

CITY OF FAIR OAKS RANCH

MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, October 13, 2021 at 4:00 PM

City Hall Council Chambers, 7286 Dietz Elkhorn, Fair Oaks Ranch

AGENDA

OPEN MEETING

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

CITIZENS and GUEST FORUM

To address the Board, please sign the Attendance Roster located on the table at the entrance of the Council Chambers. In accordance with the Open Meetings Act, the MDD Board 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. Welcome of new MDD Board Members: Rachelle Garcia and Steven Robertson.

Laura Koerner, MDD Vice President

WORKSHOP

5. Conduct a Legal Training Workshop.

Dan Santee, MDD Attorney

CONSENT AGENDA

6. Approval of the July 14, 2021 Regular MDD Board meeting minutes.

Roy E. Elizondo, MDD Secretary

CONSIDERATION / ACTION ITEMS

7. Consideration and possible action regarding the election of MDD Officers for Fiscal Year 2021/2022.

Laura Koerner, MDD Vice President

8. Consideration and possible action to document and adopt a procedure for the periodic review and reaffirmation of Fair Oaks Ranch Municipal Development District policies.

Roy E. Elizondo, MDD Secretary

9. Consideration and possible action to update the Fair Oaks Ranch Municipal Development District Rules of Procedure.

Roy E. Elizondo, MDD Secretary

10. Consideration and possible action to approve an Interlocal Agreement between the Fair Oaks Ranch MDD and City of Fair Oaks Ranch and to authorize the MDD President to execute the agreement.

Mike Lovelace, CPA, CMA, CISA, MDD Treasurer

11. Consideration and possible action to approve any recommended updates to the existing MDD Project Evaluation / Grant Process Policy.

Mike Lovelace, CPA, CMA, CISA, MDD Treasurer
Summer Fleming, MDD Investment Officer

REPORTS

12. Quarterly Financial & Investment Report - Q3 2021.

Summer Fleming, MDD Investment Officer

ADJOURNMENT

Next MDD Regular Board Meeting: January 12, 2022 at 4:00 PM.

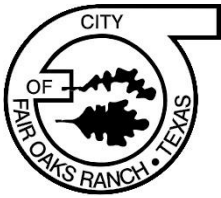
Signature of Agenda Approval: **s/ Laura Koerner**

Laura Koerner, MDD Vice President

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 4:00 PM, October 10, 2021 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side 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.



CITY OF FAIR OAKS RANCH

MUNICIPAL DEVELOPMENT DISTRICT MEETING

Wednesday, July 14, 2021 at 4:00 PM

City Hall Council Chambers, 7286 Dietz Elkhorn, Fair Oaks Ranch

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Present: President Al McDavid, Vice President Laura Koerner, Treasurer Mike Lovelace, Secretary Roy Elizondo, Nicholas DiCianni, Brad Dutton

Absent: Rene Gallegos

With a quorum present, the meeting was called to order at 4:00 PM.

2. Pledge of Allegiance – The pledge of Allegiance was led by Nicholas DiCianni.

CITIZENS and GUEST FORUM

3. Citizens to be heard – No guests spoke.

REPORTS

9. **Update on the Civic Center.**

Carole Van Zandt, Assistant City Manager, provided an update on the status of the civic center as provided for in the memorandum of understanding between the City of Fair Oaks Ranch and the MDD. In accordance with guidance from City Council, staff has put development on the Civic Center on hold pending changes to conditions in the construction labor and material markets. It was also noted that the grant award contract has a three-year term, will remain in place, and could be revisited if the parties agree. No action taken.

CONSENT AGENDA

4. **Approval of the April 14, 2021 Regular MDD Board meeting minutes.**

MOTION: Made by Treasurer Mike Lovelace, seconded by Nicholas DiCianni, to approve the Consent Agenda with the word “no” replaced with the word “not” under Item 7, Discussion on the impact of city annexations on the MDD sales tax assessment and collection boundaries.

VOTE: 6-0; Motion Passed.

CONSIDERATION / ACTION ITEMS

5. **Consideration and possible action approving the new depiction of the existing Fair Oaks Ranch MDD boundary map to include a legend showing where the sales tax is collected.**

There was a discussion relating to the purpose of preparing the new map version.

MOTION: Made by Secretary Roy Elizondo, seconded by Vice President Koerner, to adopt the new depiction of the existing Fair Oaks Ranch MDD boundary map to include a legend showing where the sales tax is collected.

VOTE: 6-0; Motion Passed.

6. Consideration and possible action to document and adopt a process for the periodic review and reaffirmation of Fair Oaks Ranch Municipal Development District policies.

MOTION: Made by Vice President Laura Koerner, seconded by Treasurer Mike Lovelace, to proceed with the following actions to establish a periodic policy review process for the FOR MDD and initiate the 2021 review cycle:

What	Who	Due Date
Document annual policy review process and prepare resolution for adoption	MDD Secretary	September 17, 2021
Develop a catalogue of MDD policies and related procedures, guidelines, etc.	MDD Secretary	September 17, 2021
Review existing policies and propose updates as needed:		September 17, 2021
Rules of Operation (Bylaws)	MDD President	September 17, 2021
Interlocal Agreement	MDD President & Treasurer	September 17, 2021
Financial Management Policy	MDD Treasurer	September 17, 2021
Investment Policy	MDD Treasurer	September 17, 2021
Project Evaluation / Grant Process Policy <i>Note: this item was recently updated.</i>	MDD Treasurer	September 17, 2021
Schedule consideration and possible action on policy updates for future Board agenda, as appropriate (September 2021, if possible)	MDD Secretary	September 17, 2021

VOTE: 6-0; Motion Passed.

7. Consideration and possible action to approve the FY 21-22 MDD Budget.

There was discussion regarding how the Civic Center grant award was represented in the budget, and the timing of presenting the budget to City Council for ratification.

MOTION: Made by Vice President Koerner, seconded by Secretary Roy Elizondo, to approve the MDD FY 2021-22 Budget with the changes agreed to and submit to City Council for consideration at a September 2021 Council session.

VOTE: 6-0; Motion Passed.

8. Consideration and possible action to sign a Professional Services Agreement for Auditing Services with Avenu Insights & Analytics, LLC.

There was a discussion relating to the process for the audit and the vendor's billing methods.

MOTION: Made by Secretary Roy Elizondo, seconded by Vice President Laura Koerner, to authorize the MDD President to sign the Professional Services Agreement with

Avenu Insights & Analytics, LLC for a Sales/Use Tax Compliance Review contingent upon the City acceptance of a separate agreement for a Sales/Use Tax Audit with Avenu Insights & Analytics, LLC.

VOTE: 6-0; Motion Passed.

REPORTS

10. Quarterly Financial & Investment Report - Q2 2021.

Summer Fleming, the MDD Finance Officer, presented to the MDD Board the Q2 2021 Quarterly Financial and Investment Reports. No action taken.

