CITY OF SAN ANGELO TEXAS
Development Corporation

Agenda
2/23/2022

Notice is hereby given of a regular meeting of the City of San Angelo Development Corporation (COSADC) to be held on February 23, 2022 at 8:30 AM at the East Mezzanine of City Hall, 72 W. College Ave., San Angelo, Texas, for the purpose of considering the following agenda items.

1. **Call to Order**
2. **Prayer**
3. **Public Comment**

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

4. **Recognition**
   a. Recognition of Edward Carrasco, Bill Dendle and Erika Lara for their dedicated service to the City of San Angelo Development Corporation Board of Directors (Presentation by Guy Andrews, Director of Economic Development)
5. **Consent Agenda**
   a. Consider approving the necessary Corporation disbursements
   b. Consider approving the January 26, 2022 Meeting Minutes
   c. Consider approving the January 2022 Financial Statements
6. **Regular Agenda**
   a. Consider a resolution authorizing the Investment Policy for the City of San Angelo Development Corporation Fund for 2022 and retroactively approving the Investment Policies for 2020 and 2021 (Presentation made by Tina Dierschke, Director of Finance)
   b. Public Hearing regarding a project under Chapters 501 and 505 of the Texas Local Government Code to utilize Sales and Use Tax funds in an amount not to exceed $188,000 to fund site improvements, including brush and trash removal, to San Angelo Business and Industrial Park Phase 2 . (Presentation made by Robert Schneeman, Economic Development Project Manager)
   c. Public Hearing regarding the use of sales and use tax in an amount not to exceed $32,500 to provide an Economic Development Incentive to 4540 Construction, LLC for a project authorized for a Type B Corporation under Local Government Code Chapter 505 Subchapter D (Presentation by Nolan Sosa, Economic Development Administrator)
7. **Follow Up and Administrative Issues**

a. Announcements and consideration of Future Agenda Items

8. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of San Angelo, Texas, on the 18th day of February, 2022 at 4:00 P.M.

_____

Guy Andrews, Economic Development Director

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The Board reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code. In compliance with the Americans with Disabilities Act, the City of San Angelo Development Corporation will provide for reasonable accommodations for persons attending board meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Economic Development Office at 325-653-7197. COSADC meetings are broadcast on Channel 17-Government Access at 8:00 A.M. on every Wednesday on the Wednesday after each meeting.

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: February 23, 2022

Item type: Consent Item

Caption:

Consider approving the necessary Corporation disbursements

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	Disbursement 02-23-2022	Disbursement 02-23-2022.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation
Check Disbursements
For Board Approval February 23, 2022

Economic Development

City of San Angelo	$	196,215.00	Admin Serv & Affordable Housing (Inv. 57419)	
Mammoth Roofing Services		104,089.00	Remove and replace roof/Prep the front building stucco area (Inv. 21-1021-01R	
SA Chamber of Commerce		10,000.00	Sponsorship for annual Chamber banquets (Inv. 70845)	*Ck. 5585*
GrantWorks		2,500.00	Close-out Serv date 08/05/2021- 01/21/22 (Inv. 4)	
Pullig Contracting Co.		1,600.00	Mow Phase 1 & 2 Industrial Park (Inv. 1151)	*Ck. 5580*
Total for Board Consideration	**$**	**314,404.00**		
Jowers Commercial Cleaning	$	1,150.00	Cleaning at BRC (Inv. 5561)	*Ck. 5583*
JR Silva Tree Service & Landscaping		891.00	Landscaping Industrial Park & BRC (Inv. 4058 & 4059(	*Ck. 5584*
Jowers Commercial Cleaning		800.00	Cleaning at BRC (Inv. 5575)	
CTWP		758.31	Qtrly overage copier charge (Inv. 1321880)	*Ck. 5566*
Russ Wallace		596.00	Mo. IT serv for Business Factory (Inv. 1028)	*Ck. 1027*
Go San Angelo		463.38	Legal notice ad (Inv. 4365176)	
Go San Angelo		410.08	Legal notice ad (Inv. 5113413)	
Atmos Energy		369.83	Gas utilities at BRC	
Rads Window Cleaning		350.00	Mo. Window cleaning at BRC (Inv. 2822)	
Statewide Elevator Inspec., LLC		287.15	Annual Elevator Inspec. (Inv. 26197)	*Ck. 5586*
Angelo Awards		192.78	3 plaques for COSADC board members (Inv. 9575)	*Ck. 5582*
Ener-tel		100.00	Mo burglar alarm at BRC (Inv. 266926)	
Republic Servi		64.51	Mo. Burglar alarm at BRC (Inv. 691001097483)	*Ck. 64.51*
CVEC		45.25	Elec serv at Knickerbocker sign (Inv. 01/31/2022)	
Angelo Water Serv		35.23	Water delivery and cooler rental (Serv 02/01 - 02/28)	*Ck. 5579*
TX Depart. Of Licensing and Regulation		20.00	Elevator Report of Inspec filing fee (ELBI 36807)	
	$	**6,533.52**		
Total Economic Development Disbursements	**$**	**320,937.52**		

Ballot

Total for Board Consideration	**$**	**-**
Total Routine Disbursements	**$**	**-**
Total Ballot Disbursements	**$**	**-**
Grand Total Disbursements this Period	**$**	**320,937.52**

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: February 23, 2022

Item type: Consent Item

Caption:

Consider approving the January 26, 2022 Meeting Minutes

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	COSADC Minutes 01-26-2022	COSADC Minutes 01-26-2022.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Jeffrey Tomlinson	Approved
Tina Dierschke	Approved
Brandon Dyson	Approved
Guy Andrews	Final Approval

City of San Angelo, Texas
Development Corporation Meeting
Wednesday, January 26, 2022

Present:
Max Puello, President
John Bariou, First Vice President
Garland Freeze, Second Vice President
Edward Carrasco, Director
Bill Dendle, Director

1. Call to Order

With a quorum of the City of San Angelo Development Corporation Board Members present, President Puello called the regular session of the City of San Angelo Development Corporation to order at 8:30 a.m., on Wednesday, January 26, 2022 in the City of San Angelo City Hall, East Mezzanine Room, 72 W College Avenue, San Angelo, TX 76903

2. Prayer

An invocation was provided by Director Dendle.

3. Public Comment

No public comments was made.

4. Consent Agenda

a. Consider approving the necessary Corporation disbursements

b. Consider approving the December 15, 2021 Meeting Minutes

c. Consider approving staff recommendation to reject all bids submitted for Project RFB ED- 01-22, Industrial Park Phase 2 Monument Sign, and re-bid project at a later date (Bob Schneeman, Economic Development Project Manager)

Director Dendle asked a correction be made to the minutes. The minutes state he was present at the December 15th meeting, he was not present.

Motion: Director Dendle made the motion to approve the consent, along with correction to the minutes, seconded by First Vice President Bariou. The motion carried unanimously five (5) ayes to zero (0) nays.
No public comment was made.

5. Regular Agenda

a. Consider approving the December 2021 Financial Statements. (Presentation made by Tina Dierschke, Director of Finance)

Motion: Director Carrasco made a motion, seconded by Second Vice President Freeze to approve the December 2021 Financial Statements. The motion carried unanimously five (5) ayes to zero (0) nays.
No public comment was made.

b. Consider approving an increase for gap financing under the Affordable Housing Assistance Program (AHAP) from $40,000 to $50,000 to cover increased construction costs (Presentation made by Bob Salas, Director of Neighborhood and Family Services)

Motion: First Vice President Bariou made the motion, seconded by Director Carrasco to approve the increase for the gap financing as presented. The motion carried unanimously five (5) ayes to zero (0) nays.
No public comment was made.

c. Consider a resolution authorizing a project under Chapters 501 and 505 of the Texas Local Government Code to utilize Sales and Use Tax funds in an amount not to exceed $188,000 to fund site improvements to San Angelo Business and Industrial Park Phase 2 and approving the selection of MWC Interests, Inc. to perform brush clearing services, subject to City Council approval; and authorizing the Board President to negotiate and execute all necessary documents (Presentation made by Robert Schneeman, Economic Development Project Manager)

Motion: First Vice President Bariou made the motion, seconded by Second Vice President Freeze to approve the resolution as presented. The motion carried unanimously five (5) ayes to zero (0) nays.
No public comment was made.

d. Consider a resolution authorizing the expenditure of sales and use tax funds in an amount not to exceed $32,500 to provide an economic development incentive to 4540 Construction, LLC as authorized under Chapters 501 and 505 of the Texas Local Government Code for Type B Corporations with authorization for the Board President or their designee to negotiate and execute all necessary documents (Presentation made by Nolan Sosa, Economic Development Administrator)

Motion: Second Vice President Freeze made the motion, seconded by Director Dendle to approve the resolution as presented. The motion carried unanimously five (5) ayes to zero (0) nays.
No public comment was made.

e. Consider approving the expenditure of up to $8,000 to Centurion Planning & Design for

professional engineering and planning services to prepare a replat of a portion of Block 2, Lot 1, San Angelo Gateway Addition Section 1 and authorizing the Board President or their designee to negotiate and execute all necessary documents (Presentation made by Robert Schneeman, Economic Development Project Manager)

Motion: First Vice President Bariou made a motion, seconded by Director Carrasco to approve the expenditure as presented. The motion carried unanimously five (5) ayes to zero (0) nays.

6. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

No Executive Session was presented.

7. Follow Up and Administrative Issues

a. Consideration and possible action of items discussed in Closed Session, if needed

b. Announcements and consideration of Future Agenda Items

No announcements or future agenda items were discussed

8. Adjournment

Motion: Director Carrasco made a motion, seconded by Director Dendle to adjourn the meeting. The motion carried unanimously five (5) ayes to zero (0) nays.

There being no further business, the meeting adjourned by consensus at 8:52 a.m.

THE CITY OF SAN ANGELO

_____
Corporation President

ATTEST:

_____
Corporation Secretary

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplement Minute Record. Details on

Board meetings may be obtained from the City Clerk's Office. (Portions of the video recording may be distorted due to equipment malfunction or other uncontrollable factors.)

