work. The said amounts are fixed and agreed upon because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain and which shall be retained from the monies due, or that may become due, under the Contract; and if said monies be insufficient to cover the amount owing, then the surety shall pay any additional amounts due. Notwithstanding the foregoing, in the event that the actual damages incurred by the City exceed the amount of liquidated damages, the City shall be entitled to recover its actual damages.

30. Warranty

The Contractor shall provide a warranty covering defect of material and workmanship for one calendar year following final completion of the Project.

31. Retainage

For each progress payment made prior to Final Completion of the Work, the City may withhold retainage in the amount of 10%. Retainage will be released upon achievement of Final Completion and acceptance by the City.

Exhibit A

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Scott M. Huizenga

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Scott M. Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Intermountain Slurry Seal Inc.
Attn: Kevin Harris
520 North 400 West
North Salt Lake, UT 84054

Exhibit A

Exhibit "A"

SCOPE OF SERVICES

Exhibit A



Intermountain Slurry Seal, Inc
 3145 National Cir
 Garland, TX 75041
 T 972.353.6236
 F 972.353.6275

www.Graniteconstruction.com

March 4, 2026

Owner: City of Fair Oaks Ranch **TIPS Vendor Number 12067**
 Contact: Clayton Hoelscher **TIPS Contract Number RFP 250503**
 Phone: 210.698.0900
 Email: choelscher@fairoaksranchtx.org

RE: Bid Response | 2026 Preservation Project

Thank you for the opportunity to submit a formal quote to address the proposed work requested. our bid response for the above referenced project. The schedule below is a breakdown of our quote:

Item	Description	Quantity	Unit	Unit Price	Total
1	Micro-surfacing Ty III (Surface)	14,850	SY	\$5.75	\$85,393.25
2	Mobilization (Micro Crew)	47	MI	\$148.00	\$6,956.00
3	Notifying Residents	2	DAY	\$990.00	\$1,980.00
4	Traffic Control Supervisor	2	DAY	\$2,970.00	\$5,940.00
	Bonds				\$220.59
				Total	\$100,489.84

BID RESPONSE SPECIAL CONDITIONS AND/OR CLARIFICATIONS

1. Mutually agreeable commercial and legal contract terms will be negotiated with Owner.
2. Application rate for Micro-surfacing, Ty III, is between 30 lbs/SY (Comp).
3. Work to be performed using a Continuous Paver or Truck Mount Pavers.
4. City to ensure tree limbs are cut to a minimum vertical clearance of 13’ prior to micro-surfacing operations.
5. We reserve the right to adjust our pricing based on final approved plans and/or permits.
6. Price is based on acceptance of this bid within thirty (30) calendar days.
7. This Proposal and Construction Contract is subject to the terms and conditions attached.
8. Intermountain is a Non-Union Contractor.
9. Addendums acknowledged:
10. Traffic control for Micro-surfacing only. Streets to be closed in halves, or Full widths, as needed to complete the resurfacing operation with minimal impacts to the motorists.
11. Proposal above is considered a complete package and cannot be separated. If you wish to separate our proposal, please call to discuss.
12. Intermountain’s estimated duration: 1-2 Working Days (micro-surfacing),
13. Price good for 2026 Season only.
14. Work will be billed by actual area covered and verified by field measurements.
15. Recommended that the city address any vegetation within the pavement by treatment of herbicide approximately 2-3 weeks prior to resurfacing operations.

ASSUMPTIONS

1. Bid assumes one (1) mobilization, during which Intermountain can perform continuous construction activity to complete the project. Additional mobs will be charged at \$25,000.00 each.
2. Bid assumes a 5 day per week, 8 hour per day schedule. Work hours are assumed to be 7:00 AM to 5:00 PM.
3. Not responsible for laying out limits, to be done by prime contractor.
4. Not responsible for reflective cracking or sub-grade failure.



INCLUSIONS

1. Labor and equipment for placement of Micro-surfacing
2. Traffic control to ISS Operations
3. Pre-sweeping prior to placing Micro-surfacing.

EXCLUSIONS

1. Excessive cleaning not included (i.e., contractor debris, landscaping material, equipment tracking of mud, etc.)
2. Traffic Control Plans are excluded.
3. Post-sweeping.
4. Adjustment of existing/new utilities is excluded.
5. Striping of any kind is excluded
6. Removal of Striping is to be performed by others.
7. Cleaning of cracks is excluded
8. Crack Sealing is excluded.
9. All work is excluded that is not specifically included in the items above.

We look forward to working together on this project. If you have any questions or concerns regarding this quote, please call me at 682.229.0843, or e-mail me at Kevin.harris@gcinc.com. Please sign and return this document so we can enter this project into our system and work it into our current construction schedule.

Sincerely yours,

Kevin Harris

Business Development Manager
Intermountain Slurry Seal, Inc.

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

Exhibit A

representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.

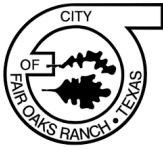
13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit A

Exhibit "C"

EVIDENCE OF INSURANCE



CITY COUNCIL CONSENT ITEM
CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of an agreement with All-Pro Paving, LLC for sealcoating, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: April 16, 2026

DEPARTMENT: Finance

PRESENTED BY: Clayton Hoelscher, Procurement Manager

INTRODUCTION / BACKGROUND:

The City budgeted \$831,511 for various street maintenance projects in the current fiscal year. This agenda item represents the asphalt sealcoating component of the program. The proposed work includes 111,645 square yards of sealcoating, also known as fog seal. A map showing the locations for each application is included for reference as **Attachment A**.

To support this effort, an Invitation for Bids was advertised. Five bids were received on March 30, with All-Pro Paving, LLC submitting the lowest responsive bid. A summary of the bids is provided below:

- All-Pro Paving, LLC: \$266,075.03
(The submitted bid had a discrepancy between the unit and extended price. In that instance, the unit price prevails, which reflects the amount of \$266,075.03)
- Gallo Paving, LLC: \$290,580.90
- Bonilla Paving LLC: \$354,972.00
- Westhill Paving Inc.: \$365,152.67
- H.L. Zumwalt Construction, Inc: \$471,580.00

Staff recommends including a 5% contingency to the contract, resulting in a total cost of \$279,378.79.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

- Supports Priority 3.4 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives
- Complies with Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$831,511 for this year's Street Maintenance and Repair Program. This agreement will cover the sealcoating component of the program. The cost for sealcoating with a 5% contingency is \$279,378.79.