11. Update on MDD Terms of Service.

Vice-President Koerner provided an overview of the upcoming cycle for City board and commission member appointments. No action taken.

ADJOURNMENT

President McDavid informed the attendees for items for future agendas. The following items were listed:

- 1.) Election of MDD Board officers;
- 2.) Policy review process;
- 3.) Rules of Operation update;
- 4.) Policy updates;
- 5.) Q3 2021 Quarterly Financial & Investment reports.

Al McDavid adjourned the meeting at 5:50 PM. The next MDD Board Regular Meeting is scheduled for October 13, 2021, at 4:00 PM.

ATTEST:

Laura Koerner, MDD Vice President

Roy E. Elizondo, MDD Secretary



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Consideration and possible action regarding the election of MDD Officers for Fiscal Year 2021/2022.

DATE: October 13, 2021

PRESENTED BY: Laura Koerner, MDD Vice President

INTRODUCTION/BACKGROUND:

Article III, Section 1 of the MDD By Laws states the MDD Board of Directors shall choose from its members a President, Vice President, Secretary and Treasurer.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Effective leadership of the MDD Board of Directors is essential to conducting all MDD required actions and reports in accordance with Texas MDD Laws and Comptroller requirements, while also providing good stewardship of MDD funds on behalf of our citizens. These officers will be internally elected to serve for fiscal year 2021/2022 (FY 21/22) with this term ending on 30 September 2022. A new election will be held for each position in October 2022 for fiscal year 2022/2023 (FY 22/23). All duly appointed MDD board members may seek any office each year. Elections will be held in an open meeting and all votes will be publicly cast by each board member.

BUDGETARY IMPACT:

No financial or budgetary impact.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

Separate motions may be required to elect a President, Vice President, Secretary and Treasurer. However, if each position has only one board member seeking that office a slate motion may be appropriate. This will be determined in real time in open forum during the election consideration item on this agenda.

I move to elect _____ for the position of President.

I move to elect _____ for the position of Vice President.

I move to elect _____ for the position of Secretary.

I move to elect _____ for the position of Treasurer.



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Consideration and possible action to document and adopt a procedure for the periodic review and reaffirmation of Fair Oaks Ranch Municipal Development District policies.

DATE: October 13, 2021

PRESENTED BY: Roy E. Elizondo, MDD Secretary

INTRODUCTION/BACKGROUND:

It is a leading practice for good internal control to periodically review policies. The benefits of a periodic review include helping to ensure that the policies: 1) reflect current statutory requirements; 2) are in alignment with other organization policies; 3) accurately describe the roles and responsibilities of the organization's members; and 4) are understood by the organization's members. In addition, a periodic review cycle helps to ensure an opportunity to address any opportunities to clarify existing policies or develop new policies based on the organizations activities.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The MDD Secretary identified the following policies that should be reviewed and reaffirmed periodically:

- Rules of Procedure (Bylaws)
- Interlocal Agreement between the City of Fair Oaks Ranch and the Fair Oaks Ranch MDD
- Financial Management Policy
- Investment Policy
- Project Evaluation Policy

There is not currently an established process for the periodic review of policies, which has resulted in reviews and updates not occurring in a timely manner.

BUDGETARY IMPACT:

Periodic review and reaffirmation of significant policies helps to better ensure accuracy, relevance, and completeness of MDD policies.

LEGAL ANALYSIS:

Periodic review and reaffirmation of significant policies helps to better ensure compliance with statutory requirements and MDD policies.

RECOMMENDATION/PROPOSED MOTION:

I move to adopt the Fair Oaks Ranch MDD Procedure for the Periodic Review and Reaffirmation of FOR MDD Policies.



Fair Oaks Ranch Municipal Development District Policy Review Procedure



Process Owner: MDD Board Secretary

Procedure Purpose: Ensure that FOR MDD policies are being reviewed on a periodic basis to ensure relevance, compliance, and Board awareness.

Procedure:

1. The Board Secretary will collaborate with the City Secretary's office to establish and maintain a list of MDD Policies.
2. Each year, at the July regular meeting of the Board, the Board Secretary will initiate the annual review cycle by distributing policies that are due for review to the appropriate policy owners and setting the timeline for the review cycle.
3. The due date for review of a policy will be based on:
 - a) the periodicity specified within the policy or by governing statute or regulation; or
 - b) at a minimum of once every two years if not otherwise stipulated; or 3) as deemed necessary by the Policy Owner or the Board.

NOTE: A Policy Owner is the Board Officer that is charged with primary responsibility for the scope of activity covered by the Policy.

4. The target schedule to complete the reviews and present the resulting item for consideration & possible action or information will be the October regular meeting of the Board.
5. In cases where a policy owner requires additional time to resolve the review or deems it necessary to perform an out-of-cycle review, that will be permitted and is to be coordinated with the Board Secretary.
6. If the Policy Owner or the Board identifies the need to develop a new policy, that will be performed at the time the need arises and the new policy will be reviewed in accordance with this procedure.
7. Progress on policy reviews will be tracked by the Board Secretary, and the Board will receive reports from the Board Secretary on progress and items for consideration and possible actions required to complete the reviews and, if needed, policy updates.

Fair Oaks Ranch Municipal Development District Policy Review Procedure Tracking Log Template

Policy	Owner	Review Cycle	Assigned to Owner	Reviewed by Board	Status
<i>Name of policy</i>	<i>Name of Board member(s) responsible for the policy</i>	<i>In accordance with Item 3. Of the Procedure</i>	<i>Date assigned to owner (standard is date of July meeting)</i>	<i>Date that results of review are brought to Board for consideration or information</i>	• Review pending • Board consideration pending • Complete
Rules of Operation	Board President				
Financial Management	Treasurer				
Investments	Treasurer				
Project Evaluation	Treasurer				



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Consideration and possible action to update the Fair Oaks Ranch
Municipal Development District Rules of Procedure

DATE: October 13, 2021

PRESENTED BY: Roy E. Elizondo, MDD Secretary

INTRODUCTION/BACKGROUND:

The Fair Oaks Ranch Municipal Development District (MDD) Board adopted bylaws on October 20, 2011. Since that time, the MDD Board has undertaken the process of further developing organizational roles and policies to execute the MDD's mission. Over the course of 2021 the MDD Board has reviewed the bylaws and developed amendments to better define and clarify the rules of procedure for the MDD.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Under the existing bylaws, the MDD Board is empowered to amend the bylaws. The amended bylaws, henceforth to be entitled "Fair Oaks Ranch Municipal Development District Rules of Procedure (Rules)," are deemed to be effective on the date they are approved by the MDD Board. Periodic review and update to the Rules helps to reasonably ensure proper governance of the MDD.

