



**NOTICE OF MEETING
GOVERNING BODY OF MARBLE FALLS, TEXAS
Tuesday, May 3, 2016 – 6:00 pm**

A quorum of the Marble Falls Economic Development Corporation
and the Planning & Zoning Commission may be present

Notice is hereby given that on the 3rd day of May, 2016 the Marble Falls City Council will meet in regular session at 6:00 pm in the City Hall Council Chambers located at 800 3rd Street, Marble Falls, Texas, at which time the following subjects will be discussed:

1. **CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT**
2. **INVOCATION**
3. **PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES AND TO THE TEXAS FLAG.** *“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”*
4. **UPDATES, PRESENTATIONS AND RECOGNITIONS**
 - Update from Republic Services. *Keith Conrad, Division Sales Manager and Joel Vandenhouten, Operations Manager*
 - Update from the Marble Falls Economic Development Corporation. *Executive Director Christian Fletcher*
 - [Proclamation](#) – Building Safety Month (May 2016)
 - [Proclamation](#) – National Travel and Tourism Week (May 1-7, 2016)
 - [Proclamation](#) – Municipal Clerks Week (May 1-7, 2016)
 - [Proclamation](#) – Economic Development Week (May 8-14, 2016)
5. **CITIZEN COMMENTS.** *This is an opportunity for citizens to address the City Council concerning an issue of community interest that is not on the agenda. Comments on a specific agenda item must be made when the agenda item comes before the Council. The Mayor may place a time limit on all comments. Any deliberation of an issue raised during Citizen Comments is limited to a proposal to place it on the agenda for a later meeting.*
6. **CONSENT AGENDA.** *The items listed are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember so requests, in which case the item will be removed from the Consent Agenda prior to a motion and vote. The item will be considered in its normal sequence on the Regular Agenda.*

- (a) Approval of the [minutes](#) of the April 12, 2016 joint workshop and the April 19, 2016 regular meeting and workshop. **Christina McDonald, City Secretary**
- (b) Approval of an [addendum](#) (#050316-1) extending the bank depository agreement between First State Bank of Central Texas and the City of Marble Falls for a period of one year. **Margie Cardenas, Finance Director**

7. REGULAR AGENDA. *Council will individually consider and possibly take action on any or all of the following items:*

- (a) Public Hearing, Discussion, and Action on the First Reading of [Ordinance 2016-O-05A](#) and waiving the second reading regarding a sign text amendment to Chapter 20 (Signs), Section 20-8.E (Electronic Signs), City of Marble Falls Code of Ordinances, to amend the Gas/Fuel price electronic message sign regulations and any conflicting regulations therein. **Caleb Kraenzel, Assistant City Manager**

8. CITY MANAGER'S REPORT

- Update on CARTS Building
- Update on Water Plant Upgrade Phase III

9. EXECUTIVE SESSION

CLOSE OPEN SESSION AND CONVENE EXECUTIVE SESSION Pursuant to §551.071 (Private Consultation between the Council and its Attorney), Pursuant to §551.087 (Deliberation Regarding Economic Development Negotiations), and Pursuant to §551.072 (Deliberation Regarding the Purchase, Exchange, Lease or Value of Real Property) of the Open Meetings Act. Tex. Gov't Code, Council will meet in Executive Session to discuss the following:

- Discussion regarding economic development projects associated with development of EDC owned and City owned property, including public right-of-way and easements.

10. RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.

11. ANNOUNCEMENTS AND FUTURE AGENDA ITEMS.

12. ADJOURNMENT.

"The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by the Texas Government Code, including, but not limited to, Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551.087 (Economic Development), 418.183 (Deliberations about Homeland Security Issues) and as authorized by the Texas Tax Code, including, but not limited to, Section 321.3022 (Sales Tax Information)."

In compliance with the Americans with Disabilities Act, the City of Marble Falls will provide for reasonable accommodations for persons attending City Council Meetings. To better serve you, requests should be received 24 hours prior to the meeting. Please contact Ms. Christina McDonald, City Secretary at (830) 693-3615.

Certificate of Posting

I, Christina McDonald, City Secretary for the City of Marble Falls, Texas, do certify that this Notice of Meeting was posting at City Hall, in a place readily accessible to the general public at all times, on the 28th day of April, 2016 at 9:30 am and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.

/s/ Christina McDonald _____

Christina McDonald, TRMC
City Secretary

Proclamation

Building Safety Month — May, 2016

Whereas, our City's continuing efforts to address the critical issues of safety, energy efficiency, water conservation, and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

Whereas, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

Whereas, these guardians—dedicated members of the International Code Council—use a governmental consensus process that brings together local, state and federal officials with expertise in the built environment to create and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

Whereas, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires, floods and earthquakes, and;

Whereas, Building Safety Month is sponsored by the International Code Council, to remind the public about the critical role of our communities' largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

Whereas, "Building Codes: Driving Growth through Innovation, Resilience and Safety" the theme for Building Safety Month 2016, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, water safety and conservation; energy efficiency and new technologies in the construction industry. Building Safety Month 2016 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

Whereas, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments, fire prevention bureaus and federal agencies in protecting lives and property.

NOW, THEREFORE, I, Jane Marie Hurst, Mayor Pro-Tem of the City of Marble Falls do hereby proclaim the month of May 2016 as Building Safety Month. Accordingly, I encourage our citizens to join with their communities in participation in Building Safety Month activities.

Jane Marie Hurst, Mayor Pro-Tem

Proclamation

WHEREAS, the International Economic Development Council is celebrating its 90th anniversary in 2016 and has declared the first annual Economic Development Week to be held May 8-14, 2016; and

WHEREAS, the International EDC is the largest professional economic development organization dedicated to serving economic developers all over the world including the Marble Falls Economic Development Corporation; and

WHEREAS, the Marble Falls EDC has received two awards from the International EDC for recognition in the categories of Highest Performing Economic Development Organization and in Excellence in Economic Development as well as being declared a model for the industry; and

WHEREAS, the Marble Falls EDC works tirelessly to establish a climate of professionalism and promote economic development as an investment in the City of Marble Falls; and

WHEREAS, the Marble Falls EDC is committed to attracting business and opportunity that will foster, create and retain high-quality jobs, expand career opportunities, facilitate growth, enhance wealth, and provide a stable tax base; and

WHEREAS, the Marble Falls EDC encourages entrepreneurship in order to help establish the next generation of new businesses, which is the hallmark of the American economy; and

WHEREAS, the Marble Falls EDC is engaged in a wide variety of settings including rural and urban, local, state, and federal governments, public-private partnerships, chambers of commerce, universities, and a variety of other institutions; and

WHEREAS, the Marble Falls EDC is dedicated to developing a vibrant community and improving the quality of life in and for the community they serve.

NOW, THEREFORE I, Jane Marie Hurst, Mayor Pro-Tem of the City of Marble Falls do hereby proclaim the week of May 8-14, 2016 as Economic Development Week in the City of Marble Falls and call upon all citizens to honor the importance of the contributions and services rendered by the Marble Falls Economic Development Corporation and the impact the Corporation's efforts have made on our local businesses, our visitors and the entire community.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Marble Falls, Texas, to be affixed this 3rd day of May, 2016.

Jane Marie Hurst, Mayor Pro-Tem

Proclamation

Municipal Clerks Week

May 1 - May 7, 2016

Whereas, The Office of the Municipal Clerk, a time honored and vital part of local government exists throughout the world, and

Whereas, The Office of the Municipal Clerk is the oldest among public servants, and

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

Whereas, Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all.

Whereas, The Municipal Clerk serves as the information center on functions of local government and community.

Whereas, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops and the annual meetings of their state, province, county and international professional organizations.

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

Now, Therefore, I, Jane Marie Hurst, Mayor Pro-Tem of the City of Marble Falls, do recognize the week of May 1 through May 7, 2016 as Municipal Clerks Week, and further extend appreciation to our Municipal Clerk, Christina McDonald and to all Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

Dated this 3rd day of May, 2016

Jane Marie Hurst Mayor Pro-Tem



Marble Falls, Texas 2016 PROCLAMATION

Whereas travel has a positive effect on Texas and the nation's economic prosperity and image abroad, to business productivity and to individual travelers' well-being.

Whereas travel to and within the United States provides significant economic benefits for the nation, generating \$2.1 trillion in economic output in 2015, with \$947.1 billion spent directly by travelers and tax revenues of \$148 billion for federal, state and local governments, funds used to support essential services and programs.

Whereas travel is among the largest private-sector employers in the United States, supporting 15.1 million jobs in 2015, including 8.1 million directly in the travel industry and 7.0 million in other industries.

Whereas travel to and within Texas provides significant economic benefits for the state, generating \$67.5 billion spent directly by travelers and tax revenues of \$4.8 billion for state and local governments, funds used to support essential services and programs.

Whereas travel is among the largest industries in the state, supporting 2.4 million jobs in 2015, including 601,000 directly in the travel industry and 529,000 in other industries.

Whereas travel in Marble Falls, Texas provides economic benefits for the city, providing 536 jobs and generating \$1,025,700 in local tax revenue and \$38.5 million in total direct travel spending.

Whereas leisure travel, which accounts for more than three-quarters of all trips taken in the United States, supports our region's arts, entertainment, and recreation sectors of tourism and spurs local job creation.

Whereas travel spending in our region enhances the lives of local residents through sales taxes paid by out-of-town guests, thereby decreasing residents' taxes to cover services enjoyed by all.

Whereas travel is a catalyst that moves the local economy forward and builds on the visitor amenities and experiences available for travelers and local residents.

Now, therefore, I, Mayor Pro-Tem Jane Marie Hurst do hereby proclaim May 1-7, 2016 as Travel and Tourism Week in Marble Falls, Texas, and urge the citizens of Marble Falls, Texas to join me in this special observance with appropriate events and commemorations.

Jane Marie Hurst, Mayor Pro-Tem

May 3, 2016

6. CONSENT AGENDA

- (a) Approval of the minutes of the April 12, 2016 joint workshop and the April 19, 2016 regular meeting and workshop. ***Christina McDonald, City Secretary***
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Background information is attached as follows:

[April 12, 2016 joint workshop minutes](#)

[April 19, 2016 regular meeting minutes](#)

[April 19, 2016 workshop minutes](#)

STATE OF TEXAS
COUNTY OF BURNET
CITY OF MARBLE FALLS

On this the 19th day of April, 2016 the Council of the City of Marble Falls convened in regular session at 6:00 pm at the City Hall Council Chambers located at 800 Third Street, Marble Falls, Texas, with notice of meeting giving time, place, date, and subject having been posted as described in Chapter 551 of the Texas Government Code.

PRESENT:

John Packer	Mayor
Jane Marie Hurst	Mayor Pro-Tem
Rachel Austin-Cook	Councilmember
Ryan Nash	Councilmember
Reed Norman	Councilmember
Richard Westerman	Councilmember

ABSENT:

Richard Lewis	Councilmember
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STAFF:

Mike Hodge	City Manager
Patty Akers	City Attorney
Christina McDonald	City Secretary
Mark Whitacre	Police Chief
Ted Young	Police Captain
Caleb Kraenzel	Director of Development Services
Christian Fletcher	EDC Executive Director
James Kennedy	Assistant Public Works Director
Eric Belaj	City Engineer

VISITORS: Steve Kallman (Kallman Engineering), Craig Magerkurth (Council Elect Place 1), Erin Burks (Marble Falls/Lake LBJ CVB Tourism and Marketing Director), Patti Zinsmeyer (Marble Falls/Lake LBJ Chamber of Commerce Executive Director)

- 1. CALL TO ORDER AND ANNOUNCE QUORUM IS PRESENT.** Mayor Packer called the meeting to order at 6:00 pm and announced the presence of a quorum.
- 2. INVOCATION.** Councilmember Norman gave the invocation.
- 3. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES AND TO THE TEXAS FLAG.** Councilmember Austin-Cook led the pledges.
- 4. UPDATES, PRESENTATIONS AND RECOGNITIONS**
 - Update from the Marble Falls/Lake LBJ Chamber of Commerce.** Patti Zinsmeyer, Executive Director gave the update.

- **Update from the Marble Falls/Lake LBJ Convention and Visitors Bureau.** Erin Burks, Director of Marketing and Tourism gave the update.

5. **CITIZEN COMMENTS.** There were no citizen comments.

6. **CONSENT AGENDA.**

(a) **Approval of the minutes of the April 5, 2016 regular meeting.**

(b) **Approval of the 2nd Quarterly Investment Report for the period January 1, 2016 through March 31, 2016.**

(c) **Approval of Resolution 2016-R-04A authorizing submission of a grant application to the Office of the Governor for FY 2017 CJD Edward Byrne Memorial Grant for the Police Department In-Car Video Upgrade Project.**

(d) **Approval of an Interlocal Agreement between Burnet County and the City of Marble Falls for the use of County manpower and equipment to apply sealcoating on City owned streets.**

Councilmember Norman made a motion to approve the Consent Agenda. The motion was seconded by Councilmember Westerman and carried by a unanimous vote (6-0).

7. **REGULAR AGENDA.**

(a) **Discussion and Action on the second reading of Ordinance 2016-O-04B amending the 2015/2016 Budget of the General Fund, Proprietary Fund, Economic Development Corporation Fund, Special Revenue Funds and the Capital Project Funds.** There being no discussion, Councilmember Westerman made a motion to approve the second reading of Ordinance 2016-O-04B. Councilmember Nash seconded the motion. Ordinance 2016-O-04B was approved by a vote of 6-0.