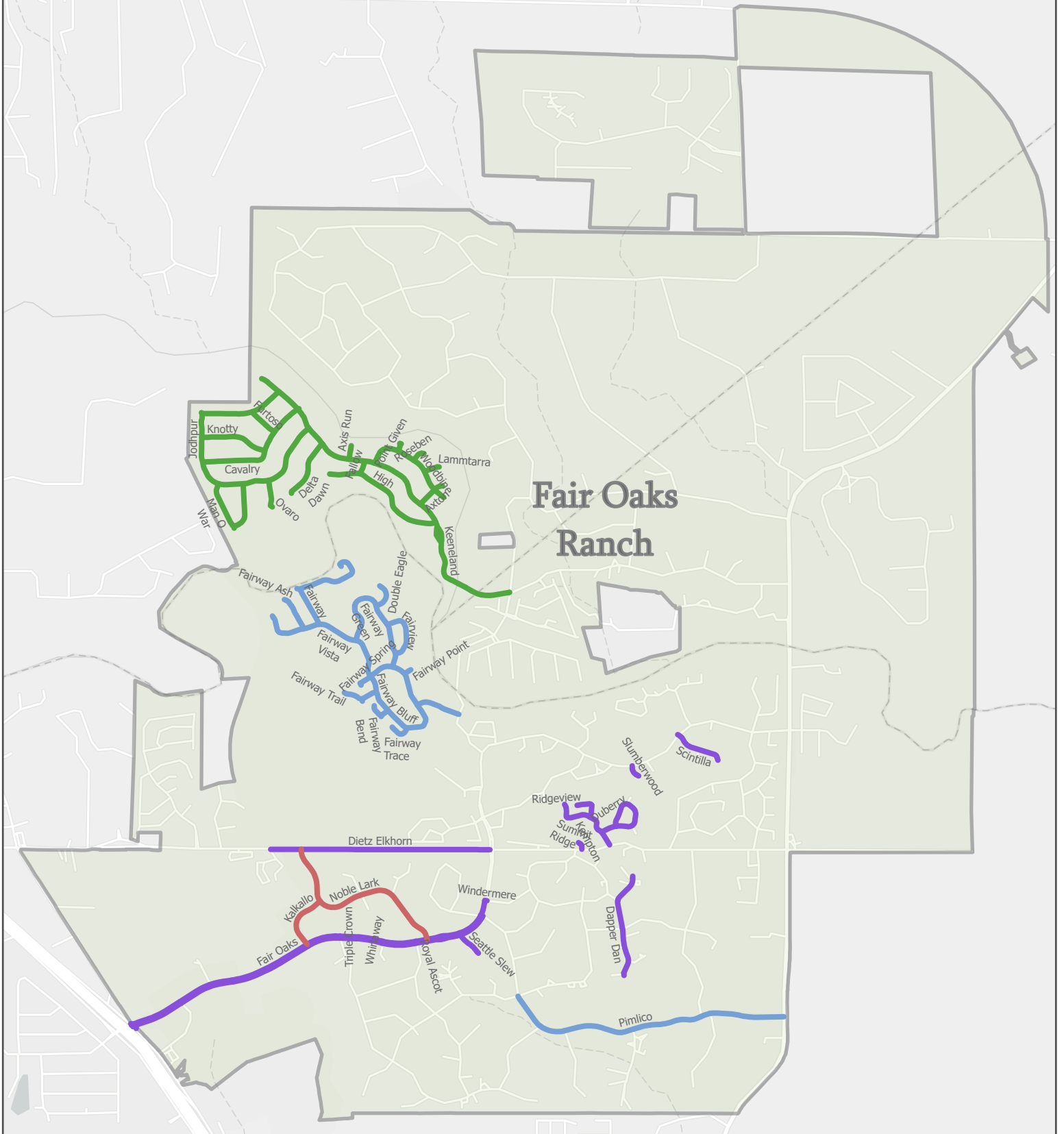
LEGAL ANALYSIS:

The City's Standard Construction Agreement will be utilized for this project. Resolution approved as to form.

RECOMMENDATION / PROPOSED MOTION:

I move to approve a resolution authorizing the execution of an agreement with All-Pro Paving, LLC for sealcoating, expenditure of the required funds, and execution of all applicable documents by the City Manager.

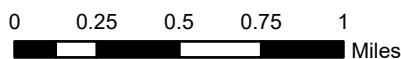
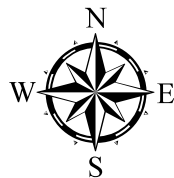
ATTACHMENT A



Fair Oaks Ranch

Proposed Activity

- FOR - Fog Seal (In House)
- FOR - Fog Seal (TRMSS)
- FOR - Micro Seal
- FOR - Rejuvenation



PAVEMENT RESTORATION (FY 26 Plan)

Date Saved: 1/20/2026 4:48 PM

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH ALL-PRO PAVING, LLC FOR SEALCOATING, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, the City of Fair Oaks Ranch (the “City”) included funding in the FY2025-26 budget for the Annual Street Maintenance Program; and

WHEREAS, bids were received in accordance with Chapter 252 of the Texas Local Government Code; and

WHEREAS, All-Pro Paving, LLC was determined to be the lowest responsible bidder; and

WHEREAS, the cost for the sealcoating component of the program is \$266,075.03, with a 5% contingency for a total amount not to exceed \$279,378.79; and

WHEREAS, the City Council of the City of Fair Oaks Ranch hereby finds it necessary and appropriate to authorize the execution of an agreement with All-Pro Paving, LLC (**Exhibit A**).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The City Council hereby authorizes the City Manager to execute an agreement with All-Pro Paving, LLC for sealcoating, to expend required funds up to \$279,378.79 and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 6. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 7. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 16th day of April 2026.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda Valdez, TRMC
Deputy City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The Project shall be completed for inspection and acceptance by the City on or before August 31, 2026.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

Exhibit A

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

(1) By the mutual agreement and consent of both Contractor and City;

(2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;

(3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;

(4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act") and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

29. Liquidated Damages. Contractor hereby acknowledges that the award of the contract includes the requirement to timely commence the work on the Project in accordance with the fully executed Contract. Contractor hereby further agrees to pay to City as liquidated damages the applicable sum quoted below, for each calendar day in excess of the time set forth for completion of the Project. Time of completion is of the essence for the Project.

For each day that any work shall remain uncompleted after the time specified in the Contract, or the increased time granted by the City, or as equitably increased by additional work or materials ordered after the Contract is executed, the sum per day given in the following schedule, unless otherwise specified in the special provisions, shall be deducted from the monies due from the City:

AMOUNT OF CONTRACT	AMOUNT OF LIQUIDATED DAMAGES
Less than \$25,000.00	\$100.00 Per Day
\$25,000.00 to \$99,999.99	\$150.00 Per Day
\$100,000.00 to \$499,999.99	\$200.00 Per Day
\$500,000.00 to \$1,000,000.00	\$250.00 Per Day
More than \$1,000,000.00 (sliding scale)	\$350 Per Day first 30 days; \$400 Per Day 31-60 days; \$500 Per Day 90 days and beyond

Exhibit A

The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the default shall continue after the time stipulated in the Contract for completing the work. The said amounts are fixed and agreed upon because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain and which shall be retained from the monies due, or that may become due, under the Contract; and if said monies be insufficient to cover the amount owing, then the surety shall pay any additional amounts due. Notwithstanding the foregoing, in the event that the actual damages incurred by the City exceed the amount of liquidated damages, the City shall be entitled to recover its actual damages.

30. Warranty

The Contractor shall provide a warranty covering defect of material and workmanship for one calendar year following final completion of the Project.

31. Retainage

For each progress payment made prior to Final Completion of the Work, the City may withhold retainage in the amount of 10%. Retainage will be released upon achievement of Final Completion and acceptance by the City.

Exhibit A

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Scott M. Huizenga

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Scott M. Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

All-Pro Paving, LLC
116 South Parkway Drive
La Vernia, TX 78121

Exhibit A

Exhibit "A"

SCOPE OF SERVICES

CITY OF FAIR OAKS RANCH
FY25-26 SEALCOATING PROJECT
PRICING FORM

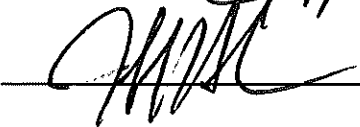
Bid Item	Unit Price	Extended Price
Mobilization Includes mobilization and cost for any required Payment and/or Performance Bonds	\$ 22,688.93 /s	\$ 22,688.93
Sealcoating 111,645 square yards	\$ 2.18 /sy	\$ 243,778.50

Total Bid Amount \$ 266,467.43

By signing below, company acknowledges it has received all bidding documents and instructions, and agrees to execute the Standard Construction Services Agreement if awarded a contract for this Project and promptly supply any required insurance certificate(s) and/or endorsements, Payment and Performance Bonds upon request by the City and prior to commencement of work. The required certified check, cashier's check or bid bond shall be included and immediately follow this executed Unit Pricing Form.

