



LAKEWOOD VILLAGE TOWN HALL
100 HIGHRIDGE DRIVE
LAKEWOOD VILLAGE, TEXAS
VIA TELEPHONE CONFERENCE
TOWN COUNCIL MEETING
APRIL 9, 2020 7:00 P.M.

NOTICE IS HEREBY GIVEN Pursuant to section 551.127 of the Texas Government Code, and in conjunction with the guidance and provisions provided by the Governor of Texas in the declaration of disaster and subsequent executive orders altering certain Open Meetings Act requirements and banning gatherings of more than 10 people, the Town Council of the Town of Lakewood Village will conduct the meeting scheduled at 7:00 p.m. on April 9, 2020 at Lakewood Village Town hall, 100 Highridge Drive by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There will be **no in-person public access** to the location described above and less than a quorum may be physically present at the location.

This Notice and Meeting Agenda, and the Agenda Packet, are posted online at lakewoodvillagetx.us. The public toll-free dial-in number to participate in the telephonic meeting is hosted through ZOOM. The dial in number is: 346-248-7799. You will be prompted to enter the meeting ID number: 974 299 916

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. **Persons wishing to speak before the Council must notify the Town Secretary via email, linda@lakewoodvillagetx.us, no later than 6:30 p.m. April 9, 2020. The email must include your name, full address, and the agenda item on which you wish to speak.** A recording of the telephone/video meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

REGULAR SESSION – AGENDA

Call to Order and Announce a Quorum is Present

A. PLEDGE TO THE FLAG:

B. VISITOR/CITIZENS FORUM: At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. The council may not comment or deliberate such statements during this period, except as authorized by Section 551.042, Texas Government Code.

C. PUBLIC HEARING: A public hearing to provide an opportunity for citizen comment on an ordinance amending Ordinance No. 19-02, the Comprehensive Zoning Ordinance, and amending the official zoning map of the Town by rezoning approximately 77.89 acres of land to Planned Development - Single-Family Residential owned by Sam Hill Venture. (Continued from the March 26, 2020 Council Meeting)

D. PUBLIC HEARING: A public hearing is scheduled to provide an opportunity for citizen comment on the proposed comprehensive plan.

E. PUBLIC HEARING: A public hearing is scheduled to provide an opportunity for citizen comment on the petition filed by The Sanctuary Texas, LLC requesting the creation of Public Improvement District 1. (Continued from the February 13, 2020 Council Meeting)

F. REGULAR AGENDA:

1. Consideration of Resolution Creating Public Improvement District No. 1 (Asbell)

**LAKEWOOD VILLAGE TOWN COUNCIL
AGENDA
APRIL 9, 2020**

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2. Discussion of Road Project (Vargus)
3. Consideration of Amendment to Mayor's Declaration of Emergency (Vargus)
4. Discussion of Operational Changes due to COVID-19 (Vargus)
5. Discussion of Town Investments (Vargus)

G. EXECUTIVE SESSION: – In accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss the following:

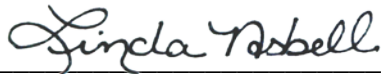
1. § 551.071(2), Texas Government Code to wit: consultation with Town Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter to receive legal advice re: Development agreements, development and zoning standards;
2. § 551.072 Texas Government Code to wit: deliberations about real property regarding Sam Hill Ventures, Sanctuary at Sunset Cove, Le Tuong, Project Lightning Bolt, and Project Waffle; and
3. § 551.087 Texas Government Code to wit: Economic Development Negotiations regarding Sam Hill Ventures, Sanctuary at Sunset Cove, Le Tuong, Project Lightning Bolt, and Project Waffle.

H. RECONVENE: Reconvene into regular session and consideration of action, if any, on items discussed in executive session.

I. REPORTS: Reports about items of community interest. No formal action may be taken on these items.

J. ADJOURNMENT

I do hereby certify that the above notice of meeting was posted on the designated place for official notice at 5:40 p.m. on Monday, April 6, 2020.