BUDGETARY IMPACT:

Current, relevant rules help to enable good governance, including sound fiscal management and safeguarding of assets.

LEGAL ANALYSIS:

The MDD Board is authorized to amend the MDD bylaws under the bylaws adopted on October 20, 2011. This authority is retained in the Rules.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the Fair Oaks Ranch Municipal Development District Rules of Procedure, as presented in the attached document, and to forward the Rules to the City of Fair Oaks Ranch City Council to inform them of the change.

FAIR OAKS RANCH MUNICIPAL
DEVELOPMENT DISTRICT RULES OF PROCEDURE

ARTICLE I
OFFICE, AGENT, PURPOSE, POWERS

SECTION 1. REGISTERED OFFICE AND REGISTERED AGENT

The Fair Oaks Ranch Municipal Development District ("District") shall have and continuously maintain In the City of Fair Oaks Ranch ("City1") a registered office, which registered office shall be the depository for all records of the district, and a registered agent whose office is identical with such registered office. The Registered Agent for the District shall be the President of the District. The registered office of the District shall be 7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015 whose mailing address is the same.

SECTION 2. PURPOSE

The District is a political subdivision of the State of Texas and the City for the purposes set forth in the Rules of Procedure, the same to be accomplished on behalf of the City as its duly constituted authority and instrumentality in accordance with Chapter 377 of the Texas Local Government Code ("Act"), other Applicable laws. The District was established for the purpose of developing and financing all permissible projects prescribed by the Act.

SECTION 3. POWERS

In the fulfillment of its purpose, the District shall be governed by the Act, and shall have all of the powers set forth and conferred in the Act, and in other applicable laws, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.

ARTICLE II
BOARD OF DIRECTORS

SECTION 1. NUMBER AND TERM OF OFFICE

- A. The property and affairs of the District shall be managed and controlled by the Board and subject to the restrictions imposed by law and these Rules of Procedure. The Board shall exercise all of the powers of the District.
- B. The Board shall consist of seven (7)-Directors, each of whom shall be appointed by the City Council of the City. Each of the Directors shall be a resident of the City of Fair Oaks Ranch or a resident of the City of Fair Oaks Ranch's Extraterritorial Jurisdiction.
- C. Each member of the Board shall be appointed and serve two (2) years or until a successor is appointed as hereinafter provided. Two (2) members shall be persons who are members of the Fair Oaks Ranch City Council and one (1) member shall be a person who is a member of the Fair Oaks Ranch Homeowner's Board of Directors.
- D. Any Director may be removed from office by the City Council at will.

SECTION 2. VACANCIES AND RESIGNATIONS

A vacancy in any position of Director which occurs by reason of death, resignation, disqualification, removal or otherwise shall be filled by the City Council. A Director may resign at any time. Such resignation shall be made in writing, addressed to the Mayor and the City Secretary, with a copy to the Board, and shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the City Secretary. If a vacancy occurs within a term, the appointment will be for the unexpired term of the vacated position.

SECTION 3. MEETINGS

The Board will meet in a public place, and on a day and time as set forth by the President at a minimum of no less than each six (6) calendar months of each fiscal year. The President, or upon the President's incapacity, the Vice-President, may call special meetings of the Board of Directors at such time as may be required.

SECTION 4. QUORUM

A quorum shall consist of a majority of the non-vacant Board positions, which shall be present for the conduct of the official business of the District. The act of a majority of the Directors at a meeting at which a quorum is in attendance shall constitute an action of the Board and of the District.

SECTION 5. COMPENSATION OF DIRECTORS

The Directors, including Officers shall not receive any salary or compensation for their services, however, Directors may, with prior approval of the Board, be reimbursed for their actual expenses incurred in the performance of their duties hereunder, including but not limited to the cost of travel, lodging and incidental expenses reasonably related to the duties of the Board. Travel expenses incurred by Directors for both regular and special meetings are not eligible for reimbursement.

ARTICLE III OFFICERS

SECTION 1. TITLES AND TERM OF OFFICE

The Board of Directors shall choose from its members a President, Vice-President, Secretary and a Treasurer. The President, Vice-President, Secretary and Treasurer shall be elected by the Board of Directors by a majority vote of a quorum of the members at the first meeting held after the annual appointment of Board members by the Fair Oaks Ranch City Council.

SECTION 2. POWERS AND DUTIES OF THE PRESIDENT

The President shall be the Chief Executive Officer of the District, and shall, subject to the authority of the Board, preside at all meetings of the Board, and absent any different designation by the majority of the Board, shall sign and execute all contracts, conveyances, franchises, bonds in the name of the District. In addition, the President shall:

- A. Call both regular and special meetings of the Board and establish the agenda for such;
- B. Have the right to vote on all matters coming before the Board;

- C. Have the authority to appoint standing or study committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and functions of the Board.
- D. Perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.
- E. Appear before the City Council, or be represented by a designee, periodically to give a report on the status of the activities of the District; and
- F. Appear before the City Council, or be represented by a designee, regarding any item being considered by the City Council concerning the District.

SECTION 3. VICE-PRESIDENT

The Vice-President shall exercise the powers of the President during that officer's absence, Inability to act or expired term before the election of a new President. The Vice-President shall perform other duties as from time to time may be assigned by the President or the Board.

SECTION 4. SECRETARY

The Secretary shall ensure that: the minutes of the Board and Its committees are recorded and retained as records of the District, all notices posted and served as required by law, the books, records and all documents and instruments are open to public inspection upon application at the office of the District during business hours. The Secretary shall attest the signature of the President or any other officer of the District.

SECTION 5. TREASURER

The Treasurer shall have the responsibility to ensure the proper handling, custody and security of all funds and securities of the District. The Treasurer may be required, at the expense of the District to give such bond for the faithful discharge of the duties in such form and amount as the Board may require by resolution. The Treasurer shall provide for financial reports of the District's activities in accordance with all statutory and MDD policy requirements. The Treasurer shall ensure compliance with the requirements under Article IV. Section 1: Annual Budget, and Section 2. Financial Books, Records, Audits.

SECTION 6. CONFLICT OF INTEREST

The members of the Board of Directors shall be considered local public officials within the meaning of Chapter 171 of the Texas Local Government Code. If a Director has a substantial interest, as that term is defined in said Chapter, in a business entity or real property which is the subject of deliberation by the Board of Directors, the Director shall file an affidavit with the Secretary of the District stating the nature or extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter of the Board of Directors, and if required by said Chapter, the interested Director shall abstain from any vote or decision upon the matter.

SECTION 7. IMPLIED DUTIES

The District is authorized to take such actions as it may deem reasonable or necessary to accomplish any of the purposes or duties set out in these Rules of Procedure in accordance with the Act and any other applicable law.