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: February 23, 2022

Item type: Consent Item

Caption:

Consider approving the January 2022 Financial Statements

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC FS 2201 COSADC FS 2201.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation

Financial Information and Schedules As of January 31, 2022

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- Project Commitments

Ballot

- Balance Sheet
- Revenue & Expenditure Report
- Project Commitments

Transaction Detail by Account

2011 Bond Issue

Hickory Water Supply

This UNAUDITED information is designed for internal use and analysis only.

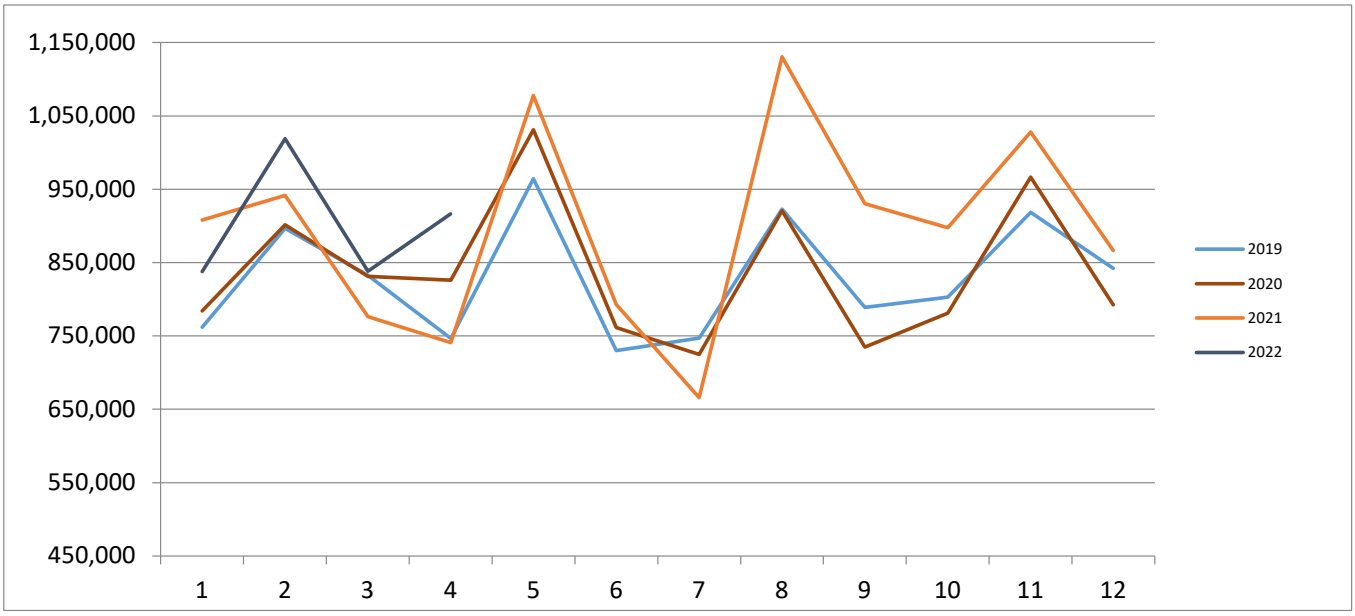
City of San Angelo Development Corporation
Executive Summary
January 2022

Available Fund Balances

Unassigned Fund Balance-Economic Development	4,114,098
Unassigned Fund Balance-Ballot	2,630,311

Sales Tax Analysis

Month	2019	2020	2021	2022	% Over/(Under)
Oct	761,865	784,232	907,912	837,902	-7.71%
Nov	896,890	901,416	941,714	1,018,994	8.21%
Dec	832,486	831,209	776,336	838,245	7.97%
Jan	746,604	826,116	740,927	916,151	23.65%
Feb	964,281	1,030,912	1,077,963		
Mar	730,020	761,229	792,882		
Apr	747,020	725,032	665,954		
May	923,026	920,877	1,130,561		
Jun	789,102	734,988	930,276		
Jul	802,784	781,279	897,588		
Aug	918,423	966,590	1,027,915		
Sep	842,023	792,202	866,535		



City of San Angelo Development Corporation
Balance Sheet - Economic Development
As of January 31, 2022

ASSETS	
Current Assets	
Checking/Savings	
Cash	500,511
Money Market	1,584,021
Total Checking/Savings	2,084,532
Accounts Receivable	
Leases	82,530
Total Accounts Receivable	82,530
Other Current Assets	
Investments	7,994,845
Total Other Current Assets	7,994,845
Total Current Assets	10,161,907
Fixed Assets	
Land -Industrial Park	69,395
Industrial Park-Phase I	567,414
Industrial Park-Phase II	38,624
Industrial Park-Phase III	20,377
Building-Business Resource Ctr	2,004,967
Accum Depr-Building	(974,373)
Total Fixed Assets	1,726,403
TOTAL ASSETS	11,888,311
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	390
Total Current Liabilities	390
Total Liabilities	390
Fund Equity	
Committed for Eco. Dev. Projects	6,047,419
Restricted for Fixed Assets	1,726,403
Unassigned Fund Balance	4,114,098
Total Fund Equity	11,887,921
TOTAL LIABILITIES & FUND EQUITY	11,888,311

City of San Angelo Development Corporation
Revenue & Expenditure Report - Economic Development
January 2022

		Budget	Month Actual	YTD Actual	YTD Actual W/ Enc	Over/(Under) Budget	% of Budget
Revenues							
Sales & Use Tax		2,852,009	256,522	1,011,162	1,011,162	(1,840,847)	35%
Interest on Investments		9,464	3,372	5,845	5,845	(3,619)	62%
Lease Income		10	6,245	6,245	6,245	6,235	100%
Miscellaneous Income		-	-	78,408	78,408	78,408	100%
Total Revenues		2,861,483	266,139	1,101,660	1,101,660	(1,759,823)	39%
Expenditures							
Administrative		191,986	1,362	72,601	78,501	(113,485)	41%
City Services		705,946	-	-	-	(705,946)	0%
Industrial Park Ops & Maint		18,462	1,699	2,964	4,564	(13,898)	25%
Marketing-Chamber of Commerce		262,500	(125)	131,250	262,500	-	100%
Advertising		14,500	11,500	11,500	11,956	(2,544)	82%
Utilities		314,265	6,269	25,872	67,477	(246,788)	21%
Capital		37,500	-	573	573	(36,927)	2%
Business Factory		138,784	1,035	6,950	15,095	(123,689)	11%
Total Operating Expenditures		1,683,943	21,740	251,710	440,666	(1,243,277)	26%
Projects							
Principle LED	DC0134	1,004	-	-	-	(1,004)	0%
Phase II Sewer Line	DC0136	96,000	-	-	-	(96,000)	0%
TXDOT Aside Program Grant	DC0137	60,500	-	-	-	(60,500)	0%
CalTech	DC0138	181,950	-	-	-	(181,950)	0%
Parkhill	DC0139	10,006	-	795	10,006	-	100%
Grant Works	DC0140	2,500	-	-	2,500	-	100%
Netco	DC0142	5,500	-	-	-	(5,500)	0%
Elite Solutions	DC0145	15,260	-	-	-	(15,260)	0%
Industrial Park-Phase II	DC0147	3,416	-	-	2,848	(568)	83%
US Customs Retention II	DC0152	151,762	-	-	-	(151,762)	0%
Principle LED BREP	DC0154	2,500	-	-	-	(2,500)	0%
Chadbourne Street	DC0157	750,000	-	-	-	(750,000)	0%
West Texas Steel	DC0162	59,000	-	-	-	(59,000)	0%
SMC Global	DC0163	160,000	-	-	-	(160,000)	0%
J's Deer & Wild Game	DC0164	15,000	-	-	-	(15,000)	0%
Double Barrel	DC0167	20,000	-	-	-	(20,000)	0%
Ethicon	DC0170	325,047	-	-	-	(325,047)	0%
Centurion BREP	DC0171	6,000	-	-	-	(6,000)	0%
Wendland Manufacturing	DC0176	400,000	-	-	-	(400,000)	0%
US 87 Monuments	DC0178	40,726	-	-	-	(40,726)	0%
Airport Exit Monument	DC0179	100,000	-	-	-	(100,000)	0%
TGC/GAFB II	DC0181	145,000	-	49,584	49,584	(95,416)	34%
SMC Global - BREP	DC0182	362,500	-	-	-	(362,500)	0%
Dorado Construction	DC0183	50,000	-	-	-	(50,000)	0%
Ind Park Monument	DC0187	2,400	-	-	2,400	-	100%
Ind Park Clearing	DC0188	25,000	-	-	-	(25,000)	0%
SkyWest Advertising	DC0189	100,000	-	-	-	(100,000)	0%
Hangar Code Study	DC0191	6,725	-	-	-	(6,725)	0%
Skyline P3	DC0192	3,000,000	-	-	-	(3,000,000)	0%
Future Projects		1,243,150	-	-	-	(1,243,150)	0%
Total Project Expenditures		7,340,946	-	50,379	67,338	(7,273,608)	1%
Total Expenditures		9,024,889	21,740	302,089	508,004	(8,516,885)	3%
Revenue Over/(Under) Expenditures		(6,163,406)	244,399	799,571	593,656		

City of San Angelo Development Corporation
Economic Development Projects
As of January 31, 2022