Linda Asbell, TRMC, CMC, Town Secretary



The Town Council reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development), 418.183 (Homeland Security)

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the Town Secretary's office at 972-294-5555 or FAX 972-292-0812 for further information.

One or more board members of the LAKEWOOD VILLAGE MUNICIPAL DEVELOPMENT DISTRICT may attend this meeting. No action will be taken by the MDD board.

TOWN OF LAKEWOOD VILLAGE, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, AUTHORIZING AND CREATING PUBLIC IMPROVEMENT DISTRICT NO. 1 IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE; PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Town of Lakewood Village, Texas (the “*Town*”), is authorized under Chapter 372 of the Texas Local Government Code (the “*Act*”), to create a public improvement district within the corporate limits of the Town; and

WHEREAS, on October 31, 2019, The Sanctuary Texas, LLC, a Texas limited liability company (the “*Petitioner*”) submitted and filed with the Town Secretary of the Town a petition (the “*Petition*”) requesting the establishment of a public improvement district for property within the corporate limits of the Town; and

WHEREAS, the Petition requested the creation of the Public Improvement District No. 1 (the “*District*”), which District is located within the extraterritorial jurisdiction of the Town and more particularly depicted in Exhibit A and described by metes and bounds in Exhibit B (the “*Property*”) each attached hereto and incorporated herein for all purposes; and

WHEREAS, the Town Council of the Town (the “*Town Council*”) has investigated and determined that the facts contained in the Petition are true and correct; and

WHEREAS, after publishing notice in the *Denton Record-Chronicle* on January 25, 2020, a newspaper of general circulation in the Town, and mailing notice of the hearing, all as required by and in conformity with the Act, the Town Council, opened a public hearing on the advisability of the improvements on February 13, 2020, and after all interested parties were given the opportunity to speak, the Town Council closed the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS, THAT:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct.

Section 2. The Petition submitted to the Town by the Petitioner was filed with the Town Secretary and complies with Section 372.005 of the Act.

Section 3. Pursuant to the requirements of the Act, including, without limitation, Sections 372.006, 372.009(a), and 372.009(b), the Town Council, after considering the Petition and the evidence and testimony presented at the public hearing on February 13, 2020, hereby finds and declares:

- (a) **Advisability of the Proposed Improvements.** It is advisable to create the District to provide the Authorized Improvements (as described below). The Authorized Improvements are feasible and desirable and will promote the interests of the Town and will confer a special benefit on the Property.
- (b) **General Nature of the Authorized Improvements.** The purposes of the District include the design, acquisition and construction of public improvement projects authorized by the Act, that are necessary for the development of the Property, which public improvements may include, but not be limited to: (i) roadway improvements; storm drainage improvements; water and wastewater system improvements; and, other similar improvement projects; (ii) payment of expenses incurred in the establishment, administration and operation of the District; and, (iii) payment of expenses associated with financing such public improvement projects, which may include but are not limited to, costs associated with issuance and sale of revenue bonds secured by assessments levied against the Property (collectively, the “Authorized Improvements”). These Authorized Improvements promote the interests of the Town and confer a special benefit on the Property.
- (c) **Estimated Costs of the Authorized Improvements and Apportionment of Costs.** The estimated total costs to design, acquire, and construct the Authorized Improvements, including payment of expenses to finance such public improvement projects such as eligible legal and financial fees and expenses incurred in the establishment, administration and operation of the District, is \$16,000,000 which costs shall be paid by assessments levied on the Property within the District. The Town will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the Property. No municipal property in the District

shall be assessed. The developer of the Property (the “**Developer**”) may also pay certain costs of the Authorized Improvements from other funds available to the Developer.