8. **CITY MANAGER'S REPORT.** City Manager Mike Hodge gave an update on the Keep Marble Falls Beautiful and Spring Clean Community Pride Contest and the upcoming Household Hazardous Waste Collection Event.

9. **EXECUTIVE SESSION.** There was no executive session.

10. **RECONVENE INTO OPEN SESSION FOR POSSIBLE ACTION RESULTING FROM ITEMS DISCUSSED IN EXECUTIVE SESSION.**

11. **ANNOUNCEMENTS AND FUTURE AGENDA ITEMS.** Items for the May 3 regular meeting were reviewed.

12. ADJOURNMENT. There being no further business to discuss, Mayor Pro-Tem Hurst made a motion to adjourn. Councilmember Austin-Cook seconded the motion. The meeting was adjourned at 6:30 pm.

John Packer, Mayor

ATTEST:

**Christina McDonald, TRMC
City Secretary**

DRAFT

**STATE OF TEXAS
COUNTY OF BURNET
CITY OF MARBLE FALLS**

On this the 12th day of April, 2016 the Council of the City of Marble Falls convened in joint workshop session at 3:00 pm with the Marble Falls Planning and Zoning Commission, the Marble Falls Economic Development Corporation, and the Comprehensive Plan Advisory Committee at the Lakeside Pavilion located at 307 Buena Vista Drive, Marble Falls, Texas, with notice of meeting giving time, place, date, and subject having been posted as described in Chapter 551 of the Texas Government Code.

PRESENT: John Packer Mayor
Jane Marie Hurst Mayor Pro-Tem
Richard Lewis Councilmember
Ryan Nash Councilmember

ABSENT: Rachel Austin-Cook Councilmember
Reed Norman Councilmember
Richard Westerman Councilmember

EDC
PRESENT: Steve Reitz President
Mark Hodges Vice President
John Packer Director
Jane Marie Hurst Director
Lindsay Plant Director
Judy Miller Director

ABSENT: Mark Mayfield Director

P&Z
PRESENT: Steve Reitz Chairman
Fred Zagst Vice Chair
Darlene Oostermeyer Commissioner
Greg Mills Commissioner
Jason Coleman Commissioner

ABSENT: Thomas Barr Commissioner
William Haddock Commissioner

**COMPREHENSIVE PLAN
ADVISORY COMMITTEE**

PRESENT: Brian Shirley Chairman
Jane Marie Hurst Committee Member

Richard Lewis	Committee Member
Fred Zagst	Committee Member
Charles Watkins	Committee Member
Steve Reitz	Committee Member
Mark McCary	Committee Member
Jane Knapik	Committee Member
Chris Garza	Committee Member
Jim Weber	Committee Member
John Kemper	Committee Member
Matt Fields	Committee Member

COMMITTEE MEMBERS

ABSENT:

Dee Haddock	Committee Member
Jessica Cayce	Committee Member
Phil Hiser	Committee Member
Greg Ritchie	Committee Member

STAFF:

Mike Hodge	City Manager
Christina McDonald	City Secretary
Mark Whitacre	Police Chief
Caleb Kraenzel	Director of Development Services
Elizabeth Jaimes	City Planner
Scarlet Contreras	Planning Technician
Christian Fletcher	EDC Executive Director
Robert Moss	Parks and Recreation Director
Eric Belaj	City Engineer
Russell Sander	Fire Chief

VISITORS: Jeane Allison, Tom Martin (Capital Improvement Plan Committee) and John Bird (City of Horseshoe Bay LRPC)

1. **CALL TO ORDER.** Mayor Packer called the joint workshop to order at 4:00 pm and announced the presence of a quorum of Council to conduct the joint workshop.
2. **WORKSHOP.** Matt Bucchin, Halff Associates, presented the updates and changes that were made to the Comprehensive Plan draft and facilitated a priority exercise.
3. **ADJOURNMENT.** The workshop was adjourned at 5:30 pm.

John Packer, Mayor

ATTEST:

**Christina McDonald, TRMC
City Secretary**

DRAFT

STATE OF TEXAS
COUNTY OF BURNET
CITY OF MARBLE FALLS

On this the 19th day of April, 2016 the Council of the City of Marble Falls convened in workshop session at 6:30 pm at the City Hall Council Chambers located at 800 Third Street, Marble Falls, Texas, with notice of meeting giving time, place, date, and subject having been posted as described in Chapter 551 of the Texas Government Code.

PRESENT:

John Packer	Mayor
Jane Marie Hurst	Mayor Pro-Tem
Rachel Austin-Cook	Councilmember
Ryan Nash	Councilmember
Reed Norman	Councilmember
Richard Westerman	Councilmember

ABSENT:

Richard Lewis	Councilmember
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STAFF:

Mike Hodge	City Manager
Patty Akers	City Attorney
Christina McDonald	City Secretary
Mark Whitacre	Police Chief
Ted Young	Police Captain
Caleb Kraenzel	Director of Development Services
James Kennedy	Assistant Public Works Director
Eric Belaj	City Engineer

VISITORS: Steve Kallman (Kallman Engineering), Craig Magerkurth (Council Elect Place 1)

1. **CALL TO ORDER.** Mayor Packer called the workshop to order at 6:40 pm.
2. **WORKSHOP**
 - **Update and discussion regarding water/wastewater modeling and master plan.** Discussion was led by Eric Belaj, City Engineer and Steve Kallman, Kallman Engineering.

7:50 pm 10 minute recess

- **Discussion regarding proposed amendments to the City Charter.** Mike Hodge, City Manager and Patty Akers, City Attorney led the discussion.

3. **ADJOURNMENT.** Councilmember Norman made a motion to adjourn the workshop which was seconded by Councilmember Westerman. The workshop was adjourned at 8:50 pm.

John Packer, Mayor

ATTEST:

Christina McDonald, TRMC

DRAFT

May 3, 2016

6. CONSENT AGENDA

- (b) Approval of an addendum (#050316-1) extending the bank depository agreement between First State Bank of Central Texas and the City of Marble Falls for a period of one year. *Margie Cardenas, Finance Director*

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



Council Agenda Item Cover Memo
May 3, 2016

Agenda Item No.: 6(b)
Presenter: Margie Cardenas, Director of Finance
Department: Finance Department
Legal Review: Not Applicable

AGENDA CAPTION

Approval of an addendum (#050316-1) extending the bank depository agreement between First State Bank of Central Texas and the City of Marble Falls for a period of one year.

BACKGROUND INFORMATION

The City of Marble Falls entered into a [depository agreement](#) with First State Bank of Central Texas on June 1, 2013. The contract was a 3 year contract with an option to renew two 12 month periods. The expiration of the first 3 years will end on May 31, 2016. The bank is providing excellent services to the City and we would like to continue doing business with First State Bank of Central Texas. At this time we would like to renew for 12 months beginning June 1, 2016 through May 31, 2017.

Attached is the [addendum](#) for the 12 months extension. All services will remain under the same premise as the original contract along with no fees charged on any of the services.

Addendum to June 1, 2013 Bank Depository Agreement

This document will serve as an Addendum to the Bank Depository Agreement (“Agreement”) entered into the 1st day of June, 2013, by and between the City of Marble Falls and First State Bank of Central Texas, a bank chartered by the State of Texas.

The Addendum shall become effective on the 1st day of June, 2016, and serve to extend the Agreement under the same terms and conditions by one (1) year until May 31, 2017, as allowed in the Agreement under the terms outlined in *Section 1 Designation as Depository*.

This Addendum will serve as the first continuation of the original Agreement. The original Agreement dated June 1, 2013, is attached and made part of this document.

City of Marble Falls

First State Bank of Central Texas

John Packer, Mayor

Name and Title

Attest:

Attest:

Custodian:
Bank

RECEIVED

JUL 19 2013

City of Marble Falls
City Secretary's Office

BANK DEPOSITORY AGREEMENT

This bank Depository Agreement (the "Agreement") is made and entered into this 1st day of June, 2013 by and between City of Marble Falls (the "City") and First State Bank of Central Texas (the "Bank") a bank chartered by the State of Texas.

Section I Designation as Depository

The City, through action of its Governing Body, hereby designates the bank as its depository for banking services for a three year period, commencing June 1, 2013 through May 31, 2016, with a provision for two one-year continuations under the same terms and conditions of the contract.

Section II Designation of Custodian

The City and Bank hereby designate the Trust Company of Sterne Agee, Inc (the "Custodian") to hold in trust, according to the terms and conditions of the City Request for Proposal, dated April 3, 2013, (the "RFP") and pursuant to a separate Safekeeping Agreement, attached as Exhibit A, all securities pledged as depository collateral in accordance with the City's Investment Policy.

Any and all fess from the Custodian associated with the safekeeping of securities pledged to the benefit of the City shall be borne by the bank.

Section III Collateral

City time and demand deposits, inclusive of interest, in excess of the Federal Deposit Insurance Corporation insurance shall be secured at all times by collateral, acceptable to the City and in accordance with the Public Funds Collateral Act (Texas Government Code 2257), pledged by the Bank and held in trust by the Custodian in an amount equal to at least 102% of the total of those funds. Custodian will provide a monthly report of the collateral directly to the City.

Such pledged securities shall be subject only to the joint written instructions of both (a) authorized representatives of the City and (b) specifically authorized representatives of the Bank. The Bank shall have the right, with prior written consent of the City, to substitute or replace, any or all of the pledged securities with collateral acceptable to the City.

Section IV Financial Position

The bank will provide a statement of its financial position on at least a quarterly basis. The Bank will provide an annual statement audited by its independent auditors including a letter as to its "fair representation".

Section V Authorized City Representative

For the term of this contract, the City and Bank designate the individuals as listed in Exhibit B as authorized to represent and act for the City in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Any change in these representatives will be made in writing.

Section VI Scope of Services

The Bank's response to the City's RFP, dated April 13, 2013, (the "Response") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates, and attached as Exhibit C. If any provisions of the Response and this Agreement are in conflict, this Agreement will control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, City-owned securities, property and things of value held as depository.

The City shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The City may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's response.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

Section VII Bank Compensation

Bank will be compensated for any and all services rendered to City under this Agreement. Bank agrees to offset monthly service fees against its customary earnings credit for balances in City's on-interest bearing accounts. Net insufficiencies in earnings credits will be charged on an annual basis.

FEE BASIS LANGUAGE

Bank will be compensated for any and all services rendered to City under this Agreement on a cost per item or monthly charge basis as set forth in the service charges of the Bank's Response.

Section VIII Default

The Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

In the event of a default, failure or insolvency of the bank, the City shall be deemed to have vested full title to all securities pledged under this Agreement. The City is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses related to liquidation, shall be returned to the Bank. This power is in addition to other remedies which the City may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the City under this Agreement.

Section IX Non-Assignability

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

Section X Termination

This Agreement may be terminated by either the City or the Bank by giving sixty (60) days prior written notice to the parties.

Section XI Law Governing

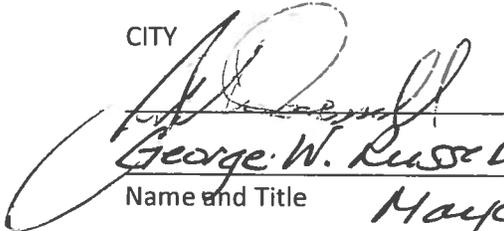
All applicable provisions and requirements of the law of the State of Texas governing depositories for the City shall be a part of this Agreement.

Section XII Bank Authorization

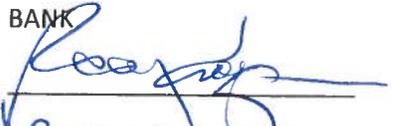
The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the bank and recorded in the official records of the Bank.

CITY

BANK



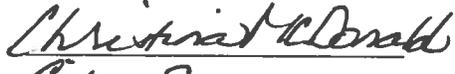
George W. Russell
Name and Title Mayor



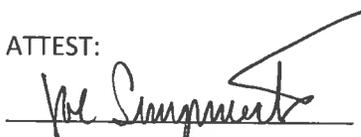
Randy Doleman, CFO
Name and Title

ATTEST:

ATTEST:



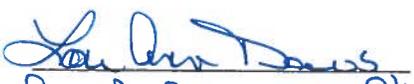
Christina McDonald
City Secretary



Joe Swynnerton, PRESIDENT

CUSTODIAN:

BANK



Lou Ann Davis
Custodian - Steve Agee

ATTEST:

COPY
EXHIBIT A

**ATTACHMENT B
PUBLIC FUNDS DEPOSITOR
COLLATERAL SECURITY AGREEMENT**

This Public Funds Depositor Collateral Security Agreement (the "Agreement") is made and entered into as of the 1st day of July, 2013 by and between City of Marble Falls (the "Depositor") and First State Bank Central Texas ("Bank"), and any prior Agreement between Depositor and Bank relative to the subject matter hereof is hereby terminated as of the date first written above.