Project	Code	Original Allocation	Current Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Principle LED	DC0134	550,001	516,123	-	515,119	1,004
Phase II Sewer Line	DC0136	100,000	100,000	-	4,000	96,000
TXDOT Aside Program Grant	DC0137	100,000	100,000	-	39,500	60,500
CalTech	DC0138	603,999	223,050	-	41,100	181,950
Parkhill	DC0139	308,000	323,000	795	313,788	9,212
Grant Works	DC0140	54,000	54,000	-	51,500	2,500
Netco	DC0142	60,000	60,000	-	54,500	5,500
Elite Solutions	DC0145	40,260	15,260	-	-	15,260
Industrial Park-Phase II	DC0147	2,000,000	4,226,136	-	4,222,719	3,417
US Customs Retention II	DC0152	46,435	1,149,225	-	997,462	151,763
Principle LED BREP	DC0154	300,147	300,147	-	297,647	2,500
Chadbourne Street	DC0157	1,500,000	3,750,000	-	3,000,000	750,000
West Texas Steel	DC0162	59,000	59,000	-	-	59,000
SMC Global	DC0163	200,000	200,000	-	40,000	160,000
J's Deer & Wild Game	DC0164	60,000	60,000	-	45,000	15,000
Double Barrel	DC0167	70,000	70,000	-	50,000	20,000
Ethicon	DC0170	47,724	325,047	-	-	325,047
Centurion BREP	DC0171	36,000	36,000	-	30,000	6,000
Wendland Manufacturing	DC0176	400,000	400,000	-	-	400,000
US 87 Monuments	DC0178	150,000	150,000	-	109,274	40,726
Airport Exit Monument	DC0179	100,000	100,000	-	-	100,000
TGC/GAFB II	DC0181	145,000	145,000	49,584	49,584	95,416
SMC Global - BREP	DC0182	362,500	362,500	-	-	362,500
Dorado Construction	DC0183	150,000	150,000	-	100,000	50,000
Ind Park Monument	DC0187	5,800	5,800	-	3,400	2,400
Ind Park Clearing	DC0188	25,000	25,000	-	-	25,000
SkyWest Advertising	DC0189	200,000	200,000	-	100,000	100,000
Hangar Code Study	DC0191	25,000	25,000	-	18,275	6,725
Skyline P3	DC0192	3,000,000	3,000,000	-	-	3,000,000
		10,698,866	16,130,288	50,379	10,082,869	6,047,419

Total Committed, Not Expended	6,047,419

City of San Angelo Development Corporation
Balance Sheet - Ballot
As of January 31, 2022

ASSETS	
Current Assets	
Checking/Savings	
Cash	1,004
Money Market	4,000,995
Total Checking/Savings	4,001,999
Other Current Assets	
Investments	2,998,888
Total Other Current Assets	2,998,888
Total Current Assets	7,000,887
TOTAL ASSETS	7,000,887
LIABILITIES & FUND EQUITY	
Fund Equity	
Committed for Ballot Projects	726,980
Assigned for Debt Service	3,643,596
Unassigned Fund Balance	2,630,311
Total Fund Equity	7,000,887
TOTAL LIABILITIES & FUND EQUITY	7,000,887

City of San Angelo Development Corporation
Revenue & Expenditure Report - Ballot
January 2022

	Budget	Month Actual	YTD Actual	YTD Actual w/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	7,333,738	659,628	2,600,130	2,600,130	(4,733,608)	35%
Interest on Investments	24,336	9,573	12,933	12,933	(11,403)	53%
Total Revenues	7,358,074	669,201	2,613,063	2,613,063	(4,745,011)	36%
Expenditures						
City Services	78,914	-	-	-	(78,914)	0%
Loan/Debt Service	5,465,394	-	-	-	(5,465,394)	0%
Total Operating Expenditures	5,544,308	-	-	-	(5,544,308)	0%
Projects						
West TX Water Partnership	200,000	-	10,781	10,781	(189,219)	5%
Affordable Housing	537,760	-	-	-	(537,760)	0%
Water Rights	498,960	-	-	-	(498,960)	0%
Future Projects	809,941	-	-	-	(809,941)	0%
Total Project Expenditures	2,046,661	-	10,781	10,781	(2,035,880)	1%
Total Expenditures	7,590,969	-	10,781	10,781	(7,580,188)	0%
Revenue Over/(Under) Expenditures	(232,895)	669,201	2,602,282	2,602,282		

City of San Angelo Development Corporation
Ballot Projects
As of January 31, 2022

Project	Project Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Ballot Projects:				
Water Supply Projects				
West Texas Water Partnership	857,010	10,781	667,791	189,219
* Reclaimed Water Alternatives	1,389,965	-	1,389,965	-
* Red Arroyo Storm Water Basin	151,040	-	151,040	-
Total Expenditures	2,398,015	10,781	2,208,796	189,219
Total Water Supply Projects				189,219
Affordable Housing				
Revenues				
* Sale of Fixed Assets - Blackshear Properties	394,351	-	394,351	-
Total Revenues				
Expenditures				
Affordable Housing	3,920,207	-	3,382,446	537,761
* Administrative Contract	120,405	-	120,405	-
* Blackshear Neighborhood Boundary	28,300	-	28,300	-
* Blackshear Properties	404,125	-	404,125	-
* Neighborhood Blitz	550,000	-	550,000	-
* Neighbors Helping Neighbors	53,000	-	53,000	-
* Rebuilding Together - Housing One Stop	23,759	-	23,759	-
* Rebuilding Together - Housing Repair	74,920	-	74,920	-
* Rehabs	114,487	-	114,487	-
* Roofing Grant	200,000	-	200,000	-
Total Expenditures	5,489,203	-	4,951,443	537,761
Total Affordable Housing				537,761
Other Projects				
* Sports Facilities Maintenance	285,353	-	285,353	-
Total Expenditures	285,353	-	285,353	-
Total Ballot Projects Committed, Not Expended				726,980
Voter Approved Projects:				
* Fort Concho Improvements	900,000	-	900,000	-
* Sports & Athletics Facilities	708,744	-	708,744	-
* 29th Street Sports Complex	1,750,000	-	1,750,000	-
Total Expenditures	3,358,744	-	3,358,744	-
Total Voter Approved Projects Committed, Not Expended				-

* Completed

City of San Angelo Development Corporation
Transaction Detail by Account
January 2022

Group #	PO #	Type	Date	Number	Description	Amount
Fund 700 DEVELOPMENT CORPORATION						
700-0000-313.00-00 TAX / SALES AND USE TAX						
2590		AJ	1/31/2022	171	COSADC Sales Tax	256,522.17
700-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
2623		AJ	1/31/2022	192	MM Interest ED	119.52
2623		AJ	1/31/2022	192	Investment Interes	3,165.50
2323		AJ	12/31/2021	142	COSADC Bank Int	86.74
700-0000-363.11-00 RENT / RENT						
2114		AJ	1/15/2022 MR			6,245.25
700-0700-411.03-32 PROFESSIONAL & TECHNICAL / SOFTWARE MAIN						
2610		AJ	1/12/2022	183	Web Domain Renewal	16.99
700-0700-411.03-60 PROFESSIONAL & TECHNICAL / CONTRACT SERV						
2313		AJ	9/30/2021	141	Accrue Expense to	-125.23
700-0700-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
1926		AJ	1/5/2022 UT		UB CHARGE UPDATE	128.68
1898		AJ	1/4/2022 UT		UB CHARGE UPDATE	15
700-0700-411.04-12 PURCHASED SERVICES / NATURAL GAS						
2160	126545	AP	1/5/2022	5574	ATMOS ENERGY	237.16
700-0700-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI						
2160	127029	AP	1/10/2022	5575	BUG EXPRESS, INC	85
2160	126677	AP	1/8/2022	5576	JOWERS COMMERCIAL	800
2053	126231	AP	1/4/2022	5570	RADS WINDOW CLEANI	350
2053	126233	AP	1/1/2022	5569	ENER-TEL SERVICES	100
2250	127132	AP	1/1/2022	5581	SCHINDLER ELEVATOR	3,639.24
2054	126269	AP	12/31/2021	5571	REPUBLIC SERVICES,	34.51
2054	127006	AP	12/29/2021	5568	CONCHO VALLEY ELEC	43.97
1872	126677	AP	12/27/2021	5566	JOWERS COMMERCIAL	800
2162	126269	AP	11/30/2021	5578	REPUBLIC SERVICES,	35
700-0700-411.04-33 PURCHASED SERVICES / VEHICLE MAINTENANCE						
2627		AJ	1/31/2022	196	Mthly Vehicle Main	230.7
700-0700-411.04-42 PURCHASED SERVICES / RENT OF EQUIPMENT						
2534		AJ	1/12/2022	161	Rental of Equipmen	-642.39
2166		AP	12/29/2021	690731	CTWP	121.76
700-0700-411.05-30 PURCHASED SERVICES / COMMUNICATION						
2626		AJ	1/28/2022	195	Suddenlink Jan 22	677.26
2592		AJ	1/1/2022	173	VoIP - Jan 22	305.82
700-0700-411.05-31 PURCHASED SERVICES / CELLULAR PHONE						
2625		AJ	12/22/2021	194	Verizon Chrgs Dec	55.3
700-0700-411.05-40 PURCHASED SERVICES / ADVERTISING						
2443	127172	AP	1/26/2022	5585	SAN ANGELO CHAMBER	10,000.00
2054	127172	AP	12/6/2021	5572	SAN ANGELO CHAMBER	1,500.00
700-0700-411.05-65 PURCHASED SERVICES / SPECIAL PROJECT "A"						
2160	126564	AP	1/10/2022	5577	KIRBO'S OFFICE SYS	149
2053	126230	AP	1/1/2022	5573	WALLACE, RUSSELL E	596
1869		AP	11/15/2021	10000	CITIBANK, N.A	290.24
700-0700-411.05-91 PURCHASED SERVICES / PROF.DUES & SUBSCRI						
1869		AP	11/16/2021	10000	CITIBANK, N.A	-11.88
1869		AP	11/5/2021	10000	CITIBANK, N.A	155.88
700-0700-411.06-10 SUPPLIES / OFFICE SUPPLIES						
1872	126304	AP	12/17/2021	5567	STAPLES ADVANTAGE	92.17
1869		AP	11/10/2021	10000	CITIBANK, N.A	16.98
700-0700-411.06-14 SUPPLIES / POSTAGE & SHIPPING						
2183		AP	1/11/2022	10054	POSTMASTER	23
1869		AP	11/8/2021	10000	CITIBANK, N.A	4
700-0700-411.06-26 SUPPLIES / GASOLINE						
2627		AJ	1/31/2022	196	Mthly Fuel Expense	116.76