ARTICLE IV FUNCTIONAL DUTIES AND RESPONSIBILITIES GENERAL ECONOMIC DEVELOPMENT PLAN

The District may research, develop and prepare any Economic Development Plan for the City, which shall include proposed methods and the expected costs of implementation. The Plan shall include both short- term and long-term goals for the economic development of the City, proposed methods for the elimination of unemployment and under-employment, and the promotion of employment, through the expansion and development of a sound, retail and commercial base for and within the City. The District shall review and update the Plan each year prior to submission of the annual budget required by other provisions of these Rules of Procedure.

SECTION 1. ANNUAL BUDGET

On or before July 15th of each year the Treasurer shall prepare and present a proposed budget of expected revenues and proposed expenditure for the next ensuing fiscal year to the Board. The fiscal year of the District shall commence on October 1st of each year and end on September 30th. The Budget shall be approved by the Fair Oaks Ranch City Council no later than the Council's last regular September Council Meeting.

SECTION 2. FINANCIAL BOOKS, RECORDS, AUDITS

The Treasurer shall keep and properly maintain, in accordance with generally accepted accounting principles, complete financial books, records, accounts and financial statements pertaining to its funds, activities and affairs.

The District's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm selected by the District. Such audit shall be at the expense of the District.

A copy of the final audit shall be filed with the City Secretary of the City of Fair Oaks Ranch.

ARTICLE V MISCELLANEOUS PROVISIONS

SECTION 1. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

As provided in the Act, the District is for the purpose of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit, and its actions are governmental functions. The District shall indemnify each and every member of the Board, its officers and its employees to the fullest extent permitted by law against any and all liability or expense, including attorney fees, incurred by any of such person by reason of any actions or omissions that

may arise out of the functions and activities of the District. The indemnity shall apply even if one or more of those to be indemnified was negligent or caused or contributed to cause any loss, claim, action, or suit.

Specifically, it is the intent of these Rules of Procedure and the District to require the District to indemnify those named for indemnification, even for the consequences of the negligence of those indemnified which caused or contributed to cause any liability.

The District shall purchase and maintain insurance on behalf of any Director, Officer, employee or agent of the District, or on behalf of any person serving at the request of the District as a Board member, officer, employee or agent of another District, partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the District, whether or not the District has the power to indemnify that person against liability for any of those acts.

SECTION 2. GIFTS

The Board may accept on behalf of the District any contribution, gift, bequest or device for the general purposes of the District.

SECTION 3. AMENDMENTS TO RULES OF PROCEDURE

The Board's Rules of Procedure may be amended or repealed, and new Rules of Procedure may be adopted by any affirmative vote of Five (5) of the authorized Directors serving on the Board.

SECTION 4. EFFECTIVE DATE

These Rules of Procedure and any subsequent amendments hereto, shall be effective as of and from the date on which approval has been given by the Board of Directors of the Fair Oaks Ranch Municipal Development District.

I certify that I am the duly elected President of the Fair Oaks Ranch Municipal Development District, and these Rules of Procedure were duly adopted at the meeting of the Board of Directors held on October 13, 2021 and do constitute the Rules of Procedure of the District.

President of the District _____

Signed this _____ day of _____, 2021.

ATTEST:

Secretary of the District _____



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Consideration and possible action to approve an Interlocal Agreement between the Fair Oaks Ranch MDD and City of Fair Oaks Ranch and to authorize the MDD President to execute the agreement

DATE: October 13, 2021

PRESENTED BY: Mike Lovelace, CPA, CMA, CISA, MDD Treasurer

INTRODUCTION/BACKGROUND:

In 1971, the Texas Legislature passed the Interlocal Cooperation Act [Texas Government Code, Chapter 791] to promote activities among local governments across Texas. Any local government or non-profit providing government services may contract or agree with one or more local governments under the terms of this Act to conduct purchasing and other administrative functions. The following excerpt from the Act states that... "The Interlocal Cooperation Act's purpose is to improve the efficiency and effectiveness of local governments by authorizing the fullest possible range of inter-governmental contracting authority at the local level including contracts between all political subdivisions of the state and agencies of the state."

This interlocal agreement with the City of Fair Oaks Ranch will expand the Fair Oaks Ranch Municipal Development District's opportunities to administer a program for local economic development and collect more favorable bids on development projects.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Streamline administration and procurement process by increasing efficiency when requesting services and/or equipment.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Costs for City provided services are determined each year during the budget process.

LEGAL ANALYSIS:

The agreement has been reviewed by City Attorney.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the MDD President to sign the Interlocal Agreement with the City of Fair Oaks Ranch and to authorize the MDD President to execute the agreement.

WITNESSETH:

ARTICLE 1. PURPOSE

ARTICLE 2. TERM

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ARTICLE 3. SERVICES PROVIDED BY CITY

The City is responsible for providing fiscal and additional staff support services to MDD. Such services are subject to the City and MDD mutually agreeing to a cost for each service.

3.1 Direct Services

The following direct services will be provided by the City to the MDD.

3.1.1 Transaction Processing

The City will provide financial management, accounting and purchasing services to and for MDD. The City will allow the MDD to utilize existing City contracts if determined to be beneficial to the MDD, agreed to by the vendor, and does not interfere with vendor's performance on existing City contracts. The Board assumes responsibility for the legal and proper expenditures of all Development Project Fund monies. All monies are budgeted and expended according to the latest approved budget and in conformance with the adopted Rules of Operation.

3.1.2 Accounting

The City shall maintain one or more separate accounts under the supervision of the Director of Finance for the City. The Director of Finance, in carrying out the requirements of this ILA, is responsible only in the capacity of a trust officer for the funds involved. The Director of Finance shall use generally accepted accounting procedures to satisfy their duties pursuant to this ILA. The City shall pay all invoices on a timely basis. The City shall receive all sales tax disbursements for MDD from the Texas Comptroller of Public Accounts.

3.1.3 Finance

The authorization of disbursements of funds to recipients of funding under contract with MDD will be made by the Board pursuant to the adopted Rules of Operation in the ILA specified by the action of the Board, so long as the MDD Development Project Fund has sufficient funds to accommodate all payment requests.

3.1.4 Financial Reporting

The City will provide an Investment Officer that will ensure compliance with the Public Funds Investment Act and also inform/report quarterly to the Board the status of MDD's investment portfolio and financial results.

3.1.5 Annual Financial Statement Audit

The City will manage the annual financial statement audit and compilation of the annual financial report.

3.1.6 Compliance with the Open Meetings Act

The Secretary of the Board shall record the meeting minutes of the Board and its committees, if required, and the City shall retain the records of the MDD, as well as

ensure all notices are posted and served as required by law.

3.1.7 Advisory Services

The City shall provide advisory services to the MDD. City shall not be liable for any advisory services given, and the MDD is under no obligation to accept the advisory services provided by City.