RECITALS

Depositor, through action of its Board of Directors, has designated Bank as a depository for Depositor's funds. Funds on deposit with Bank to the credit of Depositor in excess of federal deposit insurance are required to be secured by eligible security as provided for by the Public Funds Collateral Act, V.T.C.A. Government Code Section 2257.001 et seq. (the "Public Funds Law"). Depositor and Bank understand and acknowledge that the amount of Depositor's uninsured deposits in Bank may vary substantially from time to time; that under the circumstances permitted herein, the Bank may release, add to or substitute for the securities pledged by Bank from time to time to secure such uninsured deposits of Depositor; and that it is the intent of the parties that this Agreement be renewed and extended upon and at the time of each permitted release, addition or substitution of collateral securities and thereafter remain in force and effect for the full term thereof until terminated in the manner set forth herein. In order to perfect Depositor's security interest in eligible securities pledged by Bank from time to time to secure such uninsured deposits, the Board of Directors of the Bank (the "Bank Board") has authorized the undersigned Bank officer to enter into this Agreement on behalf of Bank under the terms of which Bank will either (i) cause its authorized Security Safekeeping Agent to hold the collateral assets in a custody account as bailee for the benefit of Depositor, or (ii) cause the Federal Reserve Bank to hold the collateral assets in a restricted securities account, joint safekeeping account or other similar account as custodian/bailee for the benefit of Depositor (such Safekeeping Agent or the Federal Reserve Bank, as the case may be, hereinafter called the "Custodian").

AGREEMENT

Now, Therefore, in consideration of the mutual covenants in this Agreement, the parties agree as follows:

1. Grant of Security Interest. To secure the uninsured deposits maintained by Depositor with Bank from time to time, Bank hereby pledges and grants to Depositor a security interest in its Eligible Securities (as defined in the Public Funds Law) which are held, now or hereafter, by Custodian for the benefit of Depositor in accordance with the terms of this Agreement (the "Collateral"). At all times during the term of this Agreement, the Collateral shall consist solely of the following:

General obligations of the United States of America or its agencies or instrumentalities backed by its full faith and credit;

Direct obligations of the State of Texas or Texas State agencies and instrumentalities;

Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States of America, the underlying security for which is guaranteed by an agency or instrumentality of the United States of America that have an expected weighted average life of 10 years or less;

Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States of America or their respective agencies and instrumentalities; and

Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

Bank shall cause Custodian to accept and hold the Collateral as bailee and/or custodian for Depositor to secure Bank's obligation to repay the deposits.

2. Receipts. The Collateral held by Custodian for the benefit of Depositor, as of the effective date of this Agreement, has been described on Trust Receipts (as defined in the Public Funds Law) issued by Custodian, copies of which Custodian has forwarded to Depositor. Such current Collateral is described on Exhibit "A" attached hereto and made a part hereof for all purposes. With respect to additional or substitute Collateral hereafter delivered by Bank to Custodian to hold for the benefit of Depositor, or any releases of securities previously held as Collateral ("Releases"), as contemplated by this Agreement, Bank shall cause Custodian to issue Trust Receipts or Releases describing such additional or substitute Collateral or released securities and promptly forward copies of same to Depositor. Such Trust Receipts and Releases which are furnished to Depositor by Custodian from time to time shall be deemed a part of this Agreement without further action on the part of any party hereto, and this Agreement shall apply to such released, additional or substituted Collateral to the same extent as if it were described on Exhibit "A" attached hereto. If the Custodian is the Federal Reserve Bank, such Trust Receipts or Releases will consist of a written confirmation (the "Advice"). Such Advice shall be subject to the terms and conditions of all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may now exist or hereafter be enacted, promulgated or issued by the Federal Reserve Bank (collectively (Applicable Regulations)). Upon request of Depositor, Bank agrees to provide or cause Custodian to provide a then-current list of all Collateral pledged by Bank to secure Depositor's funds to update Exhibit "A" to this Agreement.
3. Required Collateral Value. Bank agrees with Depositor that the total market value of the Collateral securing uninsured deposits maintained by Depositor with Bank will at all times during the term of the Agreement be not less than one hundred ten percent (110%) of the amount of such uninsured deposits (the "Required Collateral Value"). To insure that the Required Collateral Value is maintained, Bank will redetermine, on a monthly basis, the amount of Depositor's uninsured deposits (taking into account that month's deposits, accrued interest, disbursements and withdrawals) held by Bank and (using the most recently determined market value of the Collateral) promptly notify Depositor of any additional Collateral which may be necessary to maintain the Required Collateral Value. Determination of the market value of Collateral will be calculated monthly or more frequently on Depositor's request. If upon such monthly determination of the Collateral's market value, the Required Collateral Value is not then maintained, Bank will promptly notify Depositor to determine if the deposit of additional Collateral is necessary to maintain the Required Collateral Value.
4. Release of Collateral. Custodian shall not release any part of the Collateral without Depositor's written authorization. Depositor agrees to furnish such authorization promptly upon Bank's request under the circumstances described in Sections 5, 6, or 13 of this Agreement. Depositor's authorization to Custodian to release from the Collateral only designated Eligible Securities shall terminate the security interest granted by Bank in this Agreement only with respect to such designated Eligible Securities. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the release of Collateral.

5. Substitution of Collateral. It is hereby agreed that upon obtaining the prior written consent of the Depositor, which consent shall not be unreasonably withheld, substitutions of the Collateral held hereunder may be made at any time so long as the fair market value of the Eligible Securities being substituted is at least equal to the fair market value of the Eligible Securities being removed. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations shall govern the substitution of Collateral.
6. Excess Collateral. At such times as the aggregate market value of the Collateral held by Custodian exceeds the Required Collateral Value, Depositor, upon request by Bank, shall authorize Custodian to permit Bank to release the excess portion of the Collateral. Custodian shall have no further liability to Depositor with respect to those Eligible Securities released upon Depositor's authorization.
7. Additional Collateral. If at any time the aggregate market value of Collateral held by Custodian is less than the Required Collateral Value, Bank shall upon instruction by Depositor, promptly either (i) deposit with Custodian sufficient additional Eligible Securities of the type specified in Section 1 as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value, or (ii) transfer additional Eligible Securities of the type specified in Section 1 to the restricted securities account, joint safekeeping account or other similar account maintained by the Federal Reserve Bank as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value and cause the Federal Reserve Bank to issue a corresponding Advice (and Bank will deposit with the Federal Reserve Bank additional Eligible Securities if and to the extent necessary to fulfill its obligations under this Agreement).
8. Earnings and Payments on Collateral. Bank shall be entitled to the interest income and earnings paid on the Collateral and Custodian may dispose of such interest income and earnings as directed by Bank without approval of Depositor, so long as Depositor has not notified Custodian of Bank's default under this agreement. Bank shall be entitled to any principal payment or prepayment of the Collateral and Custodian may dispose of such principal payment or prepayment as directed by Bank without approval of Depositor, so long as (I) the Custodian has received a written accounting from the Bank indicating that the Required Collateral Value will be maintained after deducting from the market value of the Collateral (determined no more than four (4) days prior to such payment date) the amount of such principal payment or prepayment and (ii) Depositor has not notified Custodian of Bank's default under this Agreement. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the disposition of interest earnings and principal payments on the Collateral.
9. Default and Remedies. If Bank fails at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit or becomes insolvent or materially breaches its contract with Depositor, a default shall exist under this Agreement and Depositor shall give written notice of such default to Bank, and Bank shall have ten (10) days to cure same. In the event Bank fails to do so, it shall be the duty of Custodian, upon written demand of Depositor, to surrender or transfer the Collateral to Depositor or Depositor's nominee and Bank hereby irrevocably authorizes Custodian to surrender or transfer the Collateral upon the conditions herein specified. Depositor may sell all or any part of such Collateral in a commercially reasonable manner and out of the proceeds of the Collateral may pay Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency sale. Depositor shall account to Bank for the remainder, if any, of said proceeds or Collateral remaining unsold. Such sale may be either at public or private sale; provided,

however, Depositor shall give Bank ten (10) days' written notice of the time and place where such sale shall take place and such sale shall be to the highest bidder for cash. Depositor and Bank shall have the right to bid at such sale. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the Depositor's exercise of remedies against the Collateral.

10. Authorization and Records. The Bank Board has authorized the pledge of Bank assets to collateralize uninsured deposits maintained by Depositor, and has authorized the undersigned Bank officer to enter into, execute and deliver to Depositor this Agreement on behalf of Bank and to take all action which may be necessary or appropriate to create and perfect the security interest in the Collateral contemplated hereunder. Bank shall deliver to Depositor a fully executed Board Resolution indicating same as a condition precedent to the effectiveness of this Agreement and shall advise Depositor immediately of any revocation, amendment or modification thereof. Bank shall maintain this Agreement, its copies of all Trust Receipts, Releases and Advices, and the Resolution Certificate among its official records continuously until such time as this Agreement is terminated and all uninsured deposits of Depositor have been properly and fully paid out. This Agreement may be executed in one or more counterparts, each of which shall be an original.
11. Authorized Representative; Depositor Agreements. The Depositor hereby confirms that it has previously authorized its Investment Officer, Bookkeeper and/or Tax Assessor-Collector to execute this Agreement and any documentation required in connection therewith, including specifically pursuant to the Applicable Regulations and documentation related thereto, and to represent it and act on its behalf in any and all matters of every kind arising under this Agreement. During the term of this Agreement, the Depositor may further designate an additional officer or officers to singly or jointly represent and act on behalf of Depositor in any and all matters of every kind arising under this Agreement and, in such event, shall provide written notice thereof to Bank. In the event of any conflict between the provisions of this Agreement and any other agreement between the Depositor and the Bank relating to the deposits, this Agreement will control, unless the conflict is with the Applicable Regulations, in which even the Applicable Regulations will control. Bank and Depositor specifically agree that Depositor's prior approval is required for any par-for-par Collateral substitutions.
12. Custodian as Bailee. Custodian will promptly identify the pledge by Bank to Depositor of the Collateral on the Custodian's books and records and any additional or substitute Collateral and issue to Bank and Depositor Trust Receipts covering the Collateral. Similarly, Custodian will promptly remove from its books and records any securities released from the pledge by Bank in compliance with the terms of this Agreement and issue to Bank and Depositor appropriate Releases identifying the released securities. Custodian acknowledges that it is the bailee of Depositor for purposes and Section 2257.044 of the Public Funds Law and its custodial capacity is deemed to be set forth on any Trust Receipt delivered to Bank and Depositor, whether such capacity is expressly so noted or not. If the Custodian is the Federal Reserve Bank, this section shall not apply, but Bank acknowledges the provisions of the Applicable Regulations which provide that the Federal Reserve Bank is acting as custodian/bailee and that the Collateral identified on the Advice is subject to the custodial provisions of the Applicable Regulations; and that the disposition thereof is subject to Depositor's approval.
13. Amendment, Modification, Renewal. Each permitted release of previously pledged Collateral and each addition to or permitted substitution for Collateral shall be deemed and considered, without further action by Bank or Depositor, as an amendment to Exhibit "A" attached hereto and a contemporaneous renewal and extension of this Agreement for

the term hereinafter stated upon the same terms and containing the same provisions as set forth herein, except as the Collateral subject to this Agreement may be modified or amended thereby; provided, however, that any such renewal and extension shall not affect any transaction entered into prior to such renewal and extension until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank's sole control all Collateral then in Custodian's possession. Otherwise, this Agreement may not be amended or modified except by mutual written agreement of the parties hereto.

14. Term. Unless sooner terminated as hereinafter provided, the term of this Agreement, and any renewal or extension hereof resulting from any release, addition to or substitution of securities pledged as Collateral hereunder, shall commence on the date of this Agreement, or the date of such release, addition or substitution, and continue for a term of ten (10) years.
15. Termination. Either Depositor or Bank may terminate this Agreement prior to the expiration of the term hereof upon thirty (30) days' advance written notice to the other or by entering into a new Public Funds Depositor Collateral Security Agreement which is intended to supercede and replace this Agreement; provided, however, that the terms of this Agreement shall continue to apply to all transactions entered into prior to such termination and until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank's sole control all Collateral ten in Custodian's possession.
16. Custodian Fees. Any and all fees associated with the Custodian's holding of Collateral for the benefit of the Depositor will be paid by Bank and the Depositor will have no liability therefor.

In witness whereof, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day first above written.

DEPOSITOR:

City of Marble Falls

By: 

Name: Ralph Hendricks

Title: City Manager

BANK:

First State Bank Central Texas

By: 

Name: Randy Dozeman

Title: Senior Vice President

The Custodian, if other than the Federal Reserve Bank, joins in the execution of this Agreement for purposes of Sections 8, 9 and 12, and if the Custodian is the Federal Reserve Bank, such joinder is to be evidenced as set forth in the Applicable Regulations, the Advice and any documentation related thereto.

CUSTODIAN:

Loe Ann Davis

By: Trust Company of Sterne Agee, Inc.

Name: Loe Ann Davis

Title: Custody Mgr.