City of San Angelo Development Corporation
Transaction Detail by Account
January 2022

Group #	PO #	Type	Date	Number	Description	Amount
700-0700-411.06-30 SUPPLIES / FOOD						
2279	126679	AP	1/20/2022	5579	ANGELO WATER SERVI	35.23
1872	126679	AP	12/23/2021	5565	ANGELO WATER SERVI	32.24
1869		AP	11/17/2021	10000	CITIBANK, N.A	106
1869		AP	11/10/2021	10000	CITIBANK, N.A	26.74
700-0705-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
2046		AJ	1/11/2022	UT	UB CHARGE UPDATE	30.69
2012		AJ	1/10/2022	UT	UB CHARGE UPDATE	30.69
1981		AJ	1/7/2022	UT	UB CHARGE UPDATE	37.37
700-0705-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI						
2279	126950	AP	1/20/2022	5580	PULLIG CONTRACTING	1,600.00
Fund 711 COSADC - BALLOT						
711-0000-313.00-00 TAX / SALES AND USE TAX						
2590		AJ	1/31/2022	171	COSADC Sales Tax	659,628.42
711-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
2623		AJ	1/31/2022	192	MM Interest	340.18
2623		AJ	1/31/2022	192	Investment Interes	9,009.50
2323		AJ	12/31/2021	142	COSADC Bank Int	223.05

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures
Fiscal Year through January 31, 2022

Hickory Water Supply - Fund 516

Debt Payments Through 2031

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**55,328**		**55,328**			
REVENUES:							
Interest		-	-	-	-	596,221	596,221
C.O. Proceeds		-	-	-	-	119,998,750	119,998,750
Total Revenues		-	-	-	-	120,594,971	120,594,971
EXPENDITURES:							
Easements/Property Damage	4150	-	-	-	-	106,865	106,865
Engineering	4157	45,626	-	45,626	-	18,744,693	18,790,319
Well Field Pipelines	4152	-	-	-	-	3,026,918	3,026,918
30 " Transmission Main	4153	-	-	-	-	38,681,022	38,681,022
Well Field Pumps	4154	-	-	-	-	12,831,038	12,831,038
Well Field Pump Station	4155	-	-	-	-	1,617,139	1,617,139
Well Field Expansion	4158	-	-	-	-	7,668,888	7,668,888
Treatment Plant	4156	-	-	-	-	27,132,194	27,132,194
Well Field Expansion #2	4159	-	-	-	-	9,640,252	9,640,252
Issue Costs	9900	-	-	-	-	172,251	172,251
Total Expenditures		45,626	-	45,626	-	119,621,260	119,666,886
Revenue Over/(Under) Expenditures		**(45,626)**	**-**	**(45,626)**			
Ending Fund Balance		**9,702**		**9,702**			

	Revenues
Previous Years Activity	120,594,890
Current Year Budget	-
Less Interest Earned	(596,140)
TOTAL	**119,998,750**

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures
Fiscal Year through January 31, 2022

Hickory Water Supply II - Fund 527

Debt Payments Through 2045

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance*		**10,069**		**10,069**			
REVENUES:							
Interest Income		-	-	-	-	10,069	10,069
C.O. Proceeds		52,311,560	-	-	(52,311,560)	3,763,441	3,763,441
Total Revenues		52,311,560	-	-	(52,311,560)	3,773,510	3,773,510
EXPENDITURES:							
Post Construction	4150	255,500	-	-	(255,500)	-	-
Design & Inspection	4157	3,160,800	-	-	(3,160,800)	-	-
Construction	4159	40,620,412	-	-	(40,620,412)	-	-
Issue Costs	9900	-	-	-	-	1,469,664	1,469,664
Contingencies	9900	8,274,848	-	-	(8,274,848)	-	-
Transfer to Debt Service	1994	-	-	-	-	2,293,777	2,293,777
Total Expenditures		52,311,560	-	-	(52,311,560)	3,763,441	3,763,441
Revenue Over/(Under) Expenditures		**-**	**-**	**-**			
Ending Fund Balance		**10,069**		**10,069**			

*Preliminary

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: February 23, 2022

Item type: Regular Item

Caption:

Consider a resolution authorizing the Investment Policy for the City of San Angelo Development Corporation Fund for 2022 and retroactively approving the Investment Policies for 2020 and 2021 (Presentation made by Tina Dierschke, Director of Finance)

Summary/History:

Per the Investment Policy and the Public Funds Investment Act, the City of San Angelo Development Corporation approves an investment policy annually. The last time the policy was approved was in January 2019. As such, staff is requesting retroactive approval for the 2020 and 2021 policies. These policies were approved by the City Council with the recommendation of the City's Investment Oversight Committee in January 2020 and January 2021, respectively.

The new investment policy is attached with minor changes being made in fiscal year 2021. They include:

Section	Change
Four (1)	Extending years of maturity of Depository Certificates of Deposit from one (1) year to two (2) years.
Four (6)	Added the ability to invest in revenue bonds.
Four (6)	Changing agency ratings from two (2) ratings to one (1) rating.
Four (9)	Extending maximum maturity for Commercial Paper from ninety (90) days to two hundred seventy (270) days.
Four	Increasing maximum percentage of overall portfolio for Municipal and State Obligations from 40% to 50%.
Four	Increasing maximum percentage of overall portfolio for Commercial Paper from 15% to 20%.
Addendum B	Added FHN Financial, Piper Sandler & Co., StoneX Group Inc., Robert W. Baird, UBS, Moreton Capital Markets and removed FTN Financial, Piper Jaffray, and Int'l FC Stone.

Changes in fiscal year 2022 include:

Section	Change
Addendum B	Added Barclays Capital Inc., BNY Capital Markets, CastleOak Securities, Citigroup Global Markets Inc., Fifth Third Securities, Inc., Goldman Sachs & Co., Guggenheim Securities, LLC, Hilltop Securities, ICAP Corporates, LLC, Insperex, Jefferies, Keybanc Capital Markets, Loop Capital Markets, MarketAxess Corporation, Multi-Bank Securities, Nomura Securities, PNC Capital Markets, LLC, Siebert Williams Shank, Sun Trust Robinson Humphrey, Inc and removed Great Pacific Securities and Mutual Securities.

These changes were made to increase yield in a downturned economy. The changes were based on advice from our investment advisors and were recommended by the Investment Oversight Committee.

Financial Impact:

None at this time.

Other Information/Recommendation:

Staff recommends approval of the Investment Policies as presented.

Attachments:

1.	2022 DC Investment Policy	2022 COSADC Investment Policy.pdf
2.	2021 DC Investment Policy	2021 DC Investment Policy.pdf
3.	2020 DC Investment Policy	2020 DC Investment Policy.pdf
4.	COSADC Resolution Development Corporation Investment Funds 2022	COSADC Investment Policy Resolution.docx

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Brandon Dyson	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

INVESTMENT POLICY, STRATEGY AND BROKER/DEALER LIST

2022

It is the policy of the City of San Angelo Development Corporation (the "COSADC") to invest its funds in a manner which will provide the highest reasonable market return within security guidelines while meeting the demands of the COSADC and conforming to all state and local statutes governing the investment of public funds.

This policy satisfies the requirement of the Public Funds Investment Act (the "Act"), Texas Government Code 2256, which requires the creation and annual adoption of a written investment policy.

Section One: Scope

This investment policy applies to all the financial assets of the COSADC.

Section Two: Investment Objectives and Standard of Care

The objectives of the COSADC's investment program shall be, in order of priority, safety, liquidity and yield. Safety of principal shall be the foremost objective of the COSADC's investment program. Investment transactions shall seek to insure that capital losses are avoided, whether they are from securities, defaults or erosion of market value. The portfolio shall be managed with the objective of obtaining a reasonable market yield.

The standard of prudence to be used by investment officers shall be the *prudent person standard* and shall be applied in the context of managing the overall portfolio. Investments shall be made with judgment and care under circumstances then prevailing which a person of prudence, discretion and intelligence would exercise in the management of his/her own affairs with consideration given to the probable safety of capital as well as the probable income to be derived. Investments shall not be made for speculative purposes.

Section Three: Investment Strategy

The COSADC funds shall recognize cash flow needs and adopt a pro-active yet conservative portfolio strategy. The total portfolio will maintain a maximum weighted average maturity of two (2) year which is based on the cash requirements of the COSADC. The long term nature of some projects of the COSADC will allow a maximum maturity of five (5) years.

The COSADC investment portfolio shall be diversified for safety and shall consist of a variety of securities and maturities. In order to meet Policy objective, securities will be of the highest credit quality and marketability. The portfolio's objectives can be attained by utilization of high credit quality securities and a structure based on cash flow needs in the short and intermediate-term.

It is the intent of the COSADC to hold purchased securities to maturity. However, under conditions defined and procedures approved by the Oversight Committee securities may be traded to capture capital gains and allow for reinvestment into the portfolio.

The investment officers, or designated investment advisors, will create a strategy to project the term for such investments and will invest based on market conditions, cash flow, and diversity in the portfolio

Section Four: Authorized Investments

The COSADC fund shall invest only in those instruments authorized by law of the State of Texas (Texas Government Code 2256, Public Funds Investment Act) as further limited by this policy.

(1) Depository certificates of deposit issued by state and national banks doing business in Texas that do not exceed two (2) years to maturity from date of issue;

(2) Obligations of the United States Government, its agencies and instrumentalities excluding mortgage-backed securities, not to exceed five (5) years to their stated maturity date;

(3) Fully collateralized repurchase agreements having a defined termination date not to exceed six (6) months, secured by obligations of the United States or its agencies and instrumentalities, collateralized at 102%, executed under a written repurchase agreement, with securities safe-kept with a third party selected or approved by the COSADC, and placed through a bank doing business in Texas or a primary government securities dealer.

(4) Local government investment pools which strive to maintain a $1 net asset value and as defined by the Act, rated AAA, or its equivalent, as to investment quality by a nationally recognized credit rating agency. Investment in each pool must be specifically authorized by Resolution of the COSADC Board.