COMPANY: All-Pro Paving, LLC

AUTHORIZED COMPANY REPRESENTATIVE Jeff Haecker 

SIGNATURE: 

DATE March 25, 2026

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

Exhibit A

representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.

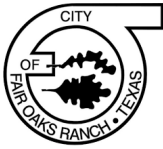
13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit A

Exhibit "C"

EVIDENCE OF INSURANCE



CITY COUNCIL CONSENT ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of an agreement with Pavement Restoration, Inc. for asphalt rejuvenator, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: April 16, 2026

DEPARTMENT: Finance

PRESENTED BY: Clayton Hoelscher, Procurement Manager

INTRODUCTION / BACKGROUND:

The City budgeted \$831,511 for various street maintenance projects in the current fiscal year. This agenda item represents the asphalt rejuvenator component of the program. This year's plan includes 78,468 square yards of asphalt rejuvenator treatment. A map showing the locations for each application is included for reference as **Attachment A**.

The City has historically contracted with Pavement Restoration, Inc. to utilize a proprietary maltene-based product, Reclamite, for asphalt rejuvenation. Pavement Restoration, Inc. is the sole source provider and applicator of this material. Texas Local Government Code 252 § 252.022 (a) (7) authorizes the sole source method of procurement for the City. Since the City has successfully used Reclamite since 2020, continued use ensures consistency with using a known product with a track record of expending pavement life. The Sole-Source Letter is included as **Attachment B**.

The cost for this year's program is \$125,548.80. Staff recommends including a 5% contingency, resulting in a total amount not to exceed \$131,826.24.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

- Supports 3.4 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$831,511 for the FY 2025-26 Street Maintenance and Repair Program. This agreement represents the asphalt rejuvenator component of the program. The cost of the work is \$125,548.80, with a contingency of \$6,277.44, for a total amount not to exceed \$131,826.24.

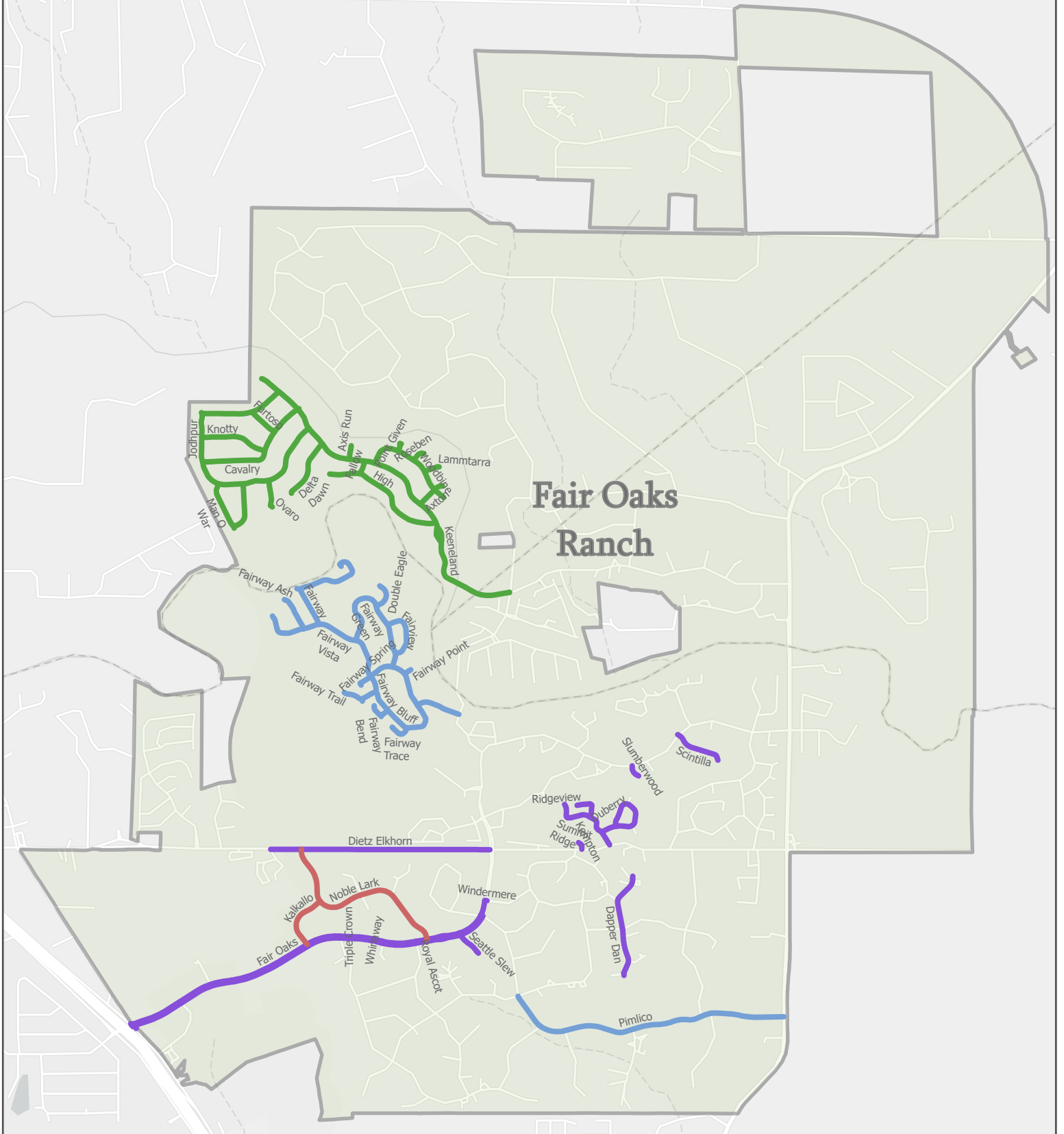
LEGAL ANALYSIS:

The City's standard Construction Agreement will be utilized. Resolution approved as to form.

RECOMMENDATION / PROPOSED MOTION:

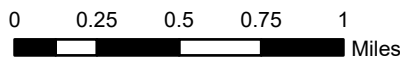
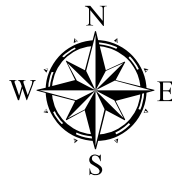
I move to approve a resolution authorizing the execution of an agreement with Pavement Restoration, Inc. for a total value not to exceed \$131,826.24, expenditure of the required funds, and execution of all applicable documents by the City Manager.

ATTACHMENT A



Proposed Activity

- FOR - Fog Seal (In House)
- FOR - Fog Seal (TRMSS)
- FOR - Micro Seal
- FOR - Rejuvenation



PAVEMENT RESTORATION (FY 26 Plan)

Date Saved: 1/20/2026 4:48 PM

Attachment B



■ 1134 Manor Street, Oildale, California 93308
■ P.O. Box 5877, Bakersfield, California 93388
■ Phone: 661.393.7110
■ Fax: 661.393.2083

April 3, 2026

Clayton Hoelscher
Procurement Manager
City of Fair Oaks Ranch Texas

RE: Sole Source Applicator for Reclamite Preservative Seal 2026

Pavement Restoration, Inc.
P.O. Box 1532
Boerne, Texas 78006

This letter is to advise that Tricor Refining, LLC has appointed Pavement Restoration Inc., Boerne, Texas to market and apply Reclamite® Preservative Seal as the sole source / sole applicator in the State of Texas. Pavement Restoration, Inc. has the necessary equipment and product familiarity to provide a successful application and has been since 2006. Tricor has supplier and contractor agreements across the country to help ensure quality work is completed. Pavement Restoration has the experience and knowledge to help with road selection and shot rates. Pavement Restoration Inc is the only company in Texas that manufactures and sells Reclamite.