RESOLUTIONS

RESOLVED, that First State Bank Central Texas ("Bank") shall secure all deposits of Public Fund Units in excess of amount insured by the Federal Deposit Insurance Corporation ("Excess Funds") on deposit with the Bank at any time in whatever amount; and further

RESOLVED, in regard to the above referenced deposits, that the Chairman of the Board of Directors, President, and Senior Vice President, any Vice President, and Assistant Vice President, or any other officer of the Bank is hereby authorized and directed to execute for and on behalf of the Bank the following documents, it being further agreed that the execution of any of the same prior to the adoption of these resolutions is hereby ratified, confirmed and adopted:

1. A Public Funds Depositor Collateral Security Agreement (the "Collateral Security Agreement") in favor of the Public Fund Unit covering the Collateral described therein;
2. Such other and further documents as may be deemed necessary or desirable by such officer or as required by the Public Fund Unit in regard to the securing of the Excess Funds; and further

RESOLVED, that the officers executing any of the above described documents are hereby authorized and empowered to execute the same in the name and on behalf of the Bank, in such number of counterparts as the officer or officers executing the same shall deem necessary or desirable, with such terms, conditions, modifications, changes and provisions as the officer or officers executing the same may approve, the execution of such documents to evidence approval of the terms thereof conclusively; and further

RESOLVED, that any and all instruments executed and delivered on behalf of the Bank in connection with these resolutions by any person purporting to be an officer of the Bank shall be deemed to be the act of the Bank and shall be in all respects binding against the Bank; and further

RESOLVED, that all actions of all officers, agents or other representatives of the Bank taken or performed up to the date hereof in respect to the preparation, execution and delivery of the documents, certificates or other instruments contemplated hereby, and the taking prior to the date hereof of any and all actions otherwise required by the terms and provisions of the above referenced documents, be, and they hereby are, in all respects approved, ratified and confirmed; and further

RESOLVED, that this approval is intended to comply in all respects with the requirements of applicable statutory law relating with the requirements of applicable statutory law relating to insurance of accounts including specifically, but without limitation, the requirements of 12 U.S.C.A. §§ 1821 (d)(9)(A) and 1823(e); and further

RESOLVED, that any deposit agreements between Bank and a Public Fund Unit and/or the Collateral Security Agreement are all intended to be, and shall be deemed to be, official records of the Bank; and further

RESOLVED, that any deposit agreements between Bank and Public Fund Unit, the Collateral Security Agreement and these Resolutions shall be continuously maintained in the business records of the Bank.

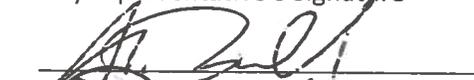
EXHIBIT B

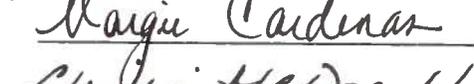
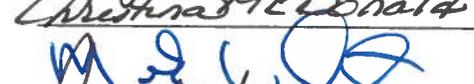
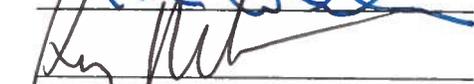
AUTHORIZED REPRESENTATIVES

The following individuals are authorized representatives of the City empowered to direct the Bank and the Custodian for the Bank, in regard to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the City in any and all matters including execution of agreements and transfer of funds.

City representative's Signature

Name and Title




George W. Russell, Mayor

Ralph Hendricks, City Manager

Margie Cardenas, Director of Finance

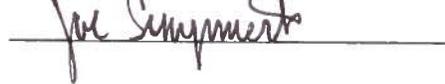
Christina McDonald, City Secretary

Mark Whitacre, Chief of Police

Perry Malkemus, Director of Public Works

Bank Representatives Name and Title





RANDY DOZEMAN

WADE MILLER

JOE SWYNNERTON

EXHIBIT C

**Bid to Serve as Depository for
City of Marble Falls
Funds**

submitted by:

**FIRST STATE BANK CENTRAL TEXAS
MARBLE FALLS BRANCH
617 Highway 281
Marble Falls, Texas**

First State Bank Central Texas is a wholly owned subsidiary of Central Community Corporation,
a one-bank holding company.

There are no known existing or potential conflicts of interest between the City and the Bank.

Attached:

Cover Letter

Bid Form for Acting as Depository for City Funds
and Related Attachments

Bid Proposal Deposit in Amount of \$1,000



First State Bank
Central Texas

Still First!

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INTRODUCTION

The City of Marble Falls and the Marble Falls Economic Development Corporation (the "City") pursuant to Chapter 105, Texas Local Government Code is requesting proposals from eligible and qualified financial institutions to provide the City the banking services as described below. The services provided will be in accordance with this Request for Proposal (the "RFP") and attachments. It is the City's intent that a Bank Depository Services Agreement detailing the services to be provided will be duly executed between the City of Marble Falls, the Marble Falls Economic Development Corporation, and the selected financial institution.

Any and all charges and fees associated with the Bank Depository Services Agreement must be clearly and accurately included in the RFP response. The charges and fees represented in the RFP response shall overrule any and all previous bank service or other agreements between the City and the financial institution, as they relate to the accounts and services included herein. The City will not be obligated by any charges and fees not clearly and accurately presented in the RFP response. Services initiated after consummation of the Bank Depository Services Agreement shall carry charges and fees mutually agreed to, in writing, by the City and the financial institution. Regardless of time delay, the financial institution shall refund or credit the City for any erroneous charges and fees not agreed to in writing.

The philosophy incorporated into this RFP is to solicit bids for banking services currently utilized or considered by the City. The City intends to manage its funds to minimize service charges and optimize investment income as authorized by policy and permitted by state law. The City anticipates that future collected funds balances will be reduced and/or invested in available investment alternatives.

The new agreement period will be for a three-year period of June 1, 2013 through May 31, 2016, with a provision for two one-year continuations under the same terms and conditions of the contract, subject to the mutual agreement of both parties. The agreement will also provide for an extension period not to exceed ninety (90) days for the transition to a new bank at the end of the term.

The City reserves the right to open or close any number or type of accounts, as it deems necessary throughout the term of the agreement. Any fee charged for services not listed but later requested by the City will be mutually agreed upon in writing. All fees shall be fixed for the entire contract period.

The Bank Depository Services Agreement is an important component of the treasury and cash management system of the City. From this perspective, the City is seeking a financial institution that is:

- ◆ Capable of providing the services required by the City at the least possible cost,
- ◆ Meets the requirements of Section 105.034 of the Local Government Code,

- ◆ Willing to be attentive and responsive to the City's financial matters,
- ◆ Financially sound and meets the City's requirements, and
- ◆ Physically located within the City limits.

REQUEST for PROPOSAL

This RFP is intended to serve as the bid form for the Bank Depository Services Agreement. There are multiple blanks to fill in and questions to be answered. The evaluation of the bidder's proposal will be based on the responses include herein.

Exceptions, conditions, or qualifications to the provisions of the City's specifications or requirements must be clearly identified as such, with the reasons therefore, and alternate language proposed by bidder, if any, clearly stated and inserted in the appropriate place in the bid submission.

Each of these exceptions, conditions, or qualifications to the City's specifications may be included, as appropriate, in the Contract documents. Items and matters not explicitly excepted in this manner shall be deemed to be in conformance with the City's specifications.

The RFP also requests certain information to be attached and specifically labeled. Responses must be complete, address all aspects of the RFP, and include all requested information to receive full consideration by the City in the selection process. The City may choose to waive any irregularities in any responses received and reserves the right to reject all proposals.

Please note the following calendar of events for the dates and times of key elements in the bid procedure.

<u>TARGET DATE</u>	<u>DESCRIPTION OF EVENTS</u>
March 5, 2013	RFP distributed to prospective financial institutions
April 3, 2013	Responses due 10:00 A.M. CST at the City Administrative Offices.
April 16, 2013	City Council and EDC consideration of contract award.
April 22, 2013	Begin implementation.
June 1, 2013	New Bank Depository Services Agreement period begins.

CRITERIA FOR EVALUATION

The City shall carefully review the submitted proposals. The staff recommendation to the Council shall be based on the proposal determined to be “the best value” for the City. The evaluation of the proposals will be made based on, but not limited to, the following criteria, in no particular order of priority:

- ◆ Ability to perform and provide the required and requested services;
- ◆ Reputation of bidder and quality of services;
- ◆ Cost of services;
- ◆ Funds availability;
- ◆ Interest paid on interest bearing accounts and deposits;
- ◆ Earnings credit calculation on account balances;
- ◆ Completeness of bid and agreement to points outlined in the RFP;
- ◆ Convenience of locations;
- ◆ Previous service relationship with the City; and
- ◆ Financial strength and stability of institution.

ACCOUNT ACTIVITIES

The City anticipates establishing an account configuration that consists of the following bank accounts:

- Credit Card Account
- Utility Deposits Account
- General Fund Interest and Sinking Account
- Police Forfeiture Fund
- CO's Series 2003
- Parks Improvement Fund
- TCDP 2006 Grant #2
- La Ventana PID Trust Account
- Police Federal Forfeiture Fund
- City Operating Account
- Marble Falls Economic Development Corporation Account

The Operating Account serves as the City's master operating account, including Accounts Payable and Payroll. It is a DDA account transferring funds by check, wire transfer, ACH, and intra-bank transaction.

Vendor checks and other payments are generally issued once each week on Thursday or Friday.

The City has a 110-person payroll with checks drawn on the Operating Account every other Friday. Additionally, the City offers its employees direct deposit. Of the 110 employees, approximately 90% utilize the direct deposit feature.

Daily deposits are made Monday – Friday during normal business hours.

Estimated historic activity and balance information from each of these accounts is tabulated in Exhibit 1 and targeted on Schedule 1, pages 16-20. Actual activity could vary significantly.

M. Check Stock – The City’s accounting system utilizes blank check stock encoded at printing with the bank’s processing information. The bank will not be responsible for providing check stock.

COLLATERAL REQUIREMENTS

- A. As security for the deposits of the City, the successful bank shall pledge securities equal to 102% of their market value, of the largest total balances the City maintains in the bank, less the amount provided by the Federal Deposit Insurance Corporation. The securities so pledged shall satisfy the requirements of the Public Funds Collateral Act, Chapter 2257, Local Government Code, and the Investment Policies (Attached).
- B. The securities pledged shall be held in safekeeping at an independent financial institution acceptable to both the City and the successful bank. The original copy of all security receipts shall be filed with the Director of Finance.
- C. The successful bank and the custodial bank shall provide the City a report of securities pledged at the end of each month or at any time requested by the City. The report should reflect the total pledged securities itemized by:

- Name
- Type / Description
- CUSIP
- Par Value
- Market Value
- Maturity Date
- Rating by Moody's or Standard & Poor's

- D. Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization of an authorized City signatory. The City shall approve all securities pledged. In the case of reduction requests, the bank shall provide in writing that collateral shall be available when needed to meet normal balance increases throughout the year.
- E. The Board of Directors or designated committee of the successful bank will be required to provide a resolution of certification approving the commitment and delivery of the collateral to the safekeeping institution not later than five days before the commencement of the contract period.

BANK DEPOSITORY SERVICES

The City requests information on the following services:

- A. Balance Reporting – The City requires on-line balance reporting for daily access to its account balance information. The minimum information to be contained in the electronic reporting should be for the previous business day and include: ledger balance, collected balance, one day float amount, two day float amount, total credits, total debits, and detail debits and credits. Access to the information through the Internet is required. Historical information should be maintained on-line and accessible for two months.

The Bank offers an online information system (*NetTeller Advantage*) that is a web-based treasury management solution that provides banking customers unprecedented flexibility and online access to their accounts with automated book transfer capability, ACH Origination, Positive Pay, Stop Payment, Wire Transfer, reporting and account management capabilities. In addition, electronic statements and notices are available within the system for a period of 18-months. The system may be customized by the City, the City's system administrator and each user so that the overall management offers a controlled environment in which to conduct online banking sessions while maintaining system oversight. The *NetTeller Advantage* system provides a single-sign on, dual authority environment for ACH and Wire Transfer functions, and utilizes the industry's highest security standards.

- B. Controlled Disbursement – The City could potentially in the future consider the use of a controlled disbursement account. The controlled disbursement presentment notification should also be accessible through Balance Reporting. This information should be available and accessible by 10:00 A.M. local time.

The Bank does not currently offer this service.

- C. ACH Debit Blocking – The City could potentially in the future use ACH debit blocking capabilities on its accounts, with the ability to selectively permit specified ACH debits on certain accounts and restrict all ACH debits from certain accounts.

The City can establish filters and blocks so that all ACH debits and credits are blocked, debits only, credits only or by a specific Company Identification Number to allow or disallow any transaction by a single Company Identification Number.

- D. Account Analysis – The City desires account analysis statements delivered to the City on a monthly basis by individual account and at group level, which will reflect average ledger balance, average uncollected funds, average collected balance, reserve requirement, average available balance, rate and amount of earnings credit, detail of services provided with quantities and unit fees for each, and total service cost.

N/A

- E. Bank Statements – Paper statements shall be rendered within five (5) working days after the close of the calendar month. The statement shall include debits and credits made on the last day of the period and the detail items. Bank statements should be received on a monthly basis, even if there is no activity for the account (dormant accounts). The statement must include photo copies of cleared checks and deposits.

In addition to paper statements, the City may elect to receive statements in electronic format through NetTeller Advantage.

F. Direct Debit – As an additional service to its patrons, the City requires a direct debit payment system for certain charges. Currently the City allows this option to its 2,800+ utility customers. Approximately 380 - 400 transactions are processed this way per month. The City anticipates including other services and fees in the direct debit system, and transaction volume to increase.

The Bank offers ACH Origination (“FirstNet”) services that allows a company the option of sending ACH files as a pass-through to the bank for origination or ACH transactions may be entered individually or in a batch using the web-based system. ACH Categories can be established so that each file may be submitted under a specific category.