3.1.8 Records Management

The City shall maintain records of MDD activities in accordance with the same state-mandated records retention schedule that is followed by the City.

3.1.9 Grant Application Processing

The City shall work with the MDD on identifying potential grant opportunities that align with the MDD's statutory purpose, policies and goals. If determined to be beneficial, the City may apply for such grants. The MDD will assist the City with obtaining any information necessary for the initial application and will supply any additional information in a timely manner. The City will coordinate with the Grant Requestor and assist in monitoring the application until a decision is made.

3.1.10 Grant Administration

If a grant is approved, the City will be responsible for administering the grant and confirming all grant requirements are met. The City will supply any information to the MDD upon request. The MDD is the final authority for approval of grant disbursements.

3.1.11 Meeting Facilities

The City shall provide meeting facilities for the MDD. In the event that a meeting is conducted outside of City facilities, the MDD will be responsible for the cost of the meeting site.

3.2 Indirect Services

3.2.1 Administrative, Facilities & Supplies Overhead

Administrative Costs for City employees, facilities, and supplies shall be included in the annual budgets as approved by the MDD and City under the terms of the ILA.

ARTICLE 4. BILLING PROCEDURES AND PAYMENT

The City shall submit invoices for the expenses and the cost of indirect services no more often than on a quarterly basis. The MDD shall process the invoices and shall pay the City no later than 30 days after the date the invoice is received. If circumstances warrant that the amount requires adjustment between budget cycles, a budget amendment agreed to by both parties will be executed. The rates for services to be performed each fiscal year shall be attached hereto as Exhibit A.

ARTICLE 5. TERMINATION AND AMENDMENTS

Either party may terminate this ILA in whole or in part hereto whenever such termination is found to be in the best interest of either party. Termination shall be effected by the conveyance of a written notification thereof to the other party at least ninety (90) days in advance of the effective date of the termination.

Either party can request an amendment to this ILA by giving thirty (30) days written notice. The amendment becomes effective only by the approval and signature of both parties.

In the event of termination, all costs incurred through the date of termination will be paid within thirty (30) days of request for reimbursement or payments.

ARTICLE 6. ADMINISTRATION OF AGREEMENT

All notices pursuant to this ILA shall be deemed given when, either delivered in person or deposited in the United States mail, postage prepaid, certified mail, return receipt requested addressed to the appropriate party at the following addresses:

If to the City:

City Manager
City of Fair Oaks Ranch
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

If to MDD:

President
Fair Oaks Ranch Municipal Development District
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

ARTICLE 7. DISPUTE RESOLUTION

In the event that a dispute arises regarding the interpretation of the terms, duties, and responsibilities of the Parties under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, contract terms and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties solely to the extent of the disputed contract provision. Nothing herein shall limit or waive either Parties right to defend itself or seek relief in any manner allowed by law.

ARTICLE 8. GOVERNING LAW AND AUTHORITY

The laws of the State of Texas shall govern this ILA and all obligations hereunder of the parties are performable in Fair Oaks Ranch, Texas. Venue for any legal proceeding is Kendall County, Texas. Any applicable state or federal statute or rule will take precedence over any inconsistency in the Interlocal Agreement or in any statement of work issued under the Interlocal Agreement. The City Manager shall be the signature authority for the City, and the President shall be the

signature authority of the MDD. Each party may choose to delegate signature authority by amendment to this agreement and by mutual agreement of both parties.

ARTICLE 9. NON-ASSIGNMENT

This ILA shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives' successors and assigns. Neither the City nor MDD shall assign any duty of this ILA, excepting those already identified herein, without written consent of the other.

ARTICLE 10. SEVERABILITY

Should any provisions of this ILA for any reasons be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

ARTICLE 11. ENTIRETY OF AGREEMENT

This is the entire agreement between the parties and no modification of this ILA shall be of any force or effect, unless it is in writing signed by both parties. No official, employee, agent or representative of the City or MDD has any authority, either express or implied, to amend this ILA, except pursuant to such express authority as may be granted by the governing body of the City of Fair Oaks Ranch or MDD Board of Directors.

ARTICLE 12. OFFICIALS NOT TO BENEFIT

No public official of the governing body of the City or MDD who exercises any functions or responsibilities in the review or the approval of the undertaking or carrying out of any project hereunder, shall participate in any decision relating to the ILA which affects his/her personal interest, nor shall he/she have any personal or pecuniary interest direct or indirect in this ILA or proceeds thereof.

ARTICLE 13. OWNERSHIP OF DOCUMENTS

Copyright in all material created by City and paid for by MDD as part of this Agreement shall be the property of City. Both City and MDD may use these materials, and permit others to use them. This material includes, but is not limited to: books, computer programs, documents, films, pamphlets, reports, sound reproductions, studies, surveys, tapes, and/or training materials. Material which the City provides and uses to perform this Agreement but which is not created for or paid for by the MDD shall be owned by the City or such other party as determined by Copyright Law; however, for any such materials, City hereby grants (or, if necessary and to the extent reasonably possible, shall obtain and grant) a perpetual, unrestricted, royalty free, non-exclusive license to the MDD to use the material for MDD internal purposes.

ARTICLE 14. GOVERNMENTAL FUNCTIONS; LIABILITY; NO WAIVER OF IMMUNITY OR DEFENSES

Notwithstanding any provision to the contrary herein, this Agreement is a contract for and with respect to the performance of governmental functions by governmental entities.

1. The services provided for herein are governmental functions, and the Parties shall

be engaged in the conduct of a governmental function while providing and/or performing any service pursuant to this Agreement.

2. The relationship of the Parties shall, with respect to that part of any service or function undertaken as a result of or pursuant to this Agreement, be that of independent contractors.
3. Nothing contained herein shall be deemed or construed by the Parties, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the Parties.

Each Party shall have no liability whatsoever for the actions of, or failure to act by, any employees, agents, representatives, or assigns of the other Party in connection with the Agreement. Each Party covenants and agrees, to the extent permitted by law, that it shall be solely responsible, as between the Parties, for and with respect to any claim or cause of action arising out of or with respect to any act, omission, or failure to act by the participating Party or its respective employees, agents, representatives, or assigns, in connection therewith.

Each Party reserves and does not waive any defense available to it at law or in equity as to any claim or cause of action whatsoever that may arise or result from or in connection with this Agreement. This Agreement shall not be interpreted nor construed to give to any third party the right to any claim or cause of action, and no Party shall be held legally liable for any claim or cause of action arising pursuant to or in connection with this Agreement except as specifically provided herein or by law.

No participant waives or relinquishes any immunity or defense on behalf of itself, its trustees, councilmembers, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and agreements contained herein.

ARTICLE 15. AGREEMENT

This ILA shall constitute the sole agreement between the City and MDD relating to the object of this ILA and correctly sets forth the complete rights, duties, and obligations of each party to the other as of its date. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this ILA are of no force and effect.