Tricor Refining, LLC – Reclamite® Preservative Seal is the only maltene based asphalt rejuvenator marketed nationally with a 60-year history of product use. Reclamite has been proven in various testing by state, county and government agencies to decrease viscosity and increase penetration value of the asphalt.

Please feel free to contact me if you have any questions regarding the use of Reclamite®

Yours truly,

Brett Towns

Brett@tricorrefining.com

Tricor Refining, LLC
Phone : 530-491-8251

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH PAVEMENT RESTORATION, INC. FOR ASPHALT REJUVENATOR, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, the City of Fair Oaks Ranch (the “City”) included funding in the FY 2025-26 budget for the Annual Street Maintenance Program, and

WHEREAS, the City utilizes a proprietary maltene-based product, Reclamite for asphalt rejuvenation; and

WHEREAS, Pavement Restoration, Inc. is the sole source supplier and applicator of this material in Texas and is exempt from competitive bidding requirements under Texas Local Government Code § 252.022(a)(7); and

WHEREAS, the cost for the asphalt rejuvenator component of the program is \$125,548.80, with a 5% contingency for a total amount not to exceed \$131,826.24; and

WHEREAS, the City Council of the City of Fair Oaks Ranch supports this purchase and authorizes the execution of an agreement with Pavement Restoration Inc. **(Exhibit A)**.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The City Council hereby authorizes the City Manager to execute an agreement with Pavement Restoration, Inc. for asphalt rejuvenator, to expend required funds up to \$131,826.24, and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and

the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 6. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 7. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 16th day of April 2026.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda Valdez, TRMC
Deputy City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The Project shall be completed for inspection and acceptance by the City on or before August 31, 2026.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

Exhibit A

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

Exhibit A

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

- (1) By the mutual agreement and consent of both Contractor and City;
- (2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;
- (3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;
- (4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act") and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

29. Liquidated Damages. Contractor hereby acknowledges that the award of the contract includes the requirement to timely commence the work on the Project in accordance with the fully executed Contract. Contractor hereby further agrees to pay to City as liquidated damages the applicable sum quoted below, for each calendar day in excess of the time set forth for completion of the Project. Time of completion is of the essence for the Project.

For each day that any work shall remain uncompleted after the time specified in the Contract, or the increased time granted by the City, or as equitably increased by additional work or materials ordered after the Contract is executed, the sum per day given in the following schedule, unless otherwise specified in the special provisions, shall be deducted from the monies due from the City:

AMOUNT OF CONTRACT	AMOUNT OF LIQUIDATED DAMAGES
Less than \$25,000.00	\$100.00 Per Day
\$25,000.00 to \$99,999.99	\$150.00 Per Day
\$100,000.00 to \$499,999.99	\$200.00 Per Day
\$500,000.00 to \$1,000,000.00	\$250.00 Per Day
More than \$1,000,000.00 (sliding scale)	\$350 Per Day first 30 days; \$400 Per Day 31-60 days; \$500 Per Day 90 days and beyond

Exhibit A

The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the default shall continue after the time stipulated in the Contract for completing the work. The said amounts are fixed and agreed upon because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain and which shall be retained from the monies due, or that may become due, under the Contract; and if said monies be insufficient to cover the amount owing, then the surety shall pay any additional amounts due. Notwithstanding the foregoing, in the event that the actual damages incurred by the City exceed the amount of liquidated damages, the City shall be entitled to recover its actual damages.

30. Warranty

The Contractor shall provide a warranty covering defect of material and workmanship for one calendar year following final completion of the Project.

31. Retainage

For each progress payment made prior to Final Completion of the Work, the City may withhold retainage in the amount of 10%. Retainage will be released upon achievement of Final Completion and acceptance by the City.

Exhibit A

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Scott M. Huizenga

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Scott M. Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Pavement Restoration, Inc.
Attn: Rob Wiggins
P.O. Box 1532
Boerne, TX 78006

Exhibit A

Exhibit "A"

SCOPE OF SERVICES



Exhibit A

PAVEMENT RESTORATION, Inc

CITY OF FAIR OAKS RANCH
PURCHASING
MR C HOELSCHER
2/25/26

FORMAL PROPOSAL – Fiscal year 2026

REF: - RECLAMITE REJUVENATOR APPLICATION – Residential Maintenance Program

Complete Turn – key APPLICATION @ \$1.60 per sq yard

REF: SCOPE OF WORK

- Resident Notification
- Traffic control
- Reclamite Emulsion
- Product application by Distributor
- Sanding (WASHED CONCRETE SAND)
- Sweeping up of residue sand next day – regenerative sweeper
- Before / After street core samples to Independent Lab Analysis

TOTAL SQ YARDAGE 78 468 SQ YD

@ \$1.60 PER SQ YD TURNKEY

PROJECT TOTAL \$ 125 548.80

Rob Wiggins

SIGNED: Rob Wiggins
President

Pavement Restoration Inc

Post Office Box 1532 . Boerne , Texas 78006 . Tel: 813.323.2710 Fax: 830.336.3484
EMAIL: rob.w@paverestore.com WEB: www.paverestore.com

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

Exhibit A

representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.

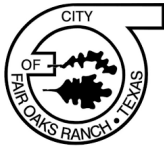
13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit A

Exhibit "C"

EVIDENCE OF INSURANCE



**CITY COUNCIL CONSENT ITEM
CITY OF FAIR OAKS RANCH, TEXAS**

AGENDA TOPIC: Approval of Council Member Olvera’s absence from the April 16, 2026 Regular City Council meeting

DATE: April 16, 2026

DEPARTMENT: City Council

PRESENTED BY: Ruben Olvera, Council Member, Place 3

INTRODUCTION / BACKGROUND:

Council Member Olvera requests approval from missing the April 16, 2026 Regular City Council meeting due to personal reasons.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

Complies with Section 3.09 of the Home Rule Charter.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

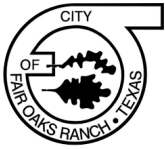
N/A

LEGAL ANALYSIS:

N/A

RECOMMENDATION / PROPOSED MOTION:

I move to approve Council Member Olvera’s absence from the April 16, 2026 Regular City Council meeting.



CITY COUNCIL CONSIDERATION ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution of the City Council of the City of Fair Oaks Ranch establishing the Fair Oaks Parkway Beautification Committee; appointing City Council members as co-chairs; and authorizing the City Manager to assign staff to the Committee

DATE: April 16, 2026

DEPARTMENT: City Council

PRESENTED BY: Keith Rhoden, Council Member, Place 2

INTRODUCTION / BACKGROUND:

Currently, the Fair Oaks Parkway median, located within the public right-of-way, is characterized by native grasses and tree-lined segments. Council member Keith Rhoden, recognizing an opportunity to enhance this key gateway corridor, initiated a discussion at the March 19, 2026, City Council meeting. He suggested the formation of a dedicated committee to explore and recommend beautification strategies. The initiative builds on the City's longstanding investment in Parkway landscaping, which began in 1990 with the planting of an Afghan Pine at the intersection of Dietz Elkhorn Road and Fair Oaks Parkway—a feature that remains a symbolic and physical anchor of the corridor today.