G. Collateralization – The balances maintained in all accounts must be collateralized in the same manner and under the same stipulations as outlined in the Collateral Requirements section. The City anticipates utilizing interest bearing accounts or an overnight sweep investment option. In the event interest-bearing accounts are utilized, the maximum ledger balances could exceed \$5,000,000 in the aggregate. Historically the average balances are less than \$4,000,000. Balances of the Marble Falls Economic Development Corporation Account (approximately \$100,000 to \$300,000) shall be separately insured and collateralized. Please clearly explain any collateral limitations or fees. The City reserves the right to maximize or minimize bank balances regardless of historical patterns.

The Bank will provide eligible securities as collateral to secure all deposit balances in excess of FDIC insurance limits.

H. Sweep Account – If interest-bearing accounts are not utilized, the City requires the use of a sweep account for overnight investment of funds in excess of a target balance in the Operating Account. This sweep investment account shall comply with the Public Funds Investment Act and Investment Policy.

N/A

I. Payment for Services – The City intends to pay for all services provided by the earnings credit amount generated by account balances, or by direct payment, or a combination of both.

The Bank will not assess the City any service fees for transaction and savings accounts during the term of the contract.

J. Account Settlement – Settlement of the excess/deficient condition as reflected by the group level account analysis is to occur on a quarterly basis.

N/A

K. Research – The City requests that all research requests are responded to within three business days of the request.

The Bank concurs with this request.

L. Bank Errors – Bank errors resulting in lost interest to the City will be reimbursed by the Bank to the City. The Bank and the City will agree upon the method of reimbursement.

The Bank concurs with this request.

INVESTMENT ACTIVITIES

- A. Direct Investment Alternative – The City’s direct investment activities may take place in City accounts. The City shall have the right, at its sole discretion, to direct investment of its funds. The successful bank will be required to provide clearing and safekeeping services for City investment activity. The attached Investment Policies outline the City’s options for investing any and all funds. The policies are subject to annual review and revision by the City Council and EDC Board.
- B. Certificates of Deposit – Certificates of Deposit (CD’s) purchased for the City shall be non-negotiable and shall be registered in the name of the City. The CDs must be fully insured by the F.D.I.C. or collateralized in accordance with the RFP requirements. Proof of collateral must be supplied to the City prior to CD purchase.
- C. Interest Calculations – Interest on all CDs shall be computed on an actual day basis, and the interest shall be paid to the City on the maturity date. Payment shall be made by crediting the account from which the CD was purchased.
- D. Extension of CDs – The successful bank agrees to honor and continue any CD made during the term of the Bank Depository Services Agreement that will mature after the expiration date of the Agreement at the same rate established before the expiration of the contract.
- E. The City of Marble Falls and Marble Falls Economic Development Corporation have investments in TexPool and Logic in the amount of \$773,000 as of 1/31/13. These funds may be invested in other instruments at any given time according to the Investment Policy.

OVERDRAFT PROVISIONS

The City does not intend to have a net overdraft position occur during the course of the contract period. A net overdraft shall be defined as a negative balance in the City’s accounts collectively, not by individual account.

In the event a check or checks shall be presented for payment where there is insufficient funds for the purpose of paying checks, the successful bank agrees to promptly notify the Chief Financial Officer or other signatory person, by telephone or other means, of the overdraft condition, and to provide the City a period not exceeding one business day to respond and rectify the condition.

OTHER STIPULATIONS

- A. The successful bidder shall notify the City in writing within ten (10) days of any changes in Federal or State regulations or laws that would affect the Bank Depository Services Agreement.

- B. Notification of wire transfers shall be made by telephone, fax, or email to the Director of Finance within one hour of the transaction and a written confirmation mailed to the City the same day of the transaction.
- C. In the event it would be ruled illegal under the provisions of any Federal or State laws or regulations for the successful bank to comply with the requirements of the Bank Depository Services Agreement, then the City expressly reserves the right and privilege to cancel the Bank Depository Services Agreement and to re-bid.
- D. The successful bank's records relating to the City's accounts shall be open for review during normal business hours by designated staff members or appointed independent auditors.
- E. The City reserves the right to open and maintain one or more demand accounts at financial institutions not affiliated with the successful bank.

BIDDING REQUIREMENTS

- A. One (1) complete copy of the proposal with the bid bond check, sealed and clearly marked "Bank Depository Services RFP," shall be delivered to the City Secretary by 10:00 A.M., CST, on Wednesday, April 3, 2013 and addressed:

Christina McDonald, City Secretary
City of Marble Falls
800 Third Street
Marble Falls, TX 78654

830.693.3615

- B. NO PROPOSAL SHALL BE RECEIVED AFTER 10:00 A.M. ON THE DATE DUE.**
- C. The proposing institution shall use this RFP as the Official Bid Form. Submitted prices, rates, conditions, and answers shall be included in final contract form. The signed, submitted response should include printed copies of all completed worksheets and will be deemed the respondent's official proposal.
- D. The City reserves the right to request additional information or to meet with representatives from proposing organizations to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.
- E. The City reserves the right to reject any and all proposals, and to accept the proposal it considers in its best interest based upon the requirements and descriptions outlined in this RFP.
- F. Bidder must qualify under current Texas law as a state or national bank to serve as a municipal depository bank.

- G. Bidder shall supply a bid bond of \$1,000.00. The bid bond shall be in the form of a cashier's check made payable to the City, and shall be returned to each bidder upon final acceptance and execution of a contract with the successful bidder. Should the institution selected as the successful bank by the City fail to become a bank service provider, for whatever reason, the bid bond will be forfeited to the City as liquidated damages.
- H. Transfer of funds will commence at such time the successful bank has provided the City with all required forms and supplies necessary to insure uninterrupted day-to-day operations. The successful bank commits its "best efforts" to complete the execution of documentation and transfer of funds by the June 1, 2013 contract period start date. Failure to complete by the start date, at the discretion of the City, could be considered grounds for bid bond forfeiture and alternative bank selection.
- I. The successful bank shall, upon termination of contract, cooperate with the new bank for transfer of funds.
- J. The formal bid opening will be on April 3, 2013 deadline. Upon written request, a copy of the accepted proposal will be available after the City Council selects the successful bank.
- K. Any questions concerning this RFP should be directed to:

Margie Cardenas, Director of Finance
City of Marble Falls
800 Third Street
Marble Falls, TX 78654

830.693.3615
830.693.6737 fax
mcardenas@ci.marble-falls.tx.us

MISCELLANEOUS

- A. The City shall require a review meeting at least once every six months to evaluate the working relationship between the City and the successful bank. The objective shall be to address any problems and to seek solutions as well as keeping abreast of changes, new services, or new requirements.

- B. The final appointment of the successful bank shall be made by contract award of the Marble Falls City Council and Marble Falls Economic Development Corporation Board of Directors. The successful bank shall be required to enter into a contract that incorporates all of the requirements of their submitted RFP as the OFFICIAL BID FORM, along with the accompanying related schedules and materials as called for in this RFP. Additional contract attachments include: collateral custodial agreement, FIRREA bank certification, and PFIA investment provider certification.

- C. This RFP has been duly advertised and is being offered for consideration to financial institutions as permitted by the City policy.

The following person duly authorized to act on behalf of the City is offering this Request For Proposal.

Ralph Hendricks, City Manager

**BANK TRANSACTIONS BY ACCOUNT
1-31-2013**

CITY OF MARBLE FALLS

ACCOUNT	DESCRIPTION	CREDITS		DEBITS		ENDING
		NO.	AMOUNT	NO.	AMOUNT	BALANCE
6000292627	Credit Card Account	37	60,149.92	5	913.04	106,244.84
763652971	Utility Deposits	17	8,765.32	30	1,662.84	262,427.49
763651460	General Interest & Sinking	6	934,277.10	6	173,409.75	776,673.31
763653094	Police Forfeiture Fund	1	101.26	0	0.00	34,618.48
14110001	CO's Series 2003	1	2.81	0	0.00	897.44
763659695	Parks Improvement	1	13.69	0	0.00	44,955.10
6002080805	TCDP 2006	0	0.00	0	0.00	162,198.51
6002567534	La Ventana PID	1	63.49	0	0.00	21,705.93
6000292848	Police Federal Forfeiture	1	131.50	0	0.00	44,955.10
763652955	City Operating Account	102	4,261,847.39	414	2,875,427.76	2,579,530.93
	TOTAL	167	5,265,352.48	455	3,051,413.39	4,034,207.13

**THE CORPORATION FOR INDUSTRIAL
DEVELOPMENT
DBA THE MARBLE FALLS ECONOMIC DEVELOPMENT
CORPORATION**

763653003	EDC Account	5	113,515.64	17	130,535.14	123,417.84

REQUIRED SCHEDULES

Please include UNIT PRICE on every available service, even if no ACTIVITY is listed. Also, highlight changes to item descriptions or measurement units.

SCHEDULE 1 - Fee Schedule (Monthly Activity primarily estimated from January 31, 2008)

	<u>MONTHLY # UNITS/ ACTIVITY</u>	<u>MONTHLY UNIT PRICE</u>	<u>ESTIMATED MONTHLY CHARGE</u>
Account maintenance DDA	12	No Fee	
Account maintenance CDA		Not available	
Account maintenance ZBA		Not available	
Monthly Statement fee	12	Provided	
<u>Banking Center Services</u>			
Branch Credits Posted		Provided	
Branch Deposit Verification		Provided	
Commercial Check Cashing		Provided	
<u>Depository Services</u>			
Items Deposited	1792	No Fee	
Checks On Us			
Checks Local City			
Checks Local RCPC			
Checks in District City			
Checks in District RCPC			
Checks in District Country			
Checks National FRB City			
Checks National FRB Other			
Checks Encoding		Not available	
Return Items Returned	6	No Fee	
Return Redeposit Reclear		Provided	
<u>Disbursement Services</u>			
Checks/Debits Posted	432	No Fee	
Check Photocopy Retrieval		Provided	
Controlled Disbursement Maintenance		Not available	
Stop Payment Automatic Renewal		Not Available	
Check Image Maintenance		Provided	
<u>Funds Transfer Services</u>			

Electronic Outgoing Repetitive Wire		No Fee
Phone Outgoing Wire		No Fee
Incoming Wire		No Fee
Mail Advice		Provided
Intra-bank account transfers	9	No Fee

Automated Clearing House

ACH Debits/Credits Originated	498	No Fee
ACH Return Fax Notification	1	No Fee
ACH File Processing	6	No Fee
ACH Maintenance		Provided
ACH Authorized ID		Provided

Balance Reporting Services

Account Charge	9	No Fee
Current Day Maintenance	9	Provided
Previous Day Maintenance	9	Provided
Transaction Detail		Provided
Additional Account Maintenance		

Direct Deposit

ACH Account Maintenance	200	Provided
ACH per Item Charge (two day)	2	No Fee
Transmission charge		No Fee

Branch Teller Services

Branch Order - Rolled Coin		No Fee
Branch Order - Per Strap of Currency		No Fee
Cash Deposit Processing		Provided
Coin Deposit Processing		Provided
Commercial Check Cashing		Provided

Vault Services

Deposit		Provided	
Deposit Dollars		Provided	
Deposit Standard Strap Notes		Provided	
Deposit Non-Std Strap Notes		Provided	
Deposit Standard Coin Bag		Provided	
Activity Report - Faxed		Provided	
Adjustment		Provided	

Other Monthly

Collateral Fee (max. balances)	5,000,000	No Fee	
Collateral Account Maintenance		Provided	
FDIC Insurance-per \$1,000 Ledger		Provided	

Security Clearance/Safekeeping

Security Clearance Charges/Trade		No fee*	
Security Clearance Charges/Trade/Fed		No fee*	
Security Clearance/Trade/DTC		No fee*	
Safekeeping Charges/Month		No Fee*	
Charges/Security/Month/Fed		No fee*	
Charges/Security/Month/DTC		No fee*	

***if City uses the Bank's safekeeping agent**

Monthly Total Estimated Fees (ex. One time charges)			0.00
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Other

Night Depository Bags	6	No fee	
Large Safe Deposit Box (annual charge)		No fee	
Small Safe Deposit Box (annual charge)		No fee	
Endorsement Stamps (one time charge)	8	No fee	
Checks & Deposit Slips		Deposit Slips Provide	
ACH Software Charge		Provided	

Other Fees for Contract term (inc. one time charges)			0.00
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All items identified as "provided" will be provided to the City at no cost.

Collected Balances/Earnings Credit

Formula	<hr/>	
Current Rate	<u>n/a</u>	
Average Collected Balance	<u>4,000,000</u>	
Less Reserve Requirement	<u>400,000</u>	
Investable Balance	<u>3,600,000</u>	
Estimated Earnings Credit per Month		<u><u>0.00</u></u>

Checking/Sweep Account Interest

Interest will be paid on transaction accounts at a rate of 3/4% less than the prior month 91 day T-Bill average auction yield adjusted on the first day of each month, with a minimum rate of 0.25%.