- (d) **Boundaries of the District.** The District is proposed to include approximately 63.826 acres of land generally located north of the intersection of Lakecrest Drive and W. Eldorado Parkway, south of South Oak – Phase 1, east of Lake Lewisville, and west of the intersection of Fisherman’s Cove and W. Eldorado Parkway; and, as more particularly depicted in Exhibit A attached hereto, and as more properly described in the metes and bounds described in Exhibit B attached hereto.
- (e) **Proposed Method of Assessment.** The Town shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including interest and debt), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessments and must continue for a period necessary to retire the indebtedness for those Authorized Improvements (including interest).
- (f) **Management of the District.** The District shall be managed by the Town, with the assistance of a consultant, who shall, from time to time, advise the Town regarding certain operations of the District.
- (g) **Advisory Board.** The District shall be managed without the creation of an advisory body.

Section 4. The Public Improvement District No. 1 is hereby authorized and created as a public improvement district under the Act in accordance with the findings of the Town Council as to the advisability of the Authorized Improvements contained in this Resolution, the nature and the estimated costs of the Authorized Improvements, the boundaries of the District, the method of assessment, and the apportionment of costs as described herein; and the conclusion that the District is needed to fund such Authorized Improvements.

Section 5. Notice of this Resolution authorizing the District shall be given by publishing such notice once in the *Denton Record-Chronicle*, a newspaper of general circulation in the Town. Effective upon the publication of such notice, the District shall be established.

Section 6. This Resolution shall take effect immediately from and after its passage and publication as required by law.

PASSED, APPROVED AND ADOPTED by the Town Council of the Town of Lakewood Village, Texas on the XXth day of February 2020.