The City Council guided Council member Rhoden to proceed with a resolution creating a committee and presenting it to City Council for their consideration and approval. The proposed resolution establishes the Fair Oaks Parkway Beautification Committee as an ad-hoc advisory body to evaluate and recommend enhancements to the visual character of the Fair Oaks Parkway median. The Committee will be co-chaired by Council members Keith Rhoden and Scott Parker, who will be responsible for developing a Committee Charter, utilizing a volunteer application, performing interviews, and selecting citizen committee members. The City Manager will assign staff members to the Committee.

This effort aligns with the proposed 2026 Strategic Plan, specifically Goal 3.4 Reliable Infrastructure, which prioritizes enhancing the aesthetic appeal and welcoming character of public rights-of-way. The Committee's recommendations are expected to support City Council decision-making and contribute to the continued enhancement of Fair Oaks Ranch's visual identity and community character.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

1. Supports the City's proposed 2026 Strategic Plan Goal 3.4 Reliable Infrastructure by enhancing the beauty and welcoming character of public rights-of-way
2. Provides a structured, collaborative approach in advancing a right-of-way beautification project

3. Provides for a citizen-government partnership

LONGTERM FINANCIAL & BUDGETARY IMPACT:

1. No cost to establish the Committee
2. The Committee will include project costs with proposed recommendations

LEGAL ANALYSIS:

Approved as to form

RECOMMENDATION / PROPOSED MOTION:

I recommend approving a resolution establishing the Fair Oaks Parkway Beautification Committee, appointing City Council Members as co-chairs, and authorizing the City Manager to assign staff to the Committee.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS ESTABLISHING THE FAIR OAKS PARKWAY BEAUTIFICATION COMMITTEE; APPOINTING CITY COUNCIL MEMBERS AS CO-CHAIRS; AND AUTHORIZING THE CITY MANAGER TO ASSIGN STAFF TO THE COMMITTEE

WHEREAS, the first Fair Oaks Parkway landscaping activity took place in 1990 by the planting of an Afghan Pine on the Parkway's median at the intersection of Dietz Elkhorn Road and Fair Oaks Parkway, that still stands today; and

WHEREAS, today, the Parkway median, a public right-of-way, is tree-lined with native grass; and

WHEREAS, at the March 19, 2026 City Council meeting, Council member Keith Rhoden led a discussion on establishing a beautification committee to explore and recommend landscaping enhancements to the Parkway median; and

WHEREAS, the proposed 2026 City of Fair Oaks Ranch Strategic Plan Goal 3.4 Reliable Infrastructure identifies a goal of enhancing the beauty and welcoming character of public rights-of-way; and

WHEREAS, the City Council of the City of Fair Oaks Ranch finds establishing an ad-hoc committee to recommend enhancing the visual appearance of the Parkway median is in the best interests of its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

- Section 1.** The Fair Oaks Parkway Beautification Committee is hereby established as an ad-hoc advisory committee. The purpose of the Committee is to explore and recommend enhancements to the visual appearance of the Parkway median.
- Section 2.** The Committee shall be co-chaired by City Council members Keith Rhoden and Scott Parker with support from city staff as assigned by the City Manager.
- Section 3.** The co-chairs shall create a Committee Charter, determine the volunteer citizen application and interview process, and select candidates to serve on the Committee.
- Section 4.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 5.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 6.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and

subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 7. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 8. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 16th day of April 2026.

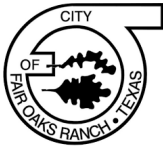
Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda Valdez, TRMC
Deputy City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney



CITY COUNCIL CONSIDERATION ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution amending the City's Investment Policy

DATE: April 16, 2026

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, CGFO, Director of Finance

INTRODUCTION / BACKGROUND:

The City's Investment Policy is governed by the Public Funds Investment Act (PFIA), Texas Government Code Chapter 2256, which requires City Council to review and adopt the investment policy and investment strategies at least annually.

The City's current policy has been recognized for excellence, earning the Government Treasurers' Organization of Texas (GTOT) Certificate of Distinction, reflecting strong compliance and sound financial management practices.

As part of the City's continued focus on financial stewardship, the City engaged Valley View Consulting as its investment advisor. As one of their first deliverables, Valley View conducted a comprehensive review of the City's Investment Policy and recommended several minor, targeted updates to enhance clarity, strengthen internal controls, and align with evolving best practices.

Proposed Amendments

The proposed revisions are primarily technical and non-substantive to overall strategy, but improve the policy's clarity, compliance, and operational effectiveness. Key updates include:

- **Clarified Investment Objectives**

- Revised language to clarify the investment return objective rather than emphasizing "highest return."
- Ensures investment decisions prioritize safety, liquidity, and diversification, consistent with the Public Funds Investment Act.

- **Designation of Multiple Investment Officers**

- Updates policy to designate both the Finance Director and Accounting Manager as Investment Officers to strengthen oversight and continuity.

- **Training Requirements Expanded**

- Clarifies PFIA training requirements and allows training from approved organizations as well as other authorized independent providers.

- **Annual Review of Policy and Strategies**

- Clarifies that both the Investment Policy and investment strategies are reviewed and adopted annually by City Council.

- **Broker/Dealer and Investment Firm Updates**

- Refines language related to authorization, certification, and oversight of broker/dealers and investment management firms.

- **Competitive Bidding Flexibility**

- Refines language related to authorization, certification, and oversight of broker/dealers and investment management firms.
- Provides flexibility while still ensuring fair and competitive market pricing, including reliance on market data and advisor insight.

- **Collateralization Clarifications**

- Updates collateral requirements to:
 - 102% collateralization for pledged securities
 - 100% coverage for letters of credit
- Ensures appropriate protection against market value fluctuations while maintaining full coverage of deposits.

- **Authorized Investments Clarified**

- Refines descriptions of eligible investments for consistency with the Act.

- **Safekeeping and Custody Enhancements**

- Strengthens requirements for third-party safekeeping and deliver-versus-payment settlement.

- **Administrative and Technical Edits**

- Includes minor wording and organizational updates for clarity and consistency.

POLICY ANALYSIS / BENEFIT(S) TO CITIZENS:

Maintaining a current and well-structured investment policy ensures that public funds are protected, liquid, and invested in accordance with state law and best practices. These updates:

- Reinforce compliance with PFIA requirements
- Incorporate independent expert review and industry standards
- Strengthen internal controls and oversight
- Support transparency and accountability
- Position the City to optimize investment performance while prioritizing safety

LONGTERM FINANCIAL & BUDGETARY IMPACT:

There is no direct fiscal impact associated with adoption of the revised Investment Policy.

However, improved policy clarity and investment practices support the City's ability to optimize investment earnings and safeguard public funds over time.

LEGAL ANALYSIS:

Resolution approved as to form.

RECOMMENDATION / PROPOSED MOTION:

I move to approve a resolution amending the City's Investment Policy.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS APPROVING AND ADOPTING AN AMENDED INVESTMENT POLICY FOR THE INVESTMENT OF PUBLIC FUNDS, PROVIDING FOR A PRUDENT AND REASONABLE RATE OF RETURN, MAXIMUM SECURITY, AND CONFORMING TO ALL STATE AND LOCAL STATUTES GOVERNING THE INVESTMENT OF PUBLIC FUNDS.