Formula	<hr/>	
Current Rate	<u>0.25%</u>	
Average Collected Balance	<u>4,000,000</u>	
Estimated Monthly Earnings		833.33
Less Sweep Fee		
	(based on balances remaining in transaction accounts)	
Net Estimated Monthly Earnings		833.33

- 1) Certificates of Deposit \$100,000 (or more): **Interest will be paid at a rate equal to the Banks "posted rate". Interest will be paid monthly or at maturity at option of the City.**

<u>Term</u>	<u>Rate*</u>	<u>Minimum \$</u>	<u>Maximum \$</u>
7 to 29 days	0.10%	100,000	None
30 to 59 days	0.10%	100,000	None
60 to 89 days	0.10%	100,000	None
90 to 119 days	0.15%	100,000	None
120 to 149 days	0.15%	100,000	None
150 to 179 days	0.15%	100,000	None
180 to 269 days	0.20%	100,000	None
270 to 364 days	0.20%	100,000	None
1 to 2 years	0.35%	100,000	None

* rate for Certificates opened on March 15, 2013

- 2) Overdrafts:

Overdrafts are not anticipated to occur, however, should a net overdraft condition occur, the following stipulations shall apply:

Maximum number of banking days the overdraft shall be allowed:	three
Maximum amount of the overdraft:	\$ 100,000
Interest rate per annum computed on the overdraft:	Wall Street Journal Prime plus 3%

- 3) The City requests **one** relationship manager to coordinate the financial institution's efforts in providing the requested services. This individual will be the City contact and will be directly responsible for facilitating all City/financial institution interaction:

<u>Description</u>	<u>Name</u>	<u>Title</u>	<u>Phone</u>
Relationship Officer	Joe Swynnerton	President, Marble Falls	693-3595

RESPONSE ATTACHMENTS (Please attach in the order requested):

1. Monthly account analysis statement that will be provided to the City, and indicate any capability to provide the information electronically.

Not Applicable

2. Explanation of the institutions' policy and methodology used in setting rates paid on interest bearing accounts and account analysis earnings credit. Indicate if they are based on a market rate such as T-Bill discount or yield rate, or the federal funds rate, etc., and when the rates are changed. Also, please provide a historical schedule of rates paid.

The Bank utilizes independent market sources to establish rates paid, primarily the U S T-Bill and rates calculated and published by the Federal Reserve Bank Board. Rates on transaction accounts change monthly on the first business day, other rates are subject to change daily. Attachment A provides historical 91 day T-Bill monthly average auction yields.

3. Collateral agreement clearly stating that the custodian is instructed to release the collateralized securities to the City if the City has determined that the bank has failed to pay on any accounts, including but not limited to matured investments in Certificates of Deposit, or the City has determined that the City's funds are in jeopardy for any reason, including but not limited to involuntary closure or change in ownership. The collateral agreement shall have signatories and be executed by the custodian, the successful bank, and the City.

Attachment B is a copy of the collateral agreement that the Bank utilizes with public fund entities.

4. Latest annual financial statements, the most recent quarterly F.D.I.C. call reports, and the Uniform Bank Performance Report for the latest fiscal year end.

Attachment C provides links to the December 2012 call report and UBPR.

5. Information describing the institution's security measures to prevent fraud and unauthorized electronic and non-electronic transfers, and protect the integrity of computer banking services and internal computer systems.

The Bank takes its responsibility to protect the financial information of our customers very seriously. All access points to customer data are restricted by the use of user IDs, passwords and tokens, and activity is monitored and reviewed on a daily basis. Third party vendors that provide service to the Bank are required to maintain security systems as well and report to the Bank the results of audits of their systems. The Bank monitors access and attempted access to internal computer systems on a 24/7 basis.

In addition to the physical security and monitoring systems in place to prevent unauthorized access and maintenance to customer data, the Bank has an ongoing training program for employees. The contents of the program include information to assist staff in identifying potential fraud and fraudulent transactions, proper usage of the Bank's information systems and the legal responsibilities of the Bank in protecting customer information.

**EXHIBIT A
CITY OF MARBLE FALLS**

Bank-Provided
Historical Information
(to be completed by the bank and provided to district)

ECR Rate				Explanatory Notes, if applicable
Month			%	
February-13			N/A	
January-13			N/A	
December-12			N/A	
November-12			N/A	
October-12			N/A	
September-12			N/A	
August-12			N/A	
July-12			N/A	
June-12			N/A	
May-12			N/A	
April-12			N/A	
March-12			N/A	

Interest Bearing Accounts				Explanatory Notes, if applicable
Month			%	
February-13			0.25%	floor rate
January-13			0.25%	floor rate
December-12			0.25%	floor rate
November-12			0.25%	floor rate
October-12			0.25%	floor rate
September-12			0.25%	floor rate
August-12			0.25%	floor rate
July-12			0.25%	floor rate
June-12			0.25%	floor rate
May-12			0.25%	floor rate
April-12			0.25%	floor rate
March-12			0.25%	floor rate

**EXHIBIT A
CITY OF MARBLE FALLS**

Bank-Provided
Historical Information
(to be completed by the bank and provided to district)

Index Rate (Prior Month Ave 91 day Tbill Auction Yield)				Explanatory Notes, if applicable
Month			%	
February-13			0.074%	
January-13			0.077%	
December-12			0.101%	
November-12			0.104%	
October-12			0.105%	
September-12			0.106%	
August-12			0.099%	
July-12			0.089%	
June-12			0.090%	
May-12			0.081%	
April-12			0.090%	
March-12			0.095%	

**ATTACHMENT B
PUBLIC FUNDS DEPOSITOR
COLLATERAL SECURITY AGREEMENT**

This Public Funds Depositor Collateral Security Agreement (the "Agreement") is made and entered into as of the _____ day of _____, _____ by and between _____ the "Depositor") and **First State Bank Central Texas** ("Bank"), and any prior Agreement between Depositor and Bank relative to the subject matter hereof is hereby terminated as of the date first written above.

RECITALS

Depositor, through action of its Board of Directors, has designated Bank as a depository for Depositor's funds. Funds on deposit with Bank to the credit of Depositor in excess of federal deposit insurance are required to be secured by eligible security as provided for by the Public Funds Collateral Act, V.T.C.A. Government Code Section 2257.001 et seq. (the "Public Funds Law"). Depositor and Bank understand and acknowledge that the amount of Depositor's uninsured deposits in Bank may vary substantially from time to time; that under the circumstances permitted herein, the Bank may release, add to or substitute for the securities pledged by Bank from time to time to secure such uninsured deposits of Depositor; and that it is the intent of the parties that this Agreement be renewed and extended upon and at the time of each permitted release, addition or substitution of collateral securities and thereafter remain in force and effect for the full term thereof until terminated in the manner set forth herein. In order to perfect Depositor's security interest in eligible securities pledged by Bank from time to time to secure such uninsured deposits, the Board of Directors of the Bank (the "Bank Board") has authorized the undersigned Bank officer to enter into this Agreement on behalf of Bank under the terms of which Bank will either (i) cause its authorized Security Safekeeping Agent to hold the collateral assets in a custody account as bailee for the benefit of Depositor, or (ii) cause the Federal Reserve Bank to hold the collateral assets in a restricted securities account, joint safekeeping account or other similar account as custodian/bailee for the benefit of Depositor (such Safekeeping Agent or the Federal Reserve Bank, as the case may be, hereinafter called the "Custodian").

AGREEMENT

Now, Therefore, in consideration of the mutual covenants in this Agreement, the parties agree as follows:

1. Grant of Security Interest. To secure the uninsured deposits maintained by Depositor with Bank from time to time, Bank hereby pledges and grants to Depositor a security interest in its Eligible Securities (as defined in the Public Funds Law) which are held, now or hereafter, by Custodian for the benefit of Depositor in accordance with the terms of this Agreement (the "Collateral"). At all times during the term of this Agreement, the Collateral shall consist solely of the following:

General obligations of the United States of America or its agencies or instrumentalities backed by its full faith and credit;

Direct obligations of the State of Texas or Texas State agencies and instrumentalities;

Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States of America, the underlying security for which is guaranteed by an agency or instrumentality of the United States of America that have an expected weighted average life of 10 years or less;

Other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas or the United States of America or their respective agencies and instrumentalities; and

Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

Bank shall cause Custodian to accept and hold the Collateral as bailee and/or custodian for Depositor to secure Bank's obligation to repay the deposits.

2. Receipts. The Collateral held by Custodian for the benefit of Depositor, as of the effective date of this Agreement, has been described on Trust Receipts (as defined in the Public Funds Law) issued by Custodian, copies of which Custodian has forwarded to Depositor. Such current Collateral is described on Exhibit "A" attached hereto and made a part hereof for all purposes. With respect to additional or substitute Collateral hereafter delivered by Bank to Custodian to hold for the benefit of Depositor, or any releases of securities previously held as Collateral ("Releases"), as contemplated by this Agreement, Bank shall cause Custodian to issue Trust Receipts or Releases describing such additional or substitute Collateral or released securities and promptly forward copies of same to Depositor. Such Trust Receipts and Releases which are furnished to Depositor by Custodian from time to time shall be deemed a part of this Agreement without further action on the part of any party hereto, and this Agreement shall apply to such released, additional or substituted Collateral to the same extent as if it were described on Exhibit "A" attached hereto. If the Custodian is the Federal Reserve Bank, such Trust Receipts or Releases will consist of a written confirmation (the "Advice"). Such Advice shall be subject to the terms and conditions of all applicable regulations, operating circulars, bulletins and policies of the Federal Reserve Bank, including the terms and conditions of any applicable forms or agreements, as may now exist or hereafter be enacted, promulgated or issued by the Federal Reserve Bank (collectively (Applicable Regulations)). Upon request of Depositor, Bank agrees to provide or cause Custodian to provide a then-current list of all Collateral pledged by Bank to secure Depositor's funds to update Exhibit "A" to this Agreement.
3. Required Collateral Value. Bank agrees with Depositor that the total market value of the Collateral securing uninsured deposits maintained by Depositor with Bank will at all times during the term of the Agreement be not less than one hundred ten percent (110%) of the amount of such uninsured deposits (the "Required Collateral Value"). To insure that the Required Collateral Value is maintained, Bank will redetermine, on a monthly basis, the amount of Depositor's uninsured deposits (taking into account that month's deposits, accrued interest, disbursements and withdrawals) held by Bank and (using the most recently determined market value of the Collateral) promptly notify Depositor of any additional Collateral which may be necessary to maintain the Required Collateral Value. Determination of the market value of Collateral will be calculated monthly or more frequently on Depositor's request. If upon such monthly determination of the Collateral's market value, the Required Collateral Value is not then maintained, Bank will promptly notify Depositor to determine if the deposit of additional Collateral is necessary to maintain the Required Collateral Value.
4. Release of Collateral. Custodian shall not release any part of the Collateral without Depositor's written authorization. Depositor agrees to furnish such authorization promptly upon Bank's request under the circumstances described in Sections 5, 6, or 13 of this Agreement. Depositor's authorization to Custodian to release from the Collateral only designated Eligible Securities shall terminate the security interest granted by Bank in this Agreement only with respect to such designated Eligible Securities. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the release of Collateral.

5. Substitution of Collateral. It is hereby agreed that upon obtaining the prior written consent of the Depositor, which consent shall not be unreasonably withheld, substitutions of the Collateral held hereunder may be made at any time so long as the fair market value of the Eligible Securities being substituted is at least equal to the fair market value of the Eligible Securities being removed. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations shall govern the substitution of Collateral.
6. Excess Collateral. At such times as the aggregate market value of the Collateral held by Custodian exceeds the Required Collateral Value, Depositor, upon request by Bank, shall authorize Custodian to permit Bank to release the excess portion of the Collateral. Custodian shall have no further liability to Depositor with respect to those Eligible Securities released upon Depositor's authorization.
7. Additional Collateral. If at any time the aggregate market value of Collateral held by Custodian is less than the Required Collateral Value, Bank shall upon instruction by Depositor, promptly either (i) deposit with Custodian sufficient additional Eligible Securities of the type specified in Section 1 as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value, or (ii) transfer additional Eligible Securities of the type specified in Section 1 to the restricted securities account, joint safekeeping account or other similar account maintained by the Federal Reserve Bank as may be necessary to cause the aggregate market value of the Collateral to equal the Required Collateral Value and cause the Federal Reserve Bank to issue a corresponding Advice (and Bank will deposit with the Federal Reserve Bank additional Eligible Securities if and to the extent necessary to fulfill its obligations under this Agreement).
8. Earnings and Payments on Collateral. Bank shall be entitled to the interest income and earnings paid on the Collateral and Custodian may dispose of such interest income and earnings as directed by Bank without approval of Depositor, so long as Depositor has not notified Custodian of Bank's default under this agreement. Bank shall be entitled to any principal payment or prepayment of the Collateral and Custodian may dispose of such principal payment or prepayment as directed by Bank without approval of Depositor, so long as (I) the Custodian has received a written accounting from the Bank indicating that the Required Collateral Value will be maintained after deducting from the market value of the Collateral (determined no more than four (4) days prior to such payment date) the amount of such principal payment or prepayment and (ii) Depositor has not notified Custodian of Bank's default under this Agreement. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the disposition of interest earnings and principal payments on the Collateral.
9. Default and Remedies. If Bank fails at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit or becomes insolvent or materially breaches its contract with Depositor, a default shall exist under this Agreement and Depositor shall give written notice of such default to Bank, and Bank shall have ten (10) days to cure same. In the event Bank fails to do so, it shall be the duty of Custodian, upon written demand of Depositor, to surrender or transfer the Collateral to Depositor or Depositor's nominee and Bank hereby irrevocably authorizes Custodian to surrender or transfer the Collateral upon the conditions herein specified. Depositor may sell all or any part of such Collateral in a commercially reasonable manner and out of the proceeds of the Collateral may pay Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency sale. Depositor shall account to Bank for the remainder, if any, of said proceeds or

Collateral remaining unsold. Such sale may be either at public or private sale; provided, however, Depositor shall give Bank ten (10) days' written notice of the time and place where such sale shall take place and such sale shall be to the highest bidder for cash. Depositor and Bank shall have the right to bid at such sale. If the Custodian is the Federal Reserve Bank, this section shall apply except to the extent it is in conflict with the provisions of the Applicable Regulations, in which event the provisions of the Applicable Regulations shall govern the Depositor's exercise of remedies against the Collateral.