WITNESS our hands to this AGREEMENT this _____ day of _____, 2021.

MDD

CITY

President

Tobin E. Maples, AICP
City Manager

EXHIBIT “A”
Compensation

<u>Fiscal Year</u>	<u>Rate of Services</u>
2021-2022	\$30,150



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Consideration and possible action to approve any recommended updates to the existing MDD Project Evaluation / Grant Process Policy.

DATE: October 13, 2021

PRESENTED BY: Mike Lovelace, CPA, CMA, CISA, MDD Treasurer
Summer Fleming, MDD Investment Officer

INTRODUCTION/BACKGROUND:

As part of an annual review of MDD policies, there are several changes that need to be made.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Texas Law establishes legal guidance for use of MDD funds. Within that guidance the MDD Board of Directors has established clear processes to request, review, approve and implement projects that ensure MDD funds utilization provide long term enduring value to all Citizens in accordance with the Law and the City's Comprehensive Plan.

These processes and policies should be reviewed annually to ensure regulatory compliance and a consistent, repeatable process that is appropriately detailed without being unduly burdensome for the Board or for the grant applicants.

BUDGETARY IMPACT:

No financial or budgetary impact.

LEGAL ANALYSIS:

Pending.

RECOMMENDATION/PROPOSED MOTION:

I move to approve the changes to the MDD Project Evaluation/Grant Process Policy as discussed subject to legal concurrence.

FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT POLICY FOR EVALUATION OF DEVELOPMENT PROJECTS

(Version 2.0 10-14-2020)

POLICY STATEMENT

Purpose

The purpose of the Policy for Evaluation of Development Projects is to establish an objective and consistent process for evaluating proposed development projects to ensure that Fair Oaks Ranch Municipal Development District (MDD) Board (the Board) project grant awards are in compliance with legal and policy requirements and provide enduring value for Fair Oaks Ranch.

Policy Statement

It is the policy of the Board that evaluation, approval, and funding of development project grants will be conducted in accordance with approved guidelines established by the Board.

Process Framework

A development project evaluation process will be established through guidelines approved by Board to ensure that development project grant proposals are consistently and objectively evaluated. The overall framework for the guidelines will include the following:

1. Each proposed development project grant will be evaluated to determine merit for funding based on the MDD Board's assessment of eligibility and quality.
2. To assess eligibility of proposed development project grants, the Board will establish a Eligible Project Category List (Addendum A) (where is this?) to describe the types of projects that are qualified for MDD funding consideration. The categories on the Eligible Project Category List may be modified at the discretion of the Board. Items may be placed on the Eligible Project Category List by the MDD Board based on the following criteria:
 - 2.1. Compliance with relevant statutes and City ordinances & codes
 - 2.2. Alignment with MDD Board's mission, goals & objectives
3. The Board will establish Project Application & Evaluation Guidelines (Appendix B) (where is this?) to evaluate eligible development project grant proposals in an objective and consistent method. The Project Application & Evaluation Guidelines may be modified at the discretion of the Board.

Process Implementation and Review

1. The MDD Board Treasurer is responsible for implementing and managing the evaluation process (Appendices A and B) and reporting results to the Board
2. Any member of the Board may propose changes to the evaluation process, but action of the Board is required to make a material change to the evaluation process and associated guidelines.
3. The Board will review this policy and associated guidelines (Appendices A and B) (where are these? Is Appendix A the same as Addendum A?), as deemed necessary, but no less often than once every two years, and will take action to reaffirm, modify or replace the policy or guidelines.

Appendix A

MDD Eligible Project Category List

Category Name	Category Description
Façade Improvement Program	Matching funds reimbursement to incentivize façade improvements to bring existing qualified store fronts up to FOR form-based zoning standards
Infrastructure Projects	• Contributions in aid of construction for utility infrastructure as an incentive for qualified commercial or mixed-use development projects, or • Reimbursements for costs incurred on projects or initiatives that enable or promote business development
Civic Venues & Related Improvements	Reimbursement for construction or remodeling costs as an incentive for qualified civic venue projects
Recreation & Community Projects	• Contributions in aid of construction for qualified recreational facility projects, or • Reimbursements for costs incurred on qualified projects or initiatives that enable pedestrian and bicycle mobility by means of a contiguous park & trail system

Appendix B

Project Application and Evaluation Guidelines

1. Project Application Guidelines

1.1. Project Scoring Dimensions

For each proposed project, information & documentation should be collected and analyzed to gain satisfaction that the project is eligible for funding based on reasonably satisfying the requirements under each of the following dimensions:

- Compliance: MDD statutory constraints; City ordinances & codes
- Fit to FOR MDD mission, goals & objectives
- Economic and/or quality of life benefits: extent & duration
- Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

1.2. Application Submittals

The required information & documentation may be satisfied via the following means:

- The required type and extent of information required may be submitted using an application form provided by the MDD or a grant proposal submitted by the applicant.
- Additional information required to assess an application may be requested from the applicant via a direct request from the designated MDD representative.
- Additional information required to make a final decision could be requested via a direct request from the MDD Board to the applicant.

1.3. Applicant Contact & Background Information

- Names and contact information for the natural person and/or entities that will have primary responsibility for delivery of the project and outcomes/ongoing benefits.
- If applicant is an entity, names and contact information for all principals who will have a significant role in the project.
- Legal form of entity
- Primary area of business activity
- Single point of contact for communication regarding application
- Resume: Applicant experience relevant to ability and capacity to deliver on project commitments

1.4. Project Contact Information

- Project site physical address
- Name of owner of project site property
- Site Owner's physical mail address, telephone number and email address

1.5. Project Summary Information

- Project Title
- Project Executive Summary (Template provided by MDD):
 - Executive outline of project objectives, desired outcomes & community benefits, including economic impact
 - Total project cost
 - Grant request
 - Other sources of financing
 - Target commencement date
 - Target completion date

1.6. Application Documents (provided at Applicant's discretion or requested by MDD based on project category & scope)

- Property owner acknowledgement & consent
- Detailed project work plan & timeline
- Project budget
- Plan for post-construction upkeep and ongoing operations of asset
- Design drawings
- Contractors & subcontractors
- Material specifications
- City zoning & permits documentation, as applicable
- Detailed information relating to project objectives, outcomes & community benefits (optional at Applicant's discretion)

1.7. Conditions & Acknowledgements

- One grant at a time per applicant/property owner.
- Grant acceptance is at MDD discretion.
- Grant is based on availability of funds within the MDD budget.

- Grant is subject to acceptance of MDD Terms & Conditions.
- Grantee is obligated to fulfill commitments of project objectives & benefits.