WHEREAS, to ensure the prudent management of public funds, including the security of principal, adequate liquidity, and a reasonable rate of return, and to conform to all state and local statutes governing the investment of public funds, the City Council of the City of Fair Oaks Ranch, Texas adopted a written Investment Policy (“Policy”); and,

WHEREAS, said Policy is Appendix A of the City’s Financial Management Policy, most recently adopted with amendments on September 19, 2024; and,

WHEREAS, pursuant to Texas Government Code §2256.005 the City Council shall review the Investment Policy and investment strategies at least annually and adopt a resolution stating that such review has been conducted and recording any changes made thereto; and

WHEREAS, upon the recommendation of the City’s Investment Officer, the City Council has conducted its annual review and desires to adopt amendments to the Policy; and

WHEREAS, the Investment Policy, as amended, continues to provide for the safeguarding of public funds by establishing performance standards, defining investment objectives and strategies, and outlining the roles, responsibilities, and internal controls governing the City’s investment activities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:

Section 1. The Fair Oaks Ranch City Council hereby approves and adopts the amended Investment Policy attached hereto as “**Exhibit A.**”

Section 2. That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.

Section 3. If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.

Section 4. That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 5. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 6. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 7. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 16th day of April 2026.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda Valdez, TRMC
Deputy City Secretary

Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

INVESTMENT POLICY

I. Policy

It is the policy of the City of Fair Oaks Ranch, Texas (the “City”) to invest public funds in a manner which will provide ~~an optimal the highest, reasonable~~ investment return with the maximum security of principal while meeting the daily cash flow demands of the City and conforming to all federal, state, and local statutes governing the investment of public funds. It is also 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.

II. Purpose

The purpose of this policy is to comply with the Texas Government Code, Chapter 2256, the Public Funds Investment Act (the “Act”), and Texas Government Code, Chapter 2257, the Public Funds Collateral Act, which requires City Council to adopt a written investment policy regarding the investment of its funds and funds under its control. The investment policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the City’s funds.

III. Scope

This investment policy applies to all financial assets and funds of the City. Funds listed in this section are as defined in the City’s audited Annual Financial Report. Funds are created by the City unless specifically exempted by the City Council and this policy.

1. General Fund
2. Capital Projects Funds to include the Strategic Projects Fund
3. Equipment Replacement Fund
4. Debt Service Fund created for general obligation indebtedness and revenue bonds
5. Enterprise Fund for our Water and Wastewater Utilities
6. Any other fund created by the City Council

Investments are being pooled into a pooled group fund that consists of balances from the City’s funds above. The strategy of pooling investments is subject to change as deemed appropriate by the Investment Officer, and subject to the provisions of this Policy.

IV. General Objectives

The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, diversification, and yield.

Safety - Safety of the principal is the foremost objective of the city. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio guarding against security defaults or erosion of market value.

Liquidity - The investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated. To the extent possible, this will be achieved

Exhibit A

by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities.

Diversification - Diversification of the portfolio will include diversification by maturity and market sector to manage market risk.

Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return, taking into account ~~the~~ investment risk constraints and liquidity needs. Market rate of return may be defined as the average yield of the current six-month US Treasury Bill. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

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 will effectively collect account receivables, practice prudent investment of its available cash, disburse payments in accordance with invoice terms and manage banking services.

V. Standards of Care

Prudence - The standard of care prudence to be used by investing officials shall be the "prudent person" rule and shall be applied in the context of managing the City's overall portfolio with the objectives and priority of preservation of safety of principal, liquidity, and yield. This standard states:

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

Prudence of an investment officer's decisions shall be exercised and measured by considering the investment of all funds under the City's authority, which the Investment Officer had a responsibility, rather than a consideration to the prudence of a single investment, and whether the investment decision was consistent with the written investment policy.

Limitation of Personal Liability - Investment officials acting in accordance with 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 is reported in a timely fashion and the appropriate action is taken to control unfavorable developments.

VI. Delegation of Authority and Responsibilities

Delegation of Authority - The City's Finance Director and Accounting Manager, acting on behalf of the city, ~~is~~ are designated as ~~the~~ Investment Officers of the City. Responsibility for the operation of the investment program is hereby delegated to the Investment Officers, who shall act in accordance with established procedures and internal controls for the operation of the investment program consistent with this investment policy. The Investment Officers shall be responsible for

Exhibit A

all investment transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. No person may engage in an investment transaction except as provided under the terms of this policy and established written procedures.

Training – In accordance with the Act, and to ensure the quality and capability of investment management, the Investment Officials shall attend ongoing training from an independent source authorized to provide PFIA certification. Investment officials must complete at least 10 hours of investment training within 12 months of taking office or assuming duties and shall attend an investment training session not less than once in a two-year fiscal period and receive not less than 10 hours of instruction relating to investment controls, security risks, strategy risks, market risks, diversification, and compliance.

Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions that conduct business with the City. An investment official who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment official who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and City Council.

City Council Responsibilities – The City Council holds ultimate fiduciary responsibility for the investment portfolio. City Council will designate investment officer(s), review quarterly reporting, approve authorized broker/dealers, and annually review and adopt the Investment Policy and Strategy.

VII. Internal Controls

The City Manager and Investment Officers are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall focus on the following points:

- Separation of duties to prevent collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Clear delegation of authority
- Documentation of transactions

The City's Investment Officer shall perform an internal compliance audit of management controls on investments and adherence to investment policies in conjunction with the annual financial audit.

VIII. Safekeeping and Custody

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Safekeeping – All securities purchased by the City under this Policy, excluding Investment Pools and Mutual Funds, shall be settled on a delivery versus payment basis and held in safekeeping by an independent third-party financial institution approved by the City. All safekeeping arrangements will be approved by the Investment Officers and an agreement of the terms executed in writing. The safekeeping institution shall be required to issue safekeeping receipts to the City including all pertinent information for each security and clearly indicating the ownership by ~~or pledge to~~ the City.

Authorized Financial Dealers and Institutions - The Investment Officers will maintain a list of ~~financial institutions and security~~ brokers/dealers authorized to engage in securities transactions with the City~~provide investment/depository services~~. The list of qualified brokers/dealers shall be reviewed and adopted annually by City Council as part of the investment policy resolution. Those firms that become qualified may be required to provide a completed broker/dealer questionnaire that provides information regarding creditworthiness, experience and reputation. Authorized firms may include primary dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule), and qualified depositories. All authorized brokers/dealers will be provided with a copy of our investment policy and have a qualified representative sign a policy certification stating they have (1) read and reviewed the policy and (2) have implemented reasonable procedures and controls in an effort to prevent unauthorized investment transactions not authorized by this Policy, except to the extent that this authorization is dependent on an analysis makeup of the City's entire portfolio or requires an interpretation of subjective investment standards. A broker may be removed from eligible status, without notice, at the City's sole discretion.

~~Those firms that request to become qualified bidders for securities transactions must provide the following as appropriate:~~

- ~~• Proof of Financial Industry Regulatory Authority (FINRA) certification and FINRA's Central Depository Registration (CRD) number~~
- ~~• Proof of Texas State Securities registration~~
- ~~• Annual audited financial statements~~
- ~~• Proof of National Association of Security Dealers certification~~
- Trading resolution

Each business organization (local government investment pool and discretionary investment management firm) in which the city participates will be provided a copy of the City's current investment policy and have a qualified representative sign~~provide~~ a compliance certification stating they have (1) read and reviewed the policy and (2) have implemented reasonable procedures and controls to preclude ~~unauthorized~~ investment transactions that are not authorized by in the entityCity's investment policy, except to the extent authorization is dependent on an analysis makeup of the City's entire portfolio, requires an interpretation of subjective investment standards, and are in accordance with the Act.