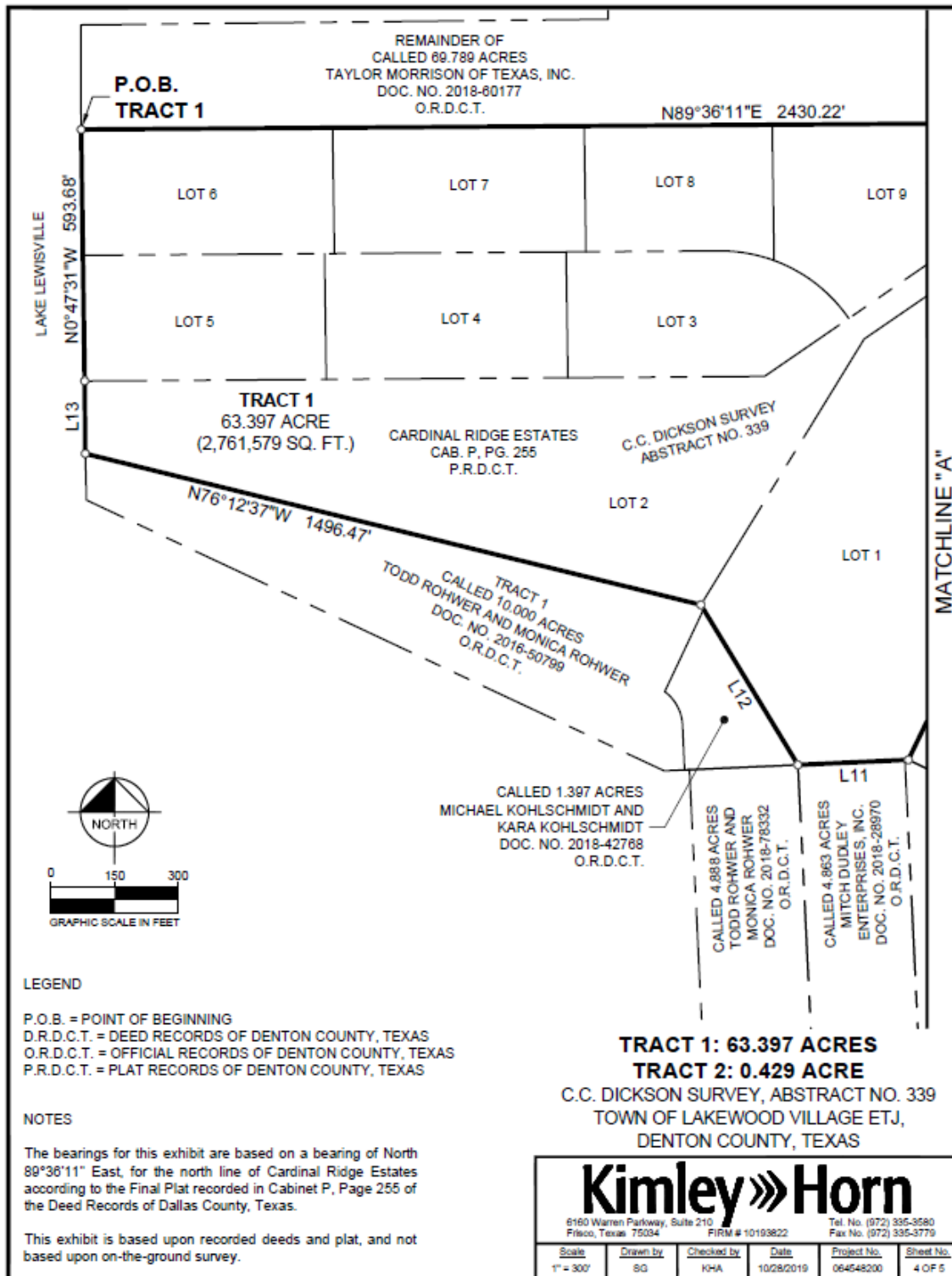
TOWN OF LAKEWOOD VILLAGE

DR. MARK E. VARGUS
MAYOR

ATTEST:

LINDA ASBELL, TRMC, CMC
TOWN SECRETARY

EXHIBIT A PROPERTY DEPICTION



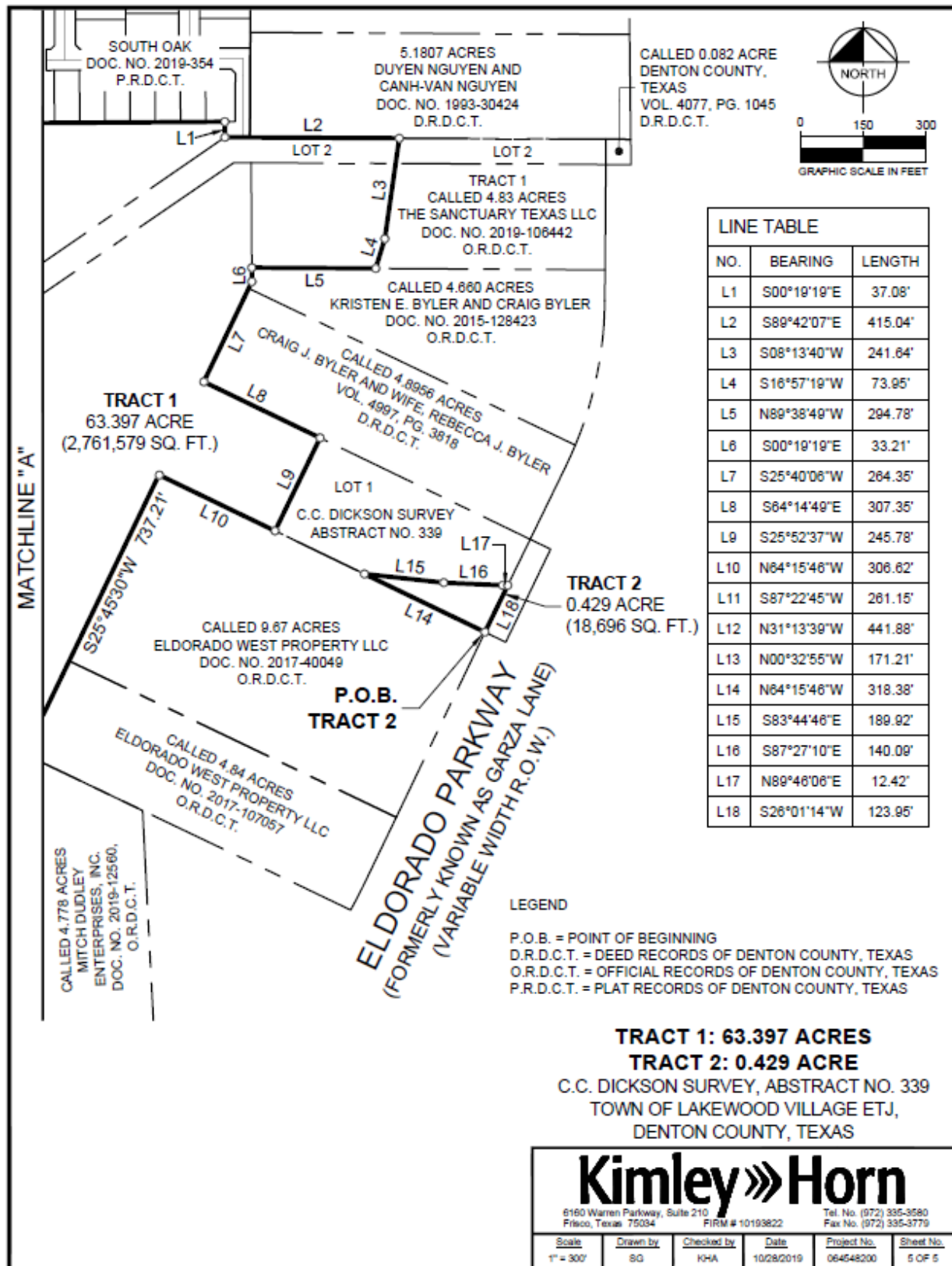


EXHIBIT B
Metes and Bounds Description of the Property

LEGAL DESCRIPTION

TRACT 1

BEING a tract of land situated in the C.C. Dickson Survey, Abstract No. 339, Denton County, Texas, and being portions of Lots 1 and 2 and all of Lots 3 thru 9 of Cardinal Ridge Estates, according to the Final Plat thereof recorded in Cabinet P, Page 255 of the Plat Records of Denton County, Texas, and also being a portion of a called 4.83 acre tract of land described as Tract 1 in a Special Warranty Deed to The Sanctuary Texas LLC, as recorded in Document No. 2019-106442 of the Official Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at the northwest corner of said Cardinal Ridge Estates, common to the southwest corner of a called 69.789 acre tract of land described in a deed to Taylor Morrison of Texas, Inc., as recorded in Document No. 2018-60177 of the Official Records of Denton County, Texas, being on the east line of Lake Lewisville;

THENCE North 89°36'11" East, departing the easterly line of said Lake Lewisville, along the northerly line of said Cardinal Ridge Estates, the southerly line of said 69.789 acre tract and the southerly line of South Oak, according to the plat thereof recorded in Document No. 2019-354 of the Plat Records of Denton County, Texas, a distance of 2430.22 feet to the northerly northeast corner of said Lot 9, common to an ell corner of said South Oak;

THENCE South 0°19'19" East, continuing along the northerly line of said Cardinal Ridge Estates and the southerly line of said South Oak, a distance of 37.08 feet to the southerly northeast corner of said Lot 9, common to an exterior corner of said South Oak;

THENCE South 89°42'07" East, continuing along the northerly line of said Cardinal Ridge Estates and the southerly line of said South Oak, and along the southerly line of a called 5.1807 acre tract of land described in a deed to Duyen Nguyen and Canh-Van Nguyen, as recorded in Document No. 1993-30424 of the Deed Records of Denton County, Texas, a distance of 415.04 feet to a point for corner;

THENCE South 8°13'40" West, departing the northerly line of said Cardinal Ridge Estates and the southerly line of said 5.1807 acre tract, and crossing said Cardinal Ridge Estates and said 4.83 acre tract, a distance of 241.64 feet to a point for corner.