2. Project Evaluation Guidelines

2.1. Due Diligence Evaluation Criteria

For each proposed project, sufficient, and competent information should be collected and analyzed to allow the Board to determine that the project reasonably meets the Board's standards for granting funds to a project. For all proposed projects, the following dimensions will be evaluated:

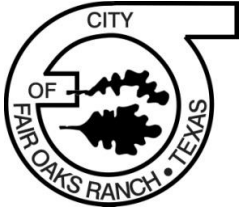
- **COMPLIANCE**
- **FIT**
- **BENEFITS** - Economic and/or quality of life benefits: extent & duration
- **RISK** - Project quality: counterparty qualifications, project delivery risk and ongoing operations risk

2.2. Evaluation Methodology

All project proposals will be assessed as follows:

- The President of the Board may choose to establish a subcommittee to perform the evaluation.
- If a subcommittee is used to perform the evaluation, the subcommittee will provide a report and recommendation to the Board for consideration and possible action.
- The project evaluation represents one aspect of the Board's considerations in making a grant award decision.
- COMPLIANCE will be evaluated based on the eligibility of project in accordance with Eligible Project Category List (Appendix A).
- Information provided by the applicant will be evaluated to determine FIT, BENEFITS, and RISK.
- FIT will be evaluated based on conformance with the MDD mission goals and objectives.
- BENEFITS will be evaluated for economic and/or quality of life benefits, including extent and duration of the benefits to Fair Oaks Ranch.
- RISK will be evaluated for project quality considering counterparty qualifications, project delivery risks and ongoing operations risks.

- The desired outcome of the Boards deliberation will be to arrive at a decision that a project qualifies or does not qualify for funding based on COMPLIANCE, FIT, BENEFITS and RISK.
- The decision to approve project grant funding and funding amount is at the discretion of the Board.
- The decision regarding the availability and source of funds for a proposed project is at the discretion of the Board



**FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
October 13, 2021**



AGENDA TOPIC: Quarterly Financial & Investment Report – Q3 2021
DATE: October 13, 2021
PRESENTED BY: Summer Fleming, MDD Investment Officer

INTRODUCTION/BACKGROUND:

Pursuant to Government Code Section 2256.023 and the MDD's Investment Policy Section 11, the Investment Officer is required, on a quarterly basis, to prepare and submit to the MDD Board a written report of investment assets and the market value of the current investments.

The attached presentation is being made to comply with the Q3 2021 reporting requirements.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Frequent review and reporting of the MDD's assets and investment vehicles is both prudent and necessary to verify that the MDD's investment portfolio is being managed according to the investment policy.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The investment portfolio shall be managed in accordance with the objectives specified in the investment policy (safety, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the MDD's Investment Policy.

Fair Oaks Ranch Municipal Development District Quarterly Financial Report

September 2021

About This Quarterly Financial Report

This report has been prepared by the City of Fair Oaks Ranch Finance Department. The Quarterly Financial Report is intended to provide our users (internal and external) with information regarding the MDD's financial position.

This report is presented in two sections:

1. The Financial Summary section reports the preliminary, unaudited financial results for the fiscal year ended September 30, 2021.
2. The Quarterly Investment Report provides a summary of MDD's investment portfolio, interest earnings and a brief market outlook for the quarter ended September 30, 2021.

The Quarterly Financial Report is intended to provide our users with timely and relevant information. Please provide us with any comments or suggestions you may have. If you would like additional information, feel free to contact me.



Summer Fleming
Investment Officer

7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015
210-698-0900

Fair Oaks Ranch MDD

Preliminary Financial Results

For Fiscal Year Ended September 30, 2021

Unaudited

Revenue and Expense Report September 30, 2021					
	Budget	Year-to Date Actual	Percent of Budget	Variance from Budget	Comments
Revenues:					
Local Sales Tax	190,400	384,235	201.8%	193,835	Sales tax collected through July sales; accrued Aug and Sep.
Interest	10,000	686	6.9%	(9,314)	
Total Revenue	200,400	384,922	192.08%	184,522	
Expenditures:					
Supplies	250	-	0.00%	250	No supplies costs incurred.
Training/Seminars	500	350	70.00%	150	PFA training for MDD Treasurer.
Miscellaneous	100	-	0.00%	100	No miscellaneous costs incurred.
Attorney	9,300	2,405	25.86%	6,895	Less consultation required than budgeted.
Auditor	5,000	3,900	78.00%	1,100	Annual audit complete; expense under budget.
Professional Services	33,450	30,334	90.68%	3,116	Annual management fee paid; no other professional services required.
Insurance	50	50	100.00%	-	
Total Expenditures	48,650	37,039	76.13%	11,611	
Transfer To / (From) Fund Balance	151,750	347,883	229.25%	196,133	

Fair Oaks Ranch MDD

Preliminary Financial Results

For Fiscal Year Ended September 30, 2021

Unaudited

Municipal Development District Balance Sheet September 30, 2021

Assets

Frost Bank	94,497		
TexPool	1,622,339		
Accrued Receivables	60,000		
Total Cash & Investments		1,776,836	
Total Assets			1,776,836