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

(6) General obligation and revenue bonds of states, agencies, counties, cities and other political subdivisions of any state rated “A” or better or its equivalent by one nationally recognized rating agency and with a stated maturity not to exceed five (5) years.

(7) FDIC insured brokered certificate of deposit securities from banks in any US state, delivered versus payment to the COSADC’s safekeeping depository, not to exceed one year to maturity. Before purchase, the Investment Officer or advisor must verify the FDIC status of the bank on www.fdic.gov to assure that bank is FDIC insured.

(8) Fully insured interest bearing accounts of any bank doing business in Texas.

(9) A1/P1 domestic commercial paper with a maximum maturity of two-hundred seventy (270) days.

In order to provide diversification in the portfolio which reduces market and credit risk exposures the following diversification parameters are established for the Portfolio. Diversification parameters must be met at the time of purchase although cash flows may change the percentages over time. Effort will be made to maintain the diversification guidelines through cyclical cash flow periods.

Security Type	Max. % in Overall Portfolio
Depository CDs	40 %
Per bank	10 %
US Treasuries	80 %
US Agencies & Instrumentalities	80 %
Repurchase Agreements	50 %
Constant Dollar LGIP	80 %
Ownership of the pool	10 %
Money Market Mutual Funds	75 %
Municipal and State Obligations	50 %
FDIC Brokered CDs	20 %
Commercial paper	20 %

Delivery versus Payment
All security transactions shall be purchased and settled "delivery versus payment". That is, the COSADC shall authorize release of its funds only after a purchased security has been received by its safekeeping agent.

Competitive Bidding Required
All investments shall be purchased or sold on a competitive basis with bids or offers from at least three authorized broker/dealers for the best yield and maturity. Offers of new issue agencies need not be competitively bid but must be made from COSADC authorized broker/dealers.

Loss of Rating
There is no requirement to liquidate investments that were authorized investments at the time of purchase. However, should a security that requires a minimum rating under state law not have that required rating, the investment officer shall take all prudent measures to liquidate the security.

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

Monitoring Credit Ratings
The Investment Officer or investment advisor shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or advisor shall notify the City and the COSADC Director, within three days, of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

Section Five: Collateral and Safekeeping
As a public *corporation* the COSADC is not authorized by FDIC regulations to be pledged collateral for bank deposits. As such, all time and demand deposits shall be kept below the FDIC insurance coverage in any one institution.

Repurchase Agreements Owned Collateral
Collateral under a repurchase agreement is owned by the COSADC. It will be held by an independent third party safekeeping agent approved by the COSADC under an executed master repurchase agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

Safekeeping
The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the COSADC.

Securities shall not be bought from the banking services bank in order to perfect delivery versus payment separation in the transaction.

All safekeeping arrangements shall be approved by the City and COSADC Board and an agreement of the terms executed in writing. The third party safekeeping institution shall issue original safekeeping receipts to the COSADC listing each specific security, rate, description, maturity, cusip, ownership, and other pertinent information.

Section Six: Investment Officer Designation
The COSADC Board hereby designates the City authorized investment officers and investment adviser as investment officers for COSADC and grants to them the authority to invest COSADC funds as outlined herein on a non-discretionary basis.

No person may engage in an investment transaction except as provided under the terms of this Policy. Any disbursement of COSADC funds for the purchase of investment instruments must bear the signature of an investment officer.

The investment officers will establish and submit written procedures for the operation of the COSADC investment program consistent with this Investment Policy.

Officers, employees and advisors involved in the investment process shall refrain from personal business activity that could conflict with proper and unbiased execution of the investment program or which could impair their ability to make impartial investment decisions. Any business or personal relationship shall be disclosed to the COSADC Board. If the relationship falls within the second degree of blood or marriage disclosure should also be sent to the Texas Ethics Commission.

Section Seven: Training

All officials designated as investment officers shall attend ten hours of training within twelve months of taking the position and eight hours in each succeeding two year fiscal period (beginning on the first day of the fiscal year) relating to investment responsibilities. The training must include investment controls, security risks, strategy risks, market risks, portfolio diversification and compliance with the Act.

The training provider shall be an independent source approved by the City Investment Committee.

Section Eight: Investment Activity Reporting

Reporting for investments will be made in accordance with the state law. Reports of investments are to be prepared and presented at least quarterly to the COSADC Board. Market values shall be obtained at least monthly from an independent source.

On a quarterly basis the investment officer, or investment adviser, shall prepare a series of detail and management level reports signed by the investment officers in accordance with the Act, disclosing at a minimum:

1) The investment activity for the previous quarter;
2) The book and market value of investments at the beginning and end of the quarter;
3) Assessments of the market value of each investment and change in market value;
4) Fully accrued interest and earnings for the period in accordance with GAAP;
5) The change in market value, and
6) Compliance with the Public Funds Investment Act and this Policy.

Section Nine: Audit

The COSADC independent auditor shall formally review the quarterly investment reports prepared in accordance with this Policy and applicable state statutes. The review shall be conducted annually and the results of the review shall be reported to the COSADC Board. In addition, in conjunction with the annual audit the COSADC shall perform a compliance audit of management controls on investments and adherence to this Policy. Results of this audit will be reported to the Board.

Section Ten: Authorized Financial Institutions and Broker/Dealers

The Investment Officer will maintain a list of financial institutions and broker/dealers authorized to do business with the COSADC. These firms will be selected according to credit worthiness and

service. Brokers may include "primary dealers" or regional dealers that qualify under the SEC's Rule 15C3-1 (uniform net capital rule). All broker/dealers must provide the Investment Officer with:

Proof of Financial Industry Regulatory Authority (FINRA) registration,
Proof of registration with the Texas State Securities Commission, and
Completed COSADC questionnaire.

In accordance with the Public Funds Investment Act, a copy of the COSADC's Investment Policy shall be presented to any pool with which COSADC has become a participant. The pool must execute a written certificate in a form acceptable to the COSADC that they have (1) reviewed the Investment Policy and (2) acknowledged that they have implemented reasonable procedures and controls to preclude investment transactions conducted between the COSADC and the firm which are not authorized by the Policy.

The City Investment Committee will at least annually review, revise and adopt a list of authorized brokers authorized to engage in investment transactions.

Section Eleven: Policy Adoption and Revisions

The COSADC Board will review the Investment Policy not less than annually and adopt a resolution stating that the Policy and incorporated strategies have been reviewed and including all changes to the Policy. This Policy may be amended only by action of the COSADC Board.

The COSADC Board and City Investment Oversight Committee are authorized to recommend revisions to the Policy to the COSADC Board whenever such revisions are necessary and prudent due to changes in State Law, the needs of the COSADC, or the economy and market opportunities. All changes to the Policy must be reviewed and adopted by the COSADC Board before any changes are made in the investment process.

ADOPTED on this the _____ day of _____, 2022

ADDENDUM A

Authorized Broker/Dealer List

The authorized broker/dealer list for City of San Angelo Development Corporation is shown below. Each of these firms, and the individual covering the account, are sent the current COSADC Investment Policy.

The Policy establishes specific criteria for the brokers and requires that the list of broker/dealers be approved annually by the Board. Patterson & Associates maintains the brokerage compliance files for the COSADC.

When any material changes are made to the Investment Policy the new Policy is sent out to all broker/dealers.

The broker/dealers for the City of San Angelo Development Corporation are:

Bank of America/Merrill Lynch
Barclays Capital Inc.
BNY Capital Markets
BOK Financial
Cantor Fitzgerald & Co.
CastleOak Securities
Citigroup Global Markets Inc.
FHN Financial
Fifth Third Securities, Inc.
Goldman Sachs & Co.
Guggenheim Securities, LLC
Hilltop Securities
ICAP Corporates, LLC
Insperex
Jefferies
JPMorgan Stanley
Keybanc Capital Markets
Loop Capital Markets
MarketAxess Corporation
Mizuho Securities
Moreton Capital Markets
Morgan Stanley
Multi-Bank Securities
Nomura Securities
Oppenheimer
Piper Sandler & Co.
PNC Capital Markets, LLC
Raymond James
RBC Capital Markets
Robert W. Baird
Siebert Williams Shank
Stifel Nicolaus
Stone X Group, Inc.
Sun Trust Robinson Humphrey, Inc
UBS Financial
Wells Fargo

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

INVESTMENT POLICY, STRATEGY AND BROKER/DEALER LIST

2021

It is the policy of the City of San Angelo Development Corporation (the "COSADC") to invest its funds in a manner which will provide the highest reasonable market return within security guidelines while meeting the demands of the COSADC and conforming to all state and local statutes governing the investment of public funds.

This policy satisfies the requirement of the Public Funds Investment Act (the "Act"), Texas Government Code 2256, which requires the creation and annual adoption of a written investment policy.

Section One: Scope

This investment policy applies to all the financial assets of the COSADC.

Section Two: Investment Objectives and Standard of Care

The objectives of the COSADC's investment program shall be, in order of priority, safety, liquidity and yield. Safety of principal shall be the foremost objective of the COSADC's investment program. Investment transactions shall seek to insure that capital losses are avoided, whether they are from securities, defaults or erosion of market value. The portfolio shall be managed with the objective of obtaining a reasonable market yield.

The standard of prudence to be used by investment officers shall be the *prudent person standard* and shall be applied in the context of managing the overall portfolio. Investments shall be made with judgment and care under circumstances then prevailing which a person of prudence, discretion and intelligence would exercise in the management of his/her own affairs with consideration given to the probable safety of capital as well as the probable income to be derived. Investments shall not be made for speculative purposes.

Section Three: Investment Strategy

The COSADC of San Angelo funds shall recognize cash flow needs and adopt a pro-active yet conservative portfolio strategy. The total portfolio will maintain a maximum weighted average maturity of two (2) year which is based on the cash requirements of the COSADC. The long term nature of some projects of the COSADC will allow a maximum maturity of five (5) years.