10. Authorization and Records. The Bank Board has authorized the pledge of Bank assets to collateralize uninsured deposits maintained by Depositor, and has authorized the undersigned Bank officer to enter into, execute and deliver to Depositor this Agreement on behalf of Bank and to take all action which may be necessary or appropriate to create and perfect the security interest in the Collateral contemplated hereunder. Bank shall deliver to Depositor a fully executed Board Resolution indicating same as a condition precedent to the effectiveness of this Agreement and shall advise Depositor immediately of any revocation, amendment or modification thereof. Bank shall maintain this Agreement, its copies of all Trust Receipts, Releases and Advices, and the Resolution Certificate among its official records continuously until such time as this Agreement is terminated and all uninsured deposits of Depositor have been properly and fully paid out. This Agreement may be executed in one or more counterparts, each of which shall be an original.
11. Authorized Representative; Depositor Agreements. The Depositor hereby confirms that it has previously authorized its Investment Officer, Bookkeeper and/or Tax Assessor-Collector to execute this Agreement and any documentation required in connection therewith, including specifically pursuant to the Applicable Regulations and documentation related thereto, and to represent it and act on its behalf in any and all matters of every kind arising under this Agreement. During the term of this Agreement, the Depositor may further designate an additional officer or officers to singly or jointly represent and act on behalf of Depositor in any and all matters of every kind arising under this Agreement and, in such event, shall provide written notice thereof to Bank. In the event of any conflict between the provisions of this Agreement and any other agreement between the Depositor and the Bank relating to the deposits, this Agreement will control, unless the conflict is with the Applicable Regulations, in which even the Applicable Regulations will control. Bank and Depositor specifically agree that Depositor's prior approval is required for any par-for-par Collateral substitutions.
12. Custodian as Bailee. Custodian will promptly identify the pledge by Bank to Depositor of the Collateral on the Custodian's books and records and any additional or substitute Collateral and issue to Bank and Depositor Trust Receipts covering the Collateral. Similarly, Custodian will promptly remove from its books and records any securities released from the pledge by Bank in compliance with the terms of this Agreement and issue to Bank and Depositor appropriate Releases identifying the released securities. Custodian acknowledges that it is the bailee of Depositor for purposes and Section 2257.044 of the Public Funds Law and its custodial capacity is deemed to be set forth on any Trust Receipt delivered to Bank and Depositor, whether such capacity is expressly so noted or not. If the Custodian is the Federal Reserve Bank, this section shall not apply, but Bank acknowledges the provisions of the Applicable Regulations which provide that the Federal Reserve Bank is acting as custodian/bailee and that the Collateral identified on the Advice is subject to the custodial provisions of the Applicable Regulations; and that the disposition thereof is subject to Depositor's approval.
13. Amendment, Modification, Renewal. Each permitted release of previously pledged Collateral and each addition to or permitted substitution for Collateral shall be deemed and considered, without further action by Bank or Depositor, as an amendment to Exhibit

“A” attached hereto and a contemporaneous renewal and extension of this Agreement for the term hereinafter stated upon the same terms and containing the same provisions as set forth herein, except as the Collateral subject to this Agreement may be modified or amended thereby; provided, however, that any such renewal and extension shall not affect any transaction entered into prior to such renewal and extension until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank’s sole control all Collateral then in Custodian’s possession. Otherwise, this Agreement may not be amended or modified except by mutual written agreement of the parties hereto.

14. Term. Unless sooner terminated as hereinafter provided, the term of this Agreement, and any renewal or extension hereof resulting from any release, addition to or substitution of securities pledged as Collateral hereunder, shall commence on the date of this Agreement, or the date of such release, addition or substitution, and continue for a term of ten (10) years.
15. Termination. Either Depositor or Bank may terminate this Agreement prior to the expiration of the term hereof upon thirty (30) days’ advance written notice to the other or by entering into a new Public Funds Depositor Collateral Security Agreement which is intended to supercede and replace this Agreement; provided, however, that the terms of this Agreement shall continue to apply to all transactions entered into prior to such termination and until Bank shall have properly and fully paid out all uninsured deposits (including any uninsured time deposits) and Depositor shall have authorized Custodian to redeliver to Bank’s sole control all Collateral then in Custodian’s possession.
16. Custodian Fees. Any and all fees associated with the Custodian’s holding of Collateral for the benefit of the Depositor will be paid by Bank and the Depositor will have no liability therefor.

In witness whereof, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the day first above written.

DEPOSITOR:

By: _____

Name: _____

Title: _____

BANK:

____ First State Bank Central Texas _____

By: _____

Name: Randy Dozeman

Title: Senior Vice President

The Custodian, if other than the Federal Reserve Bank, joins in the execution of this Agreement for purposes of Sections 8, 9 and 12, and if the Custodian is the Federal Reserve Bank, such joinder is to be evidenced as set forth in the Applicable Regulations, the Advice and any documentation related thereto.

CUSTODIAN:

By: Trust Company of Sterne Agee, Inc.

Name: _____

Title: _____

RESOLUTIONS

RESOLVED, that First State Bank Central Texas ("Bank") shall secure all deposits of Public Fund Units in excess of amount insured by the Federal Deposit Insurance Corporation ("Excess Funds") on deposit with the Bank at any time in whatever amount; and further

RESOLVED, in regard to the above referenced deposits, that the Chairman of the Board of Directors, President, and Senior Vice President, any Vice President, and Assistant Vice President, or any other officer of the Bank is hereby authorized and directed to execute for and on behalf of the Bank the following documents, it being further agreed that the execution of any of the same prior to the adoption of these resolutions is hereby ratified, confirmed and adopted:

1. A Public Funds Depositor Collateral Security Agreement (the "Collateral Security Agreement") in favor of the Public Fund Unit covering the Collateral described therein;
2. Such other and further documents as may be deemed necessary or desirable by such officer or as required by the Public Fund Unit in regard to the securing of the Excess Funds; and further

RESOLVED, that the officers executing any of the above described documents are hereby authorized and empowered to execute the same in the name and on behalf of the Bank, in such number of counterparts as the officer or officers executing the same shall deem necessary or desirable, with such terms, conditions, modifications, changes and provisions as the officer or officers executing the same may approve, the execution of such documents to evidence approval of the terms thereof conclusively; and further

RESOLVED, that any and all instruments executed and delivered on behalf of the Bank in connection with these resolutions by any person purporting to be an officer of the Bank shall be deemed to be the act of the Bank and shall be in all respects binding against the Bank; and further

RESOLVED, that all actions of all officers, agents or other representatives of the Bank taken or performed up to the date hereof in respect to the preparation, execution and delivery of the documents, certificates or other instruments contemplated hereby, and the taking prior to the date hereof of any and all actions otherwise required by the terms and provisions of the above referenced documents, be, and they hereby are, in all respects approved, ratified and confirmed; and further

RESOLVED, that this approval is intended to comply in all respects with the requirements of applicable statutory law relating with the requirements of applicable statutory law relating to insurance of accounts including specifically, but without limitation, the requirements of 12 U.S.C.A. §§ 1821 (d)(9)(A) and 1823(e); and further

RESOLVED, that any deposit agreements between Bank and a Public Fund Unit and/or the Collateral Security Agreement are all intended to be, and shall be deemed to be, official records of the Bank; and further

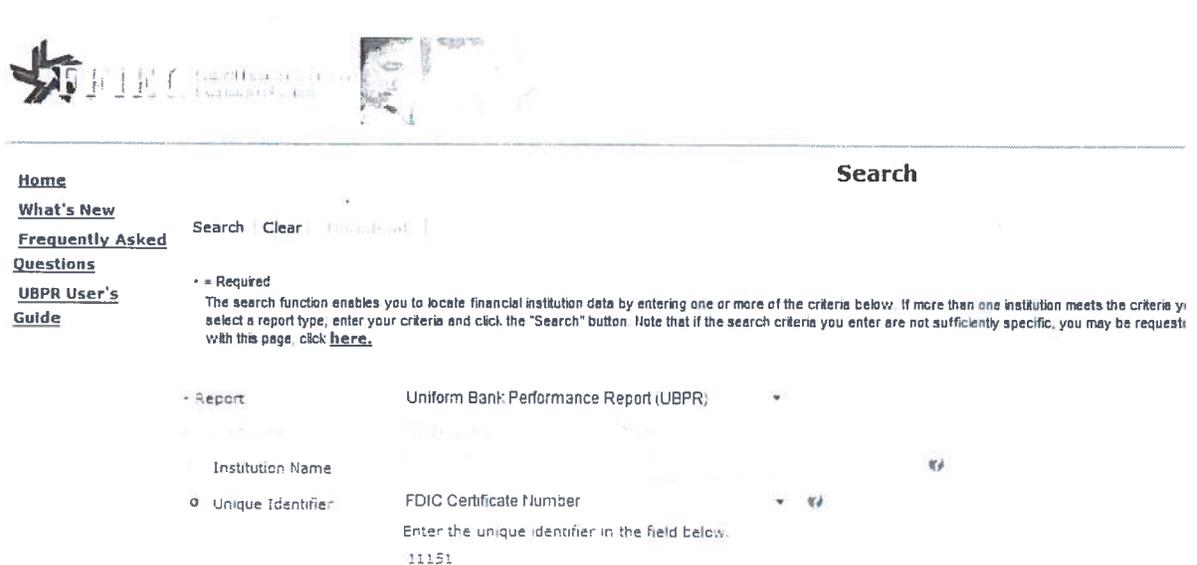
RESOLVED, that any deposit agreements between Bank and Public Fund Unit, the Collateral Security Agreement and these Resolutions shall be continuously maintained in the business records of the Bank.

Attachment C Financial Reports

The Bidder's Call Report and Uniform Bank Performance Report are available for viewing and printing at the following link:

<https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>

Enter the report desired (Call or UBPR), select unique identifier type as FDIC Certificate Number, and enter 11151.



The screenshot shows the FFIEC Search interface. On the left, there is a navigation menu with links: Home, What's New, Frequently Asked Questions, UBPR User's Guide, and a Search section. The Search section includes a search bar with 'Search' and 'Clear' buttons, and a list of search criteria. The 'Report' dropdown is set to 'Uniform Bank Performance Report (UBPR)'. The 'Unique Identifier' dropdown is set to 'FDIC Certificate Number'. Below the dropdowns, there is a text input field for the unique identifier, containing the value '11151'. A 'Generate Report' button is visible at the bottom right of the search area.

Home **Search**

[What's New](#)

[Frequently Asked Questions](#)

[UBPR User's Guide](#)

Search Clear [input type="text"]

Required

The search function enables you to locate financial institution data by entering one or more of the criteria below. If more than one institution meets the criteria you select a report type, enter your criteria and click the "Search" button. Note that if the search criteria you enter are not sufficiently specific, you may be requested with this page, click [here](#).

Report Uniform Bank Performance Report (UBPR)

Institution Name [input type="text"]

Unique Identifier: FDIC Certificate Number

Enter the unique identifier in the field below.

11151

Generate Report

The next page asks for the report date requested, default date is the latest on file. Then click "Generate Report"

[Generate Report](#)

[Search Again](#)

[Results List](#)

• Required

Select a report format and date(s) and then select the Generate Report button.

Selected Financial Institution

FIRST STATE BANK CENTRAL TEXAS

Report Format 

Standard

Custom

• Report Period

12/31/2012



09/30/2012

01/01/2012

03/31/2012

The report can be viewed online or printed by selecting the desired sections.



FIRST STATE BANK OF CENTRAL TX
 BARTLETT ISD
 PO BOX 6136
 TEMPLE TX 76503-6136

sterne
agee
The Trust Company

FINANCIAL ADVISOR:
 CHARLES WHITE
 800 SHADES CREEK PKWY • SUITE 125
 BIRMINGHAM AL 35209
 (877) 487-8625
 Branch Code: E136

FIRST STATE BANK OF CENTRAL TX **ACCOUNT NUMBER 85344495**
INVESTMENT ACCOUNT SUMMARY **Statement Period: 02/01/13 to 02/28/13**

	This Month	Prior Month	This Period
ASSET SUMMARY			
Fixed Income Securities	1,939,784.75	1,932,402.30	\$0.00
Total Invested Assets	1,939,784.75	1,932,402.30	\$0.00
Total Account Value	\$1,939,784.75	\$1,932,402.30	
Total Combined Value	\$1,939,784.75	\$1,932,402.30	
CASH ACTIVITY			
Opening Balance			\$0.00
Ending Balance			\$0.00



STATEMENT PERIOD: 02/01/13 TO 02/28/13

ACCOUNT NUMBER 85344495

PORTFOLIO HOLDINGS - FIXED INCOME - MUNICIPAL DEBT

Quantity	Description	Price	Current Value	Est. Annual Income	Shares Purchased	Unit Cost	Cost Basis	Unrealized Gain/Loss
2,045,000	BRAZOSPORT TX INDPT SCH DIST RFDG CAP APPREC B/E B/Q CAB @66.101 PSF GTD CPN 0.000% DUE 02/15/18 DTD 10/01/07 CUSIP#: 106241SN3	94.855	1,939,784.75	91.946	2,045,000	91.946	1,880,295.70	59,489.05
Total Fixed Income - Municipal Debt			1,939,784.75				1,880,295.70	59,489.05

Percentage of Total Invested Assets 100.00%



6. Technology specifications for use of all proposed electronic systems and services.

All of the Bank's electronic delivery systems are PC based and accessible through the internet. The account information delivery and positive pay products are browser based and accessed through the internet. If the City does not have software that can create NACHA formatted ACH files, the software provided by the Bank is browser based and accessed through the internet.