Liabilities

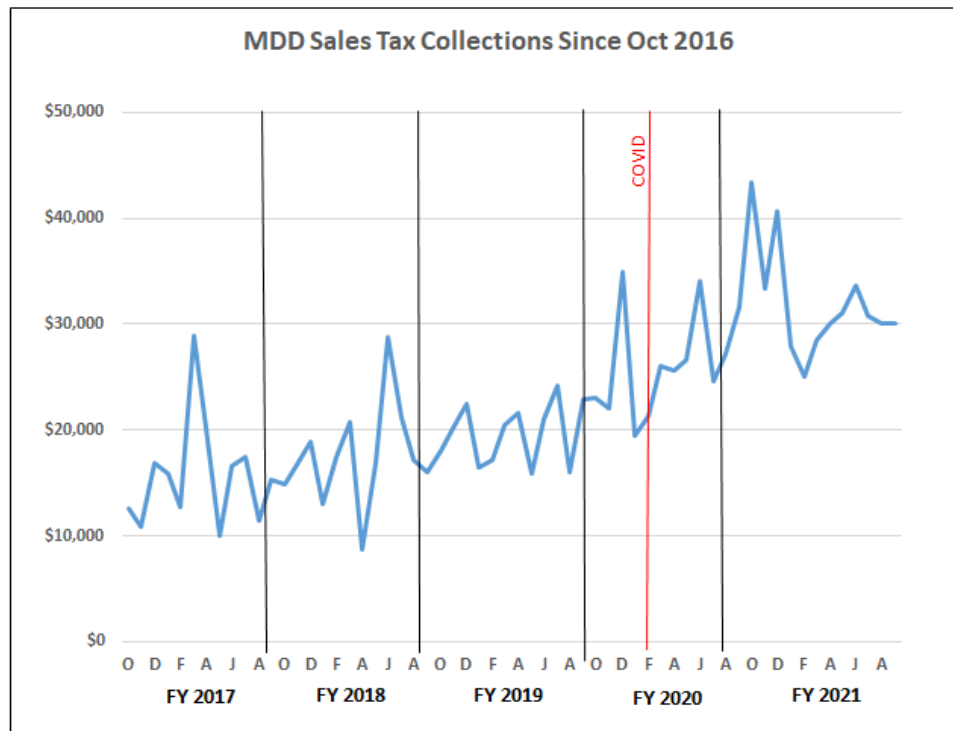
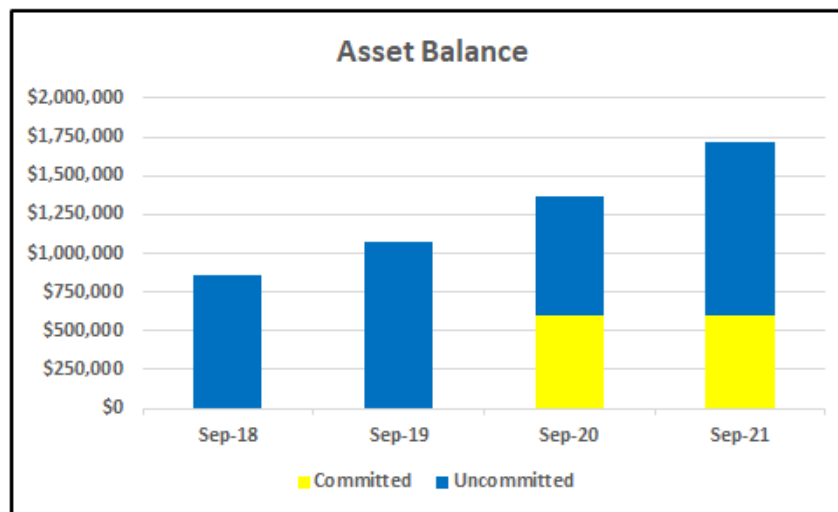
Accounts Payable	813		
		813	

Fund Balance

Fund Balance	100,000		
Infrastructure Improvements - Assigned	728,140		
Infrastructure Improvements - Committed	600,000		
Total Fund Balance		1,428,140	
Total Revenues	384,922		
Total Expenses	37,039		
Excess Revenue over Expenses		347,883	
Total Liabilities & Fund Equity			1,776,836

Fair Oaks Ranch MDD Investment Report

Investment Inventory 7/1/2021 - 9/30/2021									
Security	Yield	Beg Bal	Transfers In/Out	Interest Earnings	Ending Bal	Ending Market	Interest Accrued	Weighted Avg Maturity*	Maturity Date
Frost Bank - Operating Account	0.001%	95,843	-	2	94,497	94,497	-	-	-
TexPool	0.020%	1,526,883	95,364	91	1,622,339	1,622,339	-	32 days	-
TOTAL		1,622,726	95,364	94	1,716,836	1,716,836			

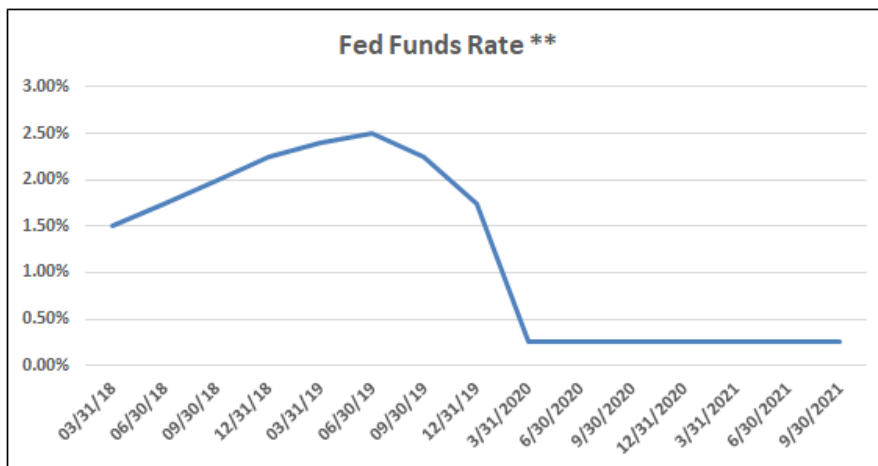
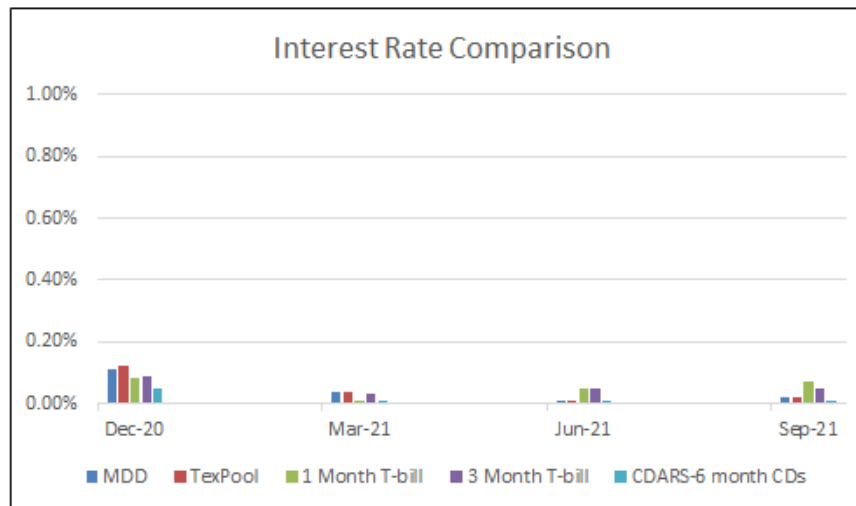


Fair Oaks Ranch MDD

Investment Report

Interest Rate Comparison

Month	MDD	TexPool	1 Month T-bill	3 Month T-bill	CDARS-6 month CDs
December	0.11%	0.12%	0.08%	0.09%	0.05%
March	0.04%	0.04%	0.01%	0.03%	0.01%
June	0.01%	0.01%	0.05%	0.05%	0.01%
September	0.02%	0.02%	0.07%	0.05%	0.01%



Key Trends:

- The Federal Reserve left the federal funds' rate steady at 0-0.25% during the September 2021 meeting, in line with forecasts. The Fed also signalled interest rate increases may follow more quickly than expected, with half of policymakers projecting borrowing costs will need to rise in 2022.

This report is in compliance with the MDD's Investment Policy Section 11 and Texas Government Code Section 2256.023.

* Per the MDD's investment policy, there will not be direct investment in securities maturing more than 36 months from the date of purchase. The Weighted Average Maturity of these investments is in compliance with the City's policy.

** Leading indicator of rate changes to come, not an investment option for the MDD.