The COSADC of San Angelo's investment portfolio shall be diversified for safety and shall consist of a variety of securities and maturities. In order to meet Policy objective, securities will be of the highest credit quality and marketability. The portfolio's objectives can be attained by utilization of high credit quality securities and a structure based on cash flow needs in the short and intermediate-term.

It is the intent of the COSADC to hold purchased securities to maturity. However, under conditions defined and procedures approved by the Oversight Committee securities may be traded to capture capital gains and allow for reinvestment into the portfolio.

The investment officers, or designated investment advisors, will create a strategy to project the term for such investments and will invest based on market conditions, cash flow, and diversity in the portfolio

Section Four: Authorized Investments

The COSADC shall invest only in those instruments authorized by law of the State of Texas (Texas Government Code 2256, Public Funds Investment Act) as further limited by this policy.

(1) Depository certificates of deposit issued by state and national banks doing business in Texas that do not exceed two (2) years to maturity from date of issue;

(2) Obligations of the United States Government, its agencies and instrumentalities excluding mortgage-backed securities, not to exceed five (5) years to their stated maturity date;

(3) Fully collateralized repurchase agreements having a defined termination date not to exceed six (6) months, secured by obligations of the United States or its agencies and instrumentalities, collateralized at 102%, executed under a written repurchase agreement, with securities safe-kept with a third party selected or approved by the COSADC, and placed through a bank doing business in Texas or a primary government securities dealer.

(4) Local government investment pools which strive to maintain a $1 net asset value and as defined by the Act, rated AAA, or its equivalent, as to investment quality by a nationally recognized credit rating agency. Investment in each pool must be specifically authorized by Resolution of the COSADC Board.

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

(6) General obligation bonds of states, agencies, counties, cities and other political subdivisions of any state rated A or better or its equivalent by a nationally recognized rating agency and with a stated maturity not to exceed five (5) years.

(7) FDIC insured brokered certificate of deposit securities from banks in any US state, delivered versus payment to the COSADC's safekeeping depository, not to exceed one year to maturity. Before purchase, the Investment Officer or advisor must verify the FDIC status of the bank on www.fdic.gov to assure that bank is FDIC insured.

(8) Fully insured interest bearing accounts of any bank doing business in Texas.

(9) A1/P1 domestic commercial paper with a maximum maturity of two-hundred seventy (270) days.

In order to provide diversification in the portfolio which reduces market and credit risk exposures the following diversification parameters are established for the Portfolio. Diversification parameters must be met at the time of purchase although cash flows may change the percentages over time. Effort will be made to maintain the diversification guidelines through cyclical cash flow periods.

Security Type	Max. % in Overall Portfolio
Depository CDs	40 %
Per bank	10 %
US Treasuries	80 %
US Agencies & Instrumentalities	80 %
Repurchase Agreements	50 %
Constant Dollar LGIP	80 %
Ownership of the pool	10 %
Money Market Mutual Funds	75 %
Municipal and State Obligations	50 %
FDIC Brokered CDs	20 %
Commercial paper	20 %

Delivery versus Payment
All security transactions shall be purchased and settled "delivery versus payment". That is, the COSADC shall authorize release of its funds only after a purchased security has been received by its safekeeping agent.

Competitive Bidding Required
All investments shall be purchased or sold on a competitive basis with bids or offers from at least three authorized broker/dealers for the best yield and maturity. Offers of new issue agencies need not be competitively bid but must be made from COSADC authorized broker/dealers.

Loss of Rating
There is no requirement to liquidate investments that were authorized investments at the time of purchase. However, should a security that requires a minimum rating under state law not have that required rating, the investment officer shall take all prudent measures to liquidate the security.

Monitoring FDIC Coverage
The Investment Officer or Investment Advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the COSADC based upon information from the FDIC. If any bank has been acquired or merged with another bank in

which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the COSADC above the FDIC insurance level.

Monitoring Credit Ratings

The Investment Officer or investment advisor shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer or advisor shall notify the City and the COSADC Director, within three days, of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available.

Section Five: Collateral and Safekeeping

As a public *corporation* the COSADC is not authorized by FDIC regulations to be pledged collateral for bank deposits. As such all time and demand deposits shall be kept below the FDIC insurance coverage in any one institution.

Repurchase Agreements Owned Collateral

Collateral under a repurchase agreement is owned by the COSADC. It will be held by an independent third party safekeeping agent approved by the COSADC under an executed master repurchase agreement. Collateral with a market value totaling 102% of the principal and accrued interest is required and the counter-party is responsible for the monitoring and maintaining of collateral and margins at all times.

Safekeeping

The laws of the State, this Policy, and prudent treasury management require that all securities be settled on a delivery versus payment basis and be held in safekeeping by an independent third party financial institution approved by the COSADC.

Securities shall not be bought from the banking services bank in order to perfect delivery versus payment separation in the transaction.

All safekeeping arrangements shall be approved by the City and COSADC Board and an agreement of the terms executed in writing. The third party safekeeping institution shall issue original safekeeping receipts to the COSADC listing each specific security, rate, description, maturity, cusip, ownership, and other pertinent information.

Section Six: Investment Officer Designation

The COSADC Board hereby designates the City authorized investment officers and investment adviser as investment officers for COSADC and grants to them the authority to invest COSADC funds as outlined herein on a non-discretionary basis.

No person may engage in an investment transaction except as provided under the terms of this

Policy. Any disbursement of COSADC funds for the purchase of investment instruments must bear the signature of an investment officer.

The investment officers will establish and submit written procedures for the operation of the COSADC investment program consistent with this Investment Policy.

Officers, employees and advisors involved in the investment process shall refrain from personal business activity that could conflict with proper and unbiased execution of the investment program or which could impair their ability to make impartial investment decisions. Any business or personal relationship shall be disclosed to the COSADC Board. If the relationship falls within the second degree of blood or marriage disclosure should also be sent to the Texas Ethics Commission.

Section Seven: Training

All officials designated as investment officers shall attend ten hours of training within twelve months of taking the position and eight hours in each succeeding two year fiscal period (beginning on the first day of the fiscal year) relating to investment responsibilities. The training must include investment controls, security risks, strategy risks, market risks, portfolio diversification and compliance with the Act.

The training provider shall be an independent source approved by the City Investment Committee.

Section Eight: Investment Activity Reporting

Reporting for investments will be made in accordance with the state law. Reports of investments are to be prepared and presented at least quarterly to the COSADC Board. Market values shall be obtained at least monthly from an independent source.

On a quarterly basis the investment officer, or investment adviser, shall prepare a series of detail and management level reports signed by the investment officers in accordance with the Act, disclosing at a minimum:

1) The investment activity for the previous quarter;
2) The book and market value of investments at the beginning and end of the quarter;
3) Assessments of the market value of each investment and change in market value;
4) Fully accrued interest and earnings for the period in accordance with GAAP;
5) The change in market value, and
6) Compliance with the Public Funds Investment Act and this Policy.

Section Nine: Audit

The COSADC independent auditor shall formally review the quarterly investment reports prepared in accordance with this Policy and applicable state statutes. The review shall be

conducted annually and the results of the review shall be reported to the COSADC Board. In addition, in conjunction with the annual audit the COSADC shall perform a compliance audit of management controls on investments and adherence to this Policy. Results of this audit will be reported to the Board.

Section Ten: Authorized Financial Institutions and Broker/Dealers

The Investment Officer will maintain a list of financial institutions and broker/dealers authorized to do business with the COSADC. These firms will be selected according to credit worthiness and service. Brokers may include "primary dealers" or regional dealers that qualify under the SEC's Rule 15C3-1 (uniform net capital rule). All broker/dealers must provide the Investment Officer with:

Proof of Financial Industry Regulatory Authority (FINRA) registration,
Proof of registration with the Texas State Securities Commission, and
Completed COSADC questionnaire.

In accordance with the Public Funds Investment Act, a copy of the COSADC's Investment Policy shall be presented to any pool with which COSADC has become a participant. The pool must execute a written certificate in a form acceptable to the COSADC that they have (1) reviewed the Investment Policy and (2) acknowledged that they have implemented reasonable procedures and controls to preclude investment transactions conducted between the COSADC and the firm which are not authorized by the Policy.

The City Investment Committee will at least annually review, revise and adopt a list of authorized brokers authorized to engage in investment transactions.

Section Eleven: Policy Adoption and Revisions

The COSADC Board will review the Investment Policy not less than annually and adopt a resolution stating that the Policy and incorporated strategies have been reviewed and including all changes to the Policy. This Policy may be amended only by action of the COSADC Board.

The COSADC Board and City Investment Oversight Committee are authorized to recommend revisions to the Policy to the COSADC Board whenever such revisions are necessary and prudent due to changes in State Law, the needs of the COSADC, or the economy and market opportunities. All changes to the Policy must be reviewed and adopted by the COSADC Board before any changes are made in the investment process.

ADOPTED on this the _____ day of _____, 2021

Exhibit A
City of San Angelo Development Corporation
Authorized Broker/Dealer List

2021

The authorized broker/dealer list for City of San Angelo Development Corporations is shown below. Each of these firms, and the individual covering the account, are sent the current COSADC Investment Policy.

The Policy establishes specific criteria for the brokers and requires that the list of broker/dealers be approved annually by the Board. Patterson & Associates maintains the brokerage compliance files for the COSADC.

When any material changes are made to the Investment Policy the new Policy is sent out to all broker/ dealers.

Bank of America/Merrill Lynch
BOK Financial
Cantor Fitzgerald
FHN Financial
Incapital
Morgan Stanley
Mutual Securities
Great Pacific Securities
StoneX Group, Inc.
Mizuho Securities
Oppenheimer
Piper Sadler & Co.
Raymond James
RBC Capital Markets
Stifel Nicolaus
Wells Fargo Securities
Robert W. Baird
UBS
Moreton Capital Markets

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

INVESTMENT POLICY, STRATEGY AND BROKER/DEALER LIST

2020

It is the policy of the City of San Angelo Development Corporation (the "COSADC") to invest its funds in a manner which will provide the highest reasonable market return within security guidelines while meeting the demands of the COSADC and conforming to all state and local statutes governing the investment of public funds.