The Investment Officers of the City may not use any dealer or institution which has not met the requirements above.

Investment Management Firms – The City may, at City Council's approval, contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for investment and

Exhibit A

management of its public funds or funds under its control. This contract term shall be a maximum of 2 years with renewal or extensions subject to approval by City Council by resolution.

Depository Agreement – At least every five (5) years, a primary banking services depository shall be selected by the City through a competitive request for proposal (RFP) or bid process in accordance with Section 105 of the Texas Government Code. In selecting this depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. This institution shall be used for normal banking services including disbursements, collections, and safekeeping. Other banking institutions from which the City may purchase certificates of deposit will also be designated as a depository and must execute a written agreement in accordance with the provisions of this Policy if collateral is required.

~~**Delivery vs Payment** – All trades with the exception of investment pools and mutual funds will be executed by delivery vs payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities and collateral will be held in the City's name by a third-party custodian as evidenced by safekeeping receipts of the institution with which the securities are deposited.~~

~~**Competitive Environment Bidding** – All investment transactions, excluding market mutual funds, local government investment pools and securities made at prevailing market rates, will be transacted in shall be made on a competitive environment. The Finance Director shall develop and maintain procedures for ensuring a competitive environment in the investment of the City's funds. basis to assure that the City is receiving fair market prices. Bids, of at least three competitive offers, may be orally, in writing, electronically, or in any combination of those methods.~~

Monitoring Credit Ratings – The Investment Officers shall monitor 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 the Policy, the investment officer will notify the City Manager of the loss or rating immediately and make a recommendation as to the conditions affecting the rating and possible loss of principal with available liquidation options.

Monitoring Insurance Status – The Investment Officers shall monitor the status and ownership of all banks issuing brokered CDs owned by the City based upon information from the FDIC / NCUA / SIPC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the Investment Officers will immediately liquidate any brokered certificate of deposit which placed the City above the FDIC / NCUA / SIPC insurance level.

IX. Authorized and Suitable Investments

Eligible Investments - Assets of the City may be invested in the following instruments as authorized by the Public Funds Investment Act (Section 2256). Only those instruments listed in this section are authorized and will be used as needed to maintain an appropriate diversified portfolio. An investment that requires a minimum rating under this subchapter does not qualify as an authorized investment during the period the investment does not have the minimum rating. Prudent measures will be taken to liquidate any investment that drop below the required minimum rating in accordance with the City's policy.

1. Local Government Investment Pools which meet the requirements of ~~Chapters 2256.016-2256.019 of the Public Funds Act,~~ which include being rated no lower than AAA or AAA- m or an equivalent rating by at least one nationally recognized rating service, ~~and strive to maintain a \$1 net asset value, and are authorized by resolution or ordinance by the City Council.~~
2. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Bank excluding mortgage-backed securities.
3. Direct obligations of this state or its agencies and instrumentalities.
- 2.4. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or 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.
- 3.5. Financial Institution deposits Certificates of Deposit issued by a depository institution that has its main office or a branch in Texas. The ~~CD~~ deposits must be guaranteed or fully insured by the Federal Deposit Insurance Corporation or its successor, ~~or~~ the National Credit Union Share Insurance Fund or its successor, ~~and~~ secured by obligations and collateralized in a manner and amount as provided by law and this investment policy for the deposits of the City, or is placed in a manner that meets the requirements of the Act.
- 4.6. Brokered Certificates of Deposit issued by one or more federally insured depository institutions, wherever located within the United States, delivered versus payment to the City's safekeeping agent. The CD must be guaranteed or fully insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor and secured by obligations and collateralized in a manner and amount as provided by law. Before purchase, the Investment Officer must verify the FDIC/NCUA status of the bank to assure the bank is FDIC/NCUA insured.
- 5.7. No-load Money Market Mutual Funds that comply with SEC Rule 2a-7 and 1) are registered and regulated by the Securities and Exchange Commission and provides a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, 2) seek to maintain a net asset value of \$1 for share, and 3) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service.

Existing Investments - The City is not required to liquidate investments which were authorized investments at the time of purchase under the Public Funds Investment Act (Section 2256.017).

Collateralization ~~— In compliance with the Public Funds Collateral Act and applicable state law,~~ ~~Collateralization will be required on all financial institution deposits in excess of the funds on time and demand deposits with a depository bank, other than investments, above the FDIC/NCUSIF insurance limits coverage by pledged collateral. Deposits secured with irrevocable letters of credit shall equal 100% of principal plus anticipated interest of the deposit. Deposits secured with pledged securities shall have a market value of~~ ~~In order to anticipate market changes and provide a level of security, the collateralization level will be~~ at least one hundred two percent (102%) of ~~market value of~~ principal and accrued interest. The City reserves the right, in its sole

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discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. All ~~collateral must be~~ securities pledged to the City ~~and~~ shall be held by an independent third-party institution approved by the City outside the holding company of the pledging ~~financial institution bank. A depository/collateral agreement shall be executed between the City, City depository, and custodian.~~ The pledging institution will monitor and maintain the margins daily. The custodian will provide a monthly report of collateral pledged to the City.

Financial institutions serving as City Depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing, and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement must be executed by the Depository and the City contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Authorized Collateral – Only securities prescribed as eligible investments under the Public Funds Investment Act qualify as pledged securities and are limited by the City as appropriate.

X. Investment Parameters

Diversification - See Section IV; General Objectives

Maximum Maturities - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. The ~~average~~-dollar-weighted average maturity of investments of the City's portfolio shall not exceed one (1) year. The maximum allowable maturity of an individual investment shall be no more than two (2) years.

Performance Standards - The investment portfolio shall be managed in accordance with the objectives specified in this policy (safety, liquidity, diversification, and yield). The City shall pursue a conservative buy-and-hold portfolio and swaps will be prohibited. However, securities may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. As the benchmark, the Investment Officer shall determine whether market yields are being achieved by comparing the portfolio market yield to the three (3) month U.S. Treasury Bill, the six (6) month U.S. Treasury Bill and the two (2) year U.S. Treasury Note. Weighted average yield to maturity shall be the portfolio's performance measurement standard.

XI. Investment Strategies

The City maintains portfolios designed to address the unique characteristics of the fund groups represented in the portfolios. The investment strategies for each portfolio adhere to the following

investment objectives prioritized in order of performance:

- Suitability of the investment to the financial requirements of the City;
- Preservation and safety of principal;
- Liquidity;
- Marketability of the investment if the need arises to liquidate the investment before maturity;
- Diversification of the portfolio; and
- Yield.

The City may maintain separate portfolios, or one commingled portfolio for individual funds that are managed according to the terms of this Policy. Investments may be pooled or invested for the benefit of one or more funds. If pooled, principal and interest income is distributed to each respective fund on a pro rata basis. Whether investments are pooled or invested separately is decided by the Investment Officer based upon which method is most beneficial to the City for the investment strategies established. The investment strategy for portfolios established after the annual Investment Policy review and adoption will be managed to ensure that it will meet all the requirements established by the City's investment policy and the Public Funds Investment Act.