7. Sample safekeeping report of the information the City shall receive monthly from the Custodian.

Attachment D presents a sample monthly pledgee report.

8. Information on the sweep/overnight investment account recommended for use by the City.

Not applicable

9. Summary of the institution's business continuation plans as they pertain to the City's ability to perform normal banking functions during natural and un-natural bank operation disruptions, including a Statement of Commitment to provide the City continuous and ongoing bank depository services to the best of the financial institution's ability.

The Bank maintains back-up delivery systems for each of its primary delivery channels to allow for continued operations in the case of a failure of a primary delivery channel. Back-up processing sites are maintained by our data processing vendors, and the Bank maintains a back-up site for internal communications. A loss of the local facility, staff or their ability to operate will be responded to by a redirection of staff and equipment from our Kingsland and Burnet facilities. The Bank is dedicated to maintaining a level of service to all of our customers sufficient for their continuing needs and we have established written business interruption procedures to insure this capability.

10. Lists of Comparable References and Current Texas Public Funds Clients.

Below are listed three current public fund units that the Bank currently serves as depository.

**Burnet County Central Appraisal District
Stan Hemphill, Chief Appraiser
512/756-8291**

**Falls County, Marlin, Texas
Sue Ryan, County Treasurer
254/883-1404**

**Hamilton Independent School District
Ken Alexander, Director of Finance
254/386-**

INVESTMENT POLICIES

City of Marble Falls Investment Policy attached.

May 3, 2016

7. REGULAR AGENDA

- (a) Public Hearing, Discussion, and Action on the First Reading of Ordinance 2016-O-05A and waiving the second reading regarding a sign text amendment to Chapter 20 (Signs), Section 20-8.E (Electronic Signs), City of Marble Falls Code of Ordinances, to amend the Gas/Fuel price electronic message sign regulations and any conflicting regulations therein. ***Caleb Kraenzel, Assistant City Manager***

Background information is attached as follows:

[Cover Memo and Supporting Documentation](#)



**Council Agenda Item Cover Memo
May 3, 2016**

Agenda Item No.: 7(a)
Presenter: Caleb Kraenzel, Assistant City Manager
Department: Development Services
Legal Review: N/A

AGENDA CAPTION

Public Hearing, Discussion, and Action on the First Reading of Ordinance 2016-O-05A and waiving the second reading regarding a sign text amendment to Section 20-8. E., Chapter 20. Signs, City of Marble Falls Code of Ordinances, to amend the Gas/Fuel price electronic message sign regulations and any conflicting regulations therein.

BACKGROUND INFORMATION

At the April 7, 2016 regular meeting of the Planning and Zoning Commission the Commission motioned to send this item to Council for approval by a vote of 7 – 0.

This item is to consider a text amendment to the Gas/Fuel price electronic message sign regulations for the City of Marble Falls. Currently Section 20-8.E. of the existing Sign regulations reads as follows:

E. Gas/fuel price electronic message sign.

- 1. Allocation. One (1) allowed per business or property. May be allowed to be attached to buildings/structures. Gas/fuel electronic message signs are allowed to be erected in conjunction with standard electronic message signs and time and temperature signs.*
- 2. Maximum size. Shall not exceed twenty-four (24) square feet per side.*
- 3. Form. Limited to not more than two (2) sides with one (1) sign face per side. Shall not be installed or erected on freestanding or pole signs; this sign type is permitted only upon buildings/structures/canopies and within a monument sign consistent with the construction/installation standards within the electronic message sign, monument section.*

4. Messaging standard. Gas/fuel numbers and text must be displayed as a static or fixed full-screen message for each message displayed. Gas/fuel messages must be displayed a minimum of ten (10) seconds before rotating or displaying the next message. Scrolling, blinking, or other form of moving text is prohibited. The advertising of any goods, services, or prices for other than gas/fuel upon this sign is prohibited. If at any time any content other than gas/fuel messaging is displayed, then the sign will be classified as an electronic message sign, thereby requiring the sign to comply with all standards applicable within these regulations to electronic messaging signs.

5. Color form standard. Gas/fuel signs must have a black background, and a single uniform text color of red, white, or amber. Varying text colors of the messaging is prohibited.

A discussion item regarding this subject was presented to the Commission on March 12, 2015. The current Sign Ordinance only allows Electronic gas/fuel pricing signs to be affixed to buildings/structures (such as the fuel station canopy). This current provision disallows electronic gas/fuel pricing signs from being utilized on any detached signs, regardless of whether the sign is new or an existing gas station seeking to replace old signage with electronic pricing signs. City Staff has received numerous inquiries and permit requests from existing gas station and new gas stations wanting to upgrade existing gas/fuel signage to an electronic format meeting new corporate standards. These requests have been denied because they have been placed on detached signage, contrary to what the Sign Ordinance regulations state. Due to the frequency of these requests, City Staff has proposed an amendment to the existing gas/fuel pricing section of the Sign Ordinance.

RECOMMENDATION

Staff recommends approval of the proposed Gas/Fuel Price Electronic Message Sign amendment.

Memo Contents:

- Gas/Fuel Price Electronic Message Sign Amendment: **Page 3**
- Ordinance 2016-O-05A: **Pages 4 - 6**

**City of Marble Falls Code of Ordinances, Chapter 20. Signs,
Section 20-8.E Gas/fuel price electronic message sign TEXT AMENDMENT DRAFT:**

E. Gas/fuel price electronic message sign.

1. *Allocation.* One (1) allowed per business or property. May be allowed to be attached to buildings/structures or on a detached sign. ~~Gas/fuel electronic message signs are allowed to be erected in conjunction with standard electronic message signs and time and temperature signs.~~
2. *Maximum size.* Shall not exceed ~~twenty-four~~ eighteen (2418) total square feet per side sign face; which may consist of individual pricing panels six (6) square feet per gas/fuel price panel, with a maximum of three fuel/gas price(s) (Unleaded, Premium, Diesel) per detached sign and/or building/structure.
3. *Form.* Limited to not more than two (2) sides with one (1) sign face per side. ~~Shall not be installed or erected on freestanding or pole signs; this sign type is permitted only upon buildings/structures/canopies and within a monument sign consistent with the construction/installation standards within the electronic message sign, monument section.~~
4. *Messaging standard.* Gas/fuel numbers ~~and text~~ must be displayed as a static ~~or fixed full screen message for each message displayed.~~ Gas/fuel messages must be displayed a minimum of ten (10) seconds before rotating or displaying the next message. Scrolling, blinking, or other form of moving text is prohibited. The advertising of any goods, services, or prices for anything other than gas/fuel upon this sign is prohibited. If at any time any content other than gas/fuel messaging is displayed, then the sign will be classified as an electronic message sign, thereby requiring the sign to comply with all standards applicable within these regulations to electronic messaging signs.
5. *Color form standard.* Gas/fuel signs must have a black background, and a single uniform text color of red, white, green, or amber. Varying text colors of the messaging is prohibited.
6. *Existing nonconforming signs.* Existing nonconforming signs seeking to install electronic gas/fuel price message signs must show substantial improvements to existing sign in conformance with Section 20-15.G.

ORDINANCE NO. 2016-O-05A

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF MARBLE FALLS, CHAPTER 20. SIGNS, SECTION 20-8. E.; AMENDING THE GAS/FUEL PRICE ELECTRONIC MESSAGE SIGN REGULATIONS AND ANY CONFLICTING REGULATIONS THEREIN; PROVIDING FOR SEVERABILITY; AND REPEALER; EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS the City of Marble Falls is legally empowered to regulate development in the community through the legitimate use of its police powers; **AND**,

WHEREAS, the City Council of the City of Marble Falls is legally empowered to amend sign regulations to provide for amendments, changes, and additions; **AND**,

WHEREAS, the City Council desires to provide amendments to Section 20-8. E., Chapter 20. Signs, by amending the gas/fuel price electronic message sign regulations; **AND**

WHEREAS, the City of Marble Falls Planning & Zoning Commission at a public hearing on April 7, 2016 recommended approval of sign amendments to the above referenced regulations; **AND**

WHEREAS, the City Council is authorized to make changes to Section 20-8. E., Chapter 20. Signs, by amending the gas/fuel price electronic message sign regulations, and the City Council believes that the amendments to the current regulations provided by this Ordinance are in the best interest of the City of Marble Falls.

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

SECTION I. PREAMBLE. All of the above premises are hereby found to be true and correct legislative and factual findings of the City of Marble Falls and are hereby approved and incorporated into the body of this ordinance as if copied in their entirety.

SECTION II. AMENDMENTS. Section 20-8. E., Chapter 20. Signs, is amended by adjusting the gas/fuel price electronic message sign regulations, as follows:

E. Gas/fuel price electronic message sign.

1. *Allocation.* One (1) allowed per business or property. May be allowed to be attached to buildings/structures or on a detached sign.
2. *Maximum size.* Shall not exceed eighteen (18) total square feet per sign face; which may consist of individual pricing panels six (6) square feet per gas/fuel price

panel, with a maximum of three fuel/gas price(s) (Unleaded, Premium, Diesel) per detached sign and/or building/structure.

3. *Form.* Limited to not more than two (2) sides with one (1) sign face per side.
4. *Messaging standard.* Gas/fuel numbers must be displayed as a static. Gas/fuel messages must be displayed a minimum of ten (10) seconds before rotating or displaying the next message. Scrolling, blinking, or other form of moving text is prohibited. The advertising of any goods, services, or prices for anything other than gas/fuel upon this sign is prohibited. If at any time any content other than gas/fuel messaging is displayed, then the sign will be classified as an electronic message sign, thereby requiring the sign to comply with all standards applicable within these regulations to electronic messaging signs.
5. *Color form standard.* Gas/fuel signs must have a black background, and a single uniform text color of red, white, green, or amber. Varying text colors of the messaging is prohibited.
6. *Existing nonconforming signs.* Existing nonconforming signs seeking to install electronic gas/fuel price message signs must show substantial improvements to existing sign in conformance with Section 20-15.G.

SECTION III. PROVIDING FOR SEVERABILITY CLAUSE. If any provision, section, sentence, clause or phrase of this ordinance, or the application of the same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, the validity of the remaining portions of this ordinance or its application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council of the City of Marble Falls in adopting, and of the Mayor in approving this ordinance, that no portion thereof or provision or regulation contained herein shall be come inoperative or fail by reason of any unconstitutionality or invalidity of any portion, provision or regulation.

SECTION IV. REPEALER CLAUSE. The provisions of this ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein, provided, however, that all prior ordinance or parts of ordinances inconsistent or in conflict with any of the provisions of this ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This ordinance shall not be construed to require or allow any act which is prohibited by any other ordinance.

SECTION V. EFFECTIVE DATE. This ordinance shall take effect immediately from and after its passage and publication as may be required by governing law.

SECTION VI. NOTICE AND MEETING CLAUSE. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public

and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PUBLIC HEARING AND 1ST READING OF THIS ORDINANCE: May 3, 2016.

SECOND READING: Waived.

APPROVED:

John Packer
Mayor, City of Marble Falls

ATTEST:

Christina McDonald, City Secretary
City of Marble Falls

(Seal)

APPROVED AS TO FORM:

Patty L. Akers, City Attorney
City of Marble Falls



**City of Marble Falls, Texas
Council Agenda Item Cover Memo
May 3, 2016**

**Agenda Item: Executive Session
Prepared By: Christina McDonald, City Secretary
Department: Administration
Submitted By: Christina McDonald, City Secretary**

AGENDA CAPTION

EXECUTIVE SESSION

CLOSE OPEN SESSION AND CONVENE EXECUTIVE SESSION Pursuant to §551.071 (*Private Consultation between the Council and its Attorney*), Pursuant to §551.087 (*Deliberation Regarding Economic Development Negotiations*), and Pursuant to §551.072 (*Deliberation Regarding the Purchase, Exchange, Lease or Value of Real Property*) of the Open Meetings Act. *Tex. Gov't Code*, Council will meet in Executive Session to discuss the following:

- Discussion regarding economic development projects associated with development of EDC owned and City owned property, including public right-of-way and easements.

CERTIFICATION:

I hereby certify that I have reviewed the proposed topic for the Executive Session described herein and in my opinion, the Texas Open Meetings Act authorizes the Marble Falls City Council to meet in Executive Session and to deliberate regarding the subject matter contained in this cover memo.

Signed this _____ day of _____, 2016.

City Attorney