This policy satisfies the requirement of the Public Funds Investment Act (the "Act"), Texas Government Code 2256, which requires the creation and annual adoption of a written investment policy.

Section One: Scope

This investment policy applies to all the financial assets of the COSADC.

Section Two: Investment Objectives and Standard of Care

The objectives of the COSADC's investment program shall be, in order of priority, safety, liquidity and yield. Safety of principal shall be the foremost objective of the COSADC's investment program. Investment transactions shall seek to insure that capital losses are avoided, whether they are from securities, defaults or erosion of market value. The portfolio shall be managed with the objective of obtaining a reasonable market yield.

The standard of prudence to be used by investment officers shall be the *prudent person standard* and shall be applied in the context of managing the overall portfolio. Investments shall be made with judgment and care under circumstances then prevailing which a person of prudence, discretion and intelligence would exercise in the management of his/her own affairs with consideration given to the probable safety of capital as well as the probable income to be derived. Investments shall not be made for speculative purposes.

Section Three: Investment Strategy

The COSADC of San Angelo funds shall recognize cash flow needs and adopt a pro-active yet conservative portfolio strategy. The total portfolio will maintain a maximum weighted average maturity of two (2) year which is based on the cash requirements of the COSADC. The long term nature of some projects of the COSADC will allow a maximum maturity of five (5) years.

The COSADC of San Angelo's investment portfolio shall be diversified for safety and shall consist of a variety of securities and maturities. In order to meet Policy objective, securities will be of the highest credit quality and marketability. The portfolio's objectives can be attained by utilization of high credit quality securities and a structure based on cash flow needs in the short and intermediate-term.

It is the intent of the COSADC to hold purchased securities to maturity. However, under conditions defined and procedures approved by the Oversight Committee securities may be traded to capture capital gains and allow for reinvestment into the portfolio.

The investment officers, or designated investment advisors, will create a strategy to project the term for such investments and will invest based on market conditions, cash flow, and diversity in the portfolio

Section Four: Authorized Investments

The COSADC shall invest only in those instruments authorized by law of the State of Texas (Texas Government Code 2256, Public Funds Investment Act) as further limited by this policy.

(1) Depository certificates of deposit issued by state and national banks doing business in Texas that do not exceed two (2) years to maturity from date of issue;

(2) Obligations of the United States Government, its agencies and instrumentalities excluding mortgage-backed securities, not to exceed five (5) years to their stated maturity date;

(3) Fully collateralized repurchase agreements having a defined termination date not to exceed six (6) months, secured by obligations of the United States or its agencies and instrumentalities, collateralized at 102%, executed under a written repurchase agreement, with securities safe-kept with a third party selected or approved by the COSADC, and placed through a bank doing business in Texas or a primary government securities dealer.

(4) Local government investment pools which strive to maintain a $1 net asset value and as defined by the Act, rated AAA, or its equivalent, as to investment quality by a nationally recognized credit rating agency. Investment in each pool must be specifically authorized by Resolution of the COSADC Board.

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

(6) General obligation bonds of states, agencies, counties, cities and other political subdivisions of any state rated A or better or its equivalent by a nationally recognized rating agency and with a stated maturity not to exceed five (5) years.

(7) FDIC insured brokered certificate of deposit securities from banks in any US state, delivered versus payment to the COSADC's safekeeping depository, not to exceed one year to maturity. Before purchase, the Investment Officer or advisor must verify the FDIC status of the bank on www.fdic.gov to assure that bank is FDIC insured.

(8) Fully insured interest bearing accounts of any bank doing business in Texas.

(9) A1/P1 domestic commercial paper with a maximum maturity of two-hundred seventy (270) days.

In order to provide diversification in the portfolio which reduces market and credit risk exposures the following diversification parameters are established for the Portfolio. Diversification parameters must be met at the time of purchase although cash flows may change the percentages over time. Effort will be made to maintain the diversification guidelines through cyclical cash flow periods.

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The Investment Officer or Investment Advisor shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the COSADC based upon information from the FDIC. If any bank has been acquired or merged with another bank in

which brokered CDs are owned, the Investment Officer or Advisor shall immediately liquidate any brokered CD which places the COSADC above the FDIC insurance level.

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All safekeeping arrangements shall be approved by the City and COSADC Board and an agreement of the terms executed in writing. The third party safekeeping institution shall issue original safekeeping receipts to the COSADC listing each specific security, rate, description, maturity, cusip, ownership, and other pertinent information.

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Policy. Any disbursement of COSADC funds for the purchase of investment instruments must bear the signature of an investment officer.

The investment officers will establish and submit written procedures for the operation of the COSADC investment program consistent with this Investment Policy.

Officers, employees and advisors involved in the investment process shall refrain from personal business activity that could conflict with proper and unbiased execution of the investment program or which could impair their ability to make impartial investment decisions. Any business or personal relationship shall be disclosed to the COSADC Board. If the relationship falls within the second degree of blood or marriage disclosure should also be sent to the Texas Ethics Commission.

Section Seven: Training

All officials designated as investment officers shall attend ten hours of training within twelve months of taking the position and eight hours in each succeeding two year fiscal period (beginning on the first day of the fiscal year) relating to investment responsibilities. The training must include investment controls, security risks, strategy risks, market risks, portfolio diversification and compliance with the Act.

The training provider shall be an independent source approved by the City Investment Committee.

Section Eight: Investment Activity Reporting

Reporting for investments will be made in accordance with the state law. Reports of investments are to be prepared and presented at least quarterly to the COSADC Board. Market values shall be obtained at least monthly from an independent source.

On a quarterly basis the investment officer, or investment adviser, shall prepare a series of detail and management level reports signed by the investment officers in accordance with the Act, disclosing at a minimum:

1) The investment activity for the previous quarter;
2) The book and market value of investments at the beginning and end of the quarter;
3) Assessments of the market value of each investment and change in market value;
4) Fully accrued interest and earnings for the period in accordance with GAAP;
5) The change in market value, and
6) Compliance with the Public Funds Investment Act and this Policy.

Section Nine: Audit

The COSADC independent auditor shall formally review the quarterly investment reports prepared in accordance with this Policy and applicable state statutes. The review shall be

conducted annually and the results of the review shall be reported to the COSADC Board. In addition, in conjunction with the annual audit the COSADC shall perform a compliance audit of management controls on investments and adherence to this Policy. Results of this audit will be reported to the Board.

Section Ten: Authorized Financial Institutions and Broker/Dealers

The Investment Officer will maintain a list of financial institutions and broker/dealers authorized to do business with the COSADC. These firms will be selected according to credit worthiness and service. Brokers may include "primary dealers" or regional dealers that qualify under the SEC's Rule 15C3-1 (uniform net capital rule). All broker/dealers must provide the Investment Officer with:

Proof of Financial Industry Regulatory Authority (FINRA) registration,
Proof of registration with the Texas State Securities Commission, and
Completed COSADC questionnaire.

In accordance with the Public Funds Investment Act, a copy of the COSADC's Investment Policy shall be presented to any pool with which COSADC has become a participant. The pool must execute a written certificate in a form acceptable to the COSADC that they have (1) reviewed the Investment Policy and (2) acknowledged that they have implemented reasonable procedures and controls to preclude investment transactions conducted between the COSADC and the firm which are not authorized by the Policy.

The City Investment Committee will at least annually review, revise and adopt a list of authorized brokers authorized to engage in investment transactions.

Section Eleven: Policy Adoption and Revisions

The COSADC Board will review the Investment Policy not less than annually and adopt a resolution stating that the Policy and incorporated strategies have been reviewed and including all changes to the Policy. This Policy may be amended only by action of the COSADC Board.

The COSADC Board and City Investment Oversight Committee are authorized to recommend revisions to the Policy to the COSADC Board whenever such revisions are necessary and prudent due to changes in State Law, the needs of the COSADC, or the economy and market opportunities. All changes to the Policy must be reviewed and adopted by the COSADC Board before any changes are made in the investment process.

ADOPTED on this the _____ day of _____, 2020

Exhibit A
City of San Angelo Development Corporation
Authorized Broker/Dealer List

2020

The authorized broker/dealer list for City of San Angelo Development Corporations is shown below. Each of these firms, and the individual covering the account, are sent the current COSADC Investment Policy.

The Policy establishes specific criteria for the brokers and requires that the list of broker/dealers be approved annually by the Board. Patterson & Associates maintains the brokerage compliance files for the COSADC.

When any material changes are made to the Investment Policy the new Policy is sent out to all broker/ dealers.

Bank of America/Merrill Lynch
BOK Financial
Cantor Fitzgerald
FHN Financial
Incapital
Morgan Stanley
Mutual Securities
Great Pacific Securities
StoneX Group, Inc.
Mizuho Securities
Oppenheimer
Piper Sadler & Co.
Raymond James
RBC Capital Markets
Stifel Nicolaus
Wells Fargo Securities
Robert W. Baird
UBS
Moreton Capital Markets

RESOLUTION # _____

A RESOLUTION ADOPTING THE DEVELOPMENT CORPORATION INVESTMENT POLICY, INVESTMENT STRATEGY AND AUTHORIZED BROKER/DEALERS

WHEREAS, the Public Funds Investment Act, Texas Government Code, Chapter 2256 (hereafter the "Act"), governs local government investment; and

WHEREAS, Section 2256.005(a) of the Act requires the Development Corporation Board to adopt an investment policy and investment strategy (collectively the "Policy") by rule, order, ordinance or resolution governing the investment of funds under its control; and

WHEREAS, Section 2256.005(e), requires the Board to review and adopt the Policy by rule, order, ordinance or resolution not less than annually, recording any changes made thereto; and

WHEREAS, Section 2256.025 requires that the Board annually review, revise and adopt a list of qualified broker/dealers authorized to engage in investment transactions with the Corporation; and

WHEREAS, the Board inadvertently failed to timely adopt the Policy for years 2020 and 2021, but the Policy was timely reviewed and adopted by the San Angelo City Council for both 2020 and 2021; and

WHEREAS, no changes from the 2019 Policy were made in the 2020 Policy; and

WHEREAS, the Board has now reviewed the 2020 and 2021 Policies and desires to ratify those Policies as previously reviewed and approved by City Council; and

WHEREAS, with respect to the 2021 Policy the Board desires to ratify the following changes and likewise desires that such changes carry over to the 2022 Policy:

Section	**Change**
Four (1)	Extending years of maturity of Depository Certificates of Deposit from one (1) year to two (2) years.
Four (6)	Added the ability to invest in revenue bonds.
Four (6)	Changing agency ratings from two (2) ratings to one (1) rating.
Four (9)	Extending maximum maturity for Commercial Paper from ninety (90) days to two hundred seventy (270) days.
Four	Increasing maximum percentage of overall portfolio for Municipal and State Obligations from 40% to 50%.
Four	Increasing maximum percentage of overall portfolio for Commercial Paper from 15% to 20%.
Addendum B	Added FHN Financial, Piper Sandler & Co., StoneX Group Inc., Robert W. Baird, UBS, Moreton Capital Markets and removed FTN Financial, Piper

Jaffray, and Int'l FC Stone.