The City maintains and pools all following fiscal funds into a pooled fund group recognizing the parameters and needs of each unique fund. This pooled fund group is an aggregation of the majority of City funds including tax receipts, enterprise fund revenues, fine and fee revenues, as well as some, but not all, bond proceeds, and grants. This portfolio is maintained to meet anticipated daily cash needs for City operations, capital projects and debt service. In order to ensure the ability of the City to meet obligations and to minimize potential liquidation losses, the dollar-weighted average ~~stated~~ maturity of the investment portfolio shall not exceed one (1) year. The objectives of this portfolio are to ensure safety of principal; ensure adequate investment liquidity; limit market and credit risk through diversification; and attain the best feasible yield in accordance with the objectives and restrictions set for in this Policy. The City's fund groups represented in the pooled fund group and their individual investing objectives are as follows:

Investments pertaining to the General Fund, Equipment Replacement Fund, Strategic Projects Fund, and Enterprise Fund, for our Water and Wastewater Utilities have the primary objective of assurance that anticipated daily cash needs are matched with adequate investment liquidity. All securities authorized are high credit quality securities to manage credit risk.

Investments pertaining to the Debt Service Funds are structured with the objective of providing assurance of investment liquidity adequate to cover the timely payment of debt service obligations. Due to the definitive debt service schedules, the nature of these funds allow for precise forecasting of required cash flows.

XII. Reporting

Methods - As required by Government Code 2256.023, on a quarterly basis, the Investment Officer shall prepare, sign, and submit to the City Manager and City Council a written report for the preceding quarter in accordance with the Public Funds Investment Act. The report will include the following, at a minimum:

- A description of the investment position of the City on the date of the report.
- A summary statement for each pooled fund group stating the beginning market value

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for the period, additions and changes to the market value during the period, and the ending market value for the period, and any fully accrued interest.

- Book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.
- Maturity date of each separately invested asset that has a maturity date.
- Account or fund or pooled group fund of the City for which each individual investment was acquired.
- Statement of compliance of the investment portfolio of the City with the Act and Investment Policy.

Market prices for market value calculation of the investment portfolio will be calculated quarterly by independent sources.

If the City invests in any investments other than money market mutual funds, investment pools, or depository bank investment accounts then the City's internal controls and quarterly reports shall be reviewed by the City's independent auditor during the annual audit process.

XIII. Investment Policy Adoption

The Investment Policy shall be adopted by Resolution as part of the Financial Management Policies. The policy shall be reviewed and adopted by Resolution annually by the City Council.

List of Qualified Approved Brokers/Dealers List

<u>Broker/Dealer Firm</u>	<u>Contact</u>	<u>Phone</u>
Frost Bank 111 W. Houston Street San Antonio, TX 78205 -	Manuel Long Vice President – Public Finance manuel.long@frostbank.com -	(210) 220-5372 (210) 262-9081 C - -
Frost Bank Securities 111 W. Houston Street San Antonio, TX 78205	Eileen Slater Sr. Vice President - Capital Markets eileen.slater@frostbank.com	(210) 220-5546 (210) 404-8815 C
TexPool Participant Services 1001 Texas Avenue Suite 1150 Houston, TX 77002	Denise Hamala Unit Manager denise.hamala@FederatedHermes.com -	(866) 839-7665 - - -
Texas CLASS 6907 Shavelson St. Houston, TX 77055 -	Zach Brewer Director – Investment Services zach.brewer@texasclass.com -	(281) 642-4350 - - -
Hilltop Securities Inc. 1201 Elm Street Suite 3500 Dallas, TX 75270	Gilbert Ramon Vice President gilbert.ramon@hilltopsecurities.com	(713) 654-8606 (713) 724-4178 C
UBS Financial Services, Inc. 1780 Hughes Landing Blvd. 3 Hughes Landing, Suite 200 The Woodlands, TX 77380	Richard Ebert First Vice President - Wealth Management richard.ebert@ubs.com	(281) 362-6340
Stifel <u>Fixed Income Capital Markets, Nicolaus & Company, Inc.</u> <u>775 Ridge Lake Blvd, 2107 Elliott Avenue</u> Suite 2008 <u>Memphis, TN 38120</u> <u>Seattle, WA 98121</u>	<u>Darlene Haba</u> <u>Josh Gorham</u> Managing Director gorhamj@stifel.com habad@stifel.com	(206800) 443-7260 786-1268 (206901) 963-1280 603-4492 C

Note: The City Council officially approves the broker/dealer firm. Representative name and office location are for informational purposes only and subject to change.

Approved independent training sources:

- Government Finance Officers Association
- Government Finance Officers Association of Texas
- Government Treasurers' Organization of Texas
- International City/County Management Association
- Texas Municipal League
- Regional Council of Governments (COGs)
- University of North Texas Center for Public Management
- American Institute of Certified Public Accountants
- Association of Governmental Accountant
- Other independent training providers authorized to provide PFIA-compliant training, as approved by the City's Investment Officers



Investment Policy Annual Review and Adoption



April 16, 2026

Summer Fleming, CGFO

Director of Finance

Investment Policy Amendments



- Annual review required under Public Funds Investment Act (Texas Government Code §2256.005)
- Incorporates advisor and industry best practices
- No changes that increase risk to the City



Key Updates

- Add second Investment Officer
 - Improves oversight and continuity
- Clarify investment return objective
 - Emphasizes balance of safety, liquidity and yield
- Flexible competitive bidding process
 - Still ensures fair market pricing
- Updated collateral requirements
 - 102% for securities, 100% for letters of credit



Why These Changes Matter

- Strengthens internal controls and governance
- Maintains compliance with PFIA requirements
- Adds flexibility without reducing oversight
- Supports long-term investment strategy

Recommendation



- Staff recommends approval of the amended Investment Policy
- Attached as Exhibit A to the resolution



Questions?



Capital Improvements Advisory Committee Semiannual Report

Overview:

To partially pay for the extension of Water and Wastewater systems attributable to new development, the City of Fair Oaks Ranch has opted to charge impact fees as allowed under Texas Governmental Code Title 12, Subtitle C, Chapter 395 (Code).

The Code requires the governing body (the City) to appoint a Capital Improvements Advisory Committee (CIAC) to serve in an advisory capacity to:

1. Advise and assist the City in adopting land use assumptions;
2. Review the capital improvements plan and file written comments;
3. Monitor and evaluate implementation of the capital improvements plan;
4. File semiannual reports with respect to the progress of the capital improvements plan and report to the City any perceived inequities in implementing the plan or imposing the impact fee; and
5. Advise the City of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

The City's CIAC, as appointed by the City Council, is composed of nine members of the community, with six being members from the development, real estate or building industry as required by the Code. The committee members and their designations are:

- **Chris Weigand, Chairman (Real Estate)**
- **John Arevalos (Development)**
- **Gary Miller, Vice Chairman**
- **Kyle Grothues (Development)**
- **Joe DeCola (Real Estate)**
- **Marcus Garcia (Development)**
- **Harold Prasatik (Real Estate)**
- **Jamin Kazarian**
- **Ben Koerner**

Council Member Emily Stroup serves as the City Council Liaison.

The current Impact Fees were adopted in August 2025. The City hired the engineering firm of Freese and Nichols, Inc. to update the City's Land Use Assumptions, Capital Improvement Plans, and to calculate the maximum allowed Impact Fees under the provisions of the Code.

The CIAC met in March and April 2025 to receive and discuss the Freese and Nichols' draft Water & Wastewater Impact Fee Report. Presented in the report are proposed updates to the City's LUA, CIP and calculations resulting in a