WHEREAS, the Board has reviewed the 2022 Policy and desires to make the following changes:

Section	**Change**
Addendum B	Added Barclays Capital Inc., BNY Capital Markets, CastleOak Securities, Citigroup Global Markets Inc., Fifth Third Securities, Inc., Goldman Sachs & Co., Guggenheim Securities, LLC, Hilltop Securities, ICAP Corporates, LLC, Insperex, Jefferies, Keybanc Capital Markets, Loop Capital Markets, MarketAxess Corporation, Multi-Bank Securities, Nomura Securities, PNC Capital Markets, LLC, Siebert Williams Shank, Sun Trust Robinson Humphrey, Inc and removed Great Pacific Securities and Mutual Securities.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION:

That all of the above stated recitals are found to be true and correct and are incorporated herein and made a part of this resolution; that the Policy for years 2020 and 2021 has been reviewed by the Board and is hereby ratified and adopted with changes indicated in the recitals to this resolution to be effective as of the date of City Council approval; and that the Policy for 2022 has likewise been reviewed by the Board and is hereby adopted with the changes indicated in the recitals to this resolution effective as of the date of this resolution.

ADOPTED this the 23rd day of February, 2022.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION:

_____
Max Puello, Board President

ATTEST:

_____
Nora Nevarez, Economic Development Assistant

APPROVED AS TO CONTENT:

_____
Tina Dierschke, Finance Director

APPROVED AS TO FORM:

_____
Brandon Dyson, Deputy City Attorney

Report to Board

CITY OF SAN ANGELO TEXAS
Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: February 23, 2022

Item type: Regular Item

Caption:

Public Hearing regarding a project under Chapters 501 and 505 of the Texas Local Government Code to utilize Sales and Use Tax funds in an amount not to exceed $188,000 to fund site improvements, including brush and trash removal, to San Angelo Business and Industrial Park Phase 2 . (Presentation made by Robert Schneeman, Economic Development Project Manager)

Summary/History:

On November 9th, 2021 Request for Proposals (RFP) ED-02-22 was made public. The RFP was requesting proposals from qualified companies for clearing, grubbing, and trash removal from Phase 2 of the San Angelo Business & Industrial Park. The project also includes installation and maintenance of Storm Water Pollution Prevention Plan prepared by Parkhill Engineers.

The RFP process was selected by staff in lieu of the Request for Bid (RFB) process to allow companies to submit suggested methods in addition to pricing and other pertinent information. A total of 5 submittals were received. A review committee comprised of 3 COSADC staff members reviewed all the proposals, evaluating the proposed methodology, experience, qualifications, completeness of response and pricing.

The committee, after reviewing all proposals is recommending the selection of MWC Interests, Inc. at a total proposed cost of $178,408.08. The proposed costs includes a base bid of $112,548.08, Alternate No. 1 of $13,860.00 and an proposed Second root Plowing and Re-leveling at a cost of $52,000. Staff is also recommending a 5% contingency fund to cover unforeseen circumstances of $8,920,40 for a total of $187,328.48. Staff is requesting a total approved project budget of $188,000
The COSADC Board approved this item at its meeting on January 26, 2022.

Financial Impact:

No fiscal impact; Public Hearing only

Other Information/Recommendation:

Attachments:

1. Site Clearing Exhibit — Site Clearing Exhibit.pdf

Presentation:

Robert Schneeman

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Brandon Dyson	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

A1 Location Map
SCALE: 1" = 200'

LEGEND
- PROPERTY LINE
- CLEARING AREA

Parkhill

Kellie D. Ward
PARKHILL SMITH & COOPER, INC. F-560
STATE OF TEXAS
KELLIE D. WARD
135784
LICENSED PROFESSIONAL ENGINEER
10/01/2021

Parkhill.com

Site Clearing and SW3P

0 200' 400'

CLIENT
San Angelo Development Corporation

PROJECT NO.
8060.20

#	DATE	DESCRIPTION
-	10/01/2021	Issue for Construction

Project Location Map

C-101

FILE NAME: A:\2021\8060.21\03_DSGN\01_DWG\050_CIVIL\00_SHEETS\C-101-8060.dwg LAYOUT NAME: C-101 PRINTED: Monday, October 04, 2021 - 7:31am USER: KWard

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nolan Sosa, Economic Development, COSADC, 325-657-4219

Meeting Date: February 23, 2022

Item type: Regular Item

Caption:

Public Hearing regarding the use of sales and use tax in an amount not to exceed $32,500 to provide an Economic Development Incentive to 4540 Construction, LLC for a project authorized for a Type B Corporation under Local Government Code Chapter 505 Subchapter D (Presentation by Nolan Sosa, Economic Development Administrator)

Summary/History:

4540 Construction, LLC ("Company") currently provides metal fabrication and construction services. The Company seeks to expand their product offerings by fabricating culinary equipment (e.g., smokers, barrel cookers, etc.) for wholesale distribution. They are located at 4500 Adobe Dr., San Angelo, Texas and plan on expanding their operations with a minimum capital investment of $120,000. They anticipate adding up to 8 full-time equivalent employees at an average salary of $35,000. Additionally, they're considering an expenditure of at least $250,000 to purchase or construct real property within the City limits to expand their operations.

The City of San Angelo Development Corporation Board of Directors approved a resolution in the amount of $32,500 to provide economic development incentives to 4540 Construction, LLC during their January 26, 2022 Regular Meeting. The San Angelo City Council ratified the Development Corporation's resolution during their February 15, 2022 Regular Meeting.

Financial Impact:

The $32,500 for this project would be drawn from Future Projects (700-0700-800.07-50).

Other Information/Recommendation:

Attachments:

1. 4540 Construction - Draft Resolution — 4540 Construction - Draft Resolution.pdf

Presentation:

Nolan Sosa

Approvals/Reviews:

Nolan Sosa	Created/Initiated
Tina Dierschke	Approved
Brandon Dyson	Approved

Guy Andrews	Final Approval

A RESOLUTION OF THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING THE USE OF SALES AND USE TAX FUNDS IN AN AMOUNT NOT TO EXCEED $32,500, TO PROVIDE AN ECONOMIC DEVELOPMENT INCENTIVE TO 4540 CONSTRUCTION, LLC, FOR A PROJECT RELATED TO BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS, AS AUTHORIZED FOR A TYPE B CORPORATION UNDER LOCAL GOVERNMENT CODE CHAPTER 505 SUBCHAPTER D.

WHEREAS, the voters of the City of San Angelo on November 2, 2010, approved the use of sales and use tax proceeds for the continued economic development projects authorized under Section 4B of the Act, including but not limited to, the development, promotion, creation, retention, or expansion of business enterprises that create or retain primary jobs, including suitable infrastructure, and,

WHEREAS, 4540 Construction, LLC (hereinafter 4540 Construction) intends to retain existing full time primary jobs and anticipates creating up to eight (8) new Full Time Equivalent Primary Jobs (FTE's); and,

WHEREAS, 4540 Construction would like to invest a minimum of $120,000, in the purchase of equipment to expand their business offerings in San Angelo, Texas; and,

WHEREAS, 4540 Construction requests the option to invest a minimum of $250,000, in the purchase of real property within the City limits to expand their presence in San Angelo, Texas; and,

WHEREAS, 4540 Construction has applied with COSADC under the Business Retention and Expansion Program (BREP) for incentivization of its business expansion plans and the Board has determined that the Project will promote or develop an expanded business enterprise that creates or retains primary jobs; and,

WHEREAS, at least sixty (60) days prior to undertaking a project, a public notice of the specific project shall be published and at least one public hearing shall be held by the Development Corporation prior to expending funds on the Project in compliance with the requirements of the Development Corporation Act, Sections 505.159 and 505.160 of the Local Government Code and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION THAT:

The City of San Angelo Development Corporation offers this Resolution authorizing the use of sales and use tax funds as an economic development incentive to 4540 CONSTRUCTION, LLC, in an amount not to exceed $32,500; authorizing the Director of Economic Development to prepare an economic development performance agreement with 4540 CONSTRUCTION, LLC, in compliance with the Development Corporation Act and as approved by the City Attorney's Office; authorizing the COSADC Board President to execute said agreement and related documents; and recommending to City Council ratification of the incentive and approval of the economic development performance agreement.

***** SIGNATURES ON THE FOLLOWING PAGE *****

DRAFT

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

ATTEST: By: _____
Max Puello, Board President

_____
Nora Nevarez, Corporate Secretary

RATIFIED by City Council this day of , 2022.

_____
Brenda Gunter, Mayor

ATTEST:

_____
Julia Antilley, City Clerk

APPROVED FOR CONTENT

_____
Guy D. Andrews, Economic Development Director

APPROVED AS TO FORM - COSADC

_____
Brandon Dyson, Deputy City Attorney

DRAFT