THENCE South 16°57'19" West, continuing across said 4.83 acre tract, a distance of 73.95 feet to a point for corner on the southerly line of said 4.83 acre tract, and the northerly line of a called 4.660 acre tract of land described in a deed to Kristen E. Byler and Craig Byler, as recorded in Document No. 2015-128423 of the Official Records of Denton County, Texas;

THENCE North 89°38'49" West, along the southerly line of said 4.83 acre tract and the northerly line of said 4.660 acre tract, a distance of 294.78 feet to the southwest corner of said 4.83 acre tract, common to the northwest corner of said 4.660 acre tract, and being on the easterly line of said Cardinal Ridge Estates;

THENCE South 0°19'19" East, along the easterly line of said Cardinal Ridge Estates and the westerly line of said 4.660 acre tract, a distance of 33.21 feet to a point for corner;

THENCE South 25°40'06" West, continuing along the easterly line of said Cardinal Ridge Estates, the westerly line of said 4.660 acre tract, and the westerly line of a called 4.8956 acre tract of land described in a deed to Craig J. Byler and wife, Rebecca J. Byler, as recorded in Volume 4997, Page 3818 of the Deed Records of Denton County, Texas, a distance of 264.35 feet to the southwest corner of said 4.8956 acre tract, common to an ell corner of said Cardinal Ridge Estates;

THENCE South 64°14'49" East, continuing along the easterly line of said Cardinal Ridge Estates and along the southwest line of said 4.8956 acre tract, a distance of 307.35 feet to a point for corner;

Continued on Sheet 2

TRACT 1: 63.397 ACRES

TRACT 2: 0.429 ACRE

**C.C. DICKSON SURVEY, ABSTRACT NO. 339
TOWN OF LAKEWOOD VILLAGE ETJ,
DENTON COUNTY, TEXAS**

Kimley»Horn

6160 Warren Parkway, Suite 210
Frisco, Texas 75034
FIRM # 10193822
Tel. No. (972) 335-3580
Fax No. (972) 335-3779

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
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Continued from Sheet 1

THENCE South 25°52'37" West, departing the easterly line of said Cardinal Ridge Estates and the southwest line of said 4.8956 acre tract, and crossing said Cardinal Ridge Estates, a distance of 245.78 feet to a point for corner on the easterly line of said Cardinal Ridge Estates and the northerly line of a called 9.67 acre tract of land described in a deed to Eldorado West Property LLC, as recorded in Document No. 2017-40049 of the Official Records of Denton County, Texas;

THENCE North 64°15'46" West, along the easterly line of said Cardinal Ridge Estates and the northerly line of said 9.67 acre tract, a distance of 306.62 feet to the northwest corner of said 9.67 acre tract, common to an ell corner of said Cardinal Ridge Estates;

THENCE South 25°45'30" West, continuing along the easterly line of Cardinal Ridge Estates, the westerly line of said 9.67 acre tract, and the westerly line of a called 4.84 acre tract of land described in a deed to Eldorado West Property LLC, as recorded in Document No. 2017-107057 of the Official Records of Denton County, Texas, a distance of 737.21 feet to the southwest corner of said 4.84 acre tract, common the southeast corner of said Cardinal Ridge Estates, being on the northerly line of a called 4.778 acre tract of land described in a deed to Mitch Dudley Enterprises, Inc., as recorded in Document No. 2019-12560 of the Official Records of Denton County, Texas;

THENCE South 87°22'45" West, along the southerly line of said Cardinal Ridge Estates, the northerly line of said 4.778 acre tract and the northerly line of a called 4.863 acre tract of land described in a deed to Mitch Dudley Enterprises, Inc., as recorded in Document No. 2018-28970 of the Official Records of Denton County, Texas, a distance of 261.15 feet to the northwest corner of said 4.863 acre tract, common to the northeast corner of a called 4.888 acre tract of land described in a deed to Todd Rohwer and Monica Rohwer, as recorded in Document No. 2018-78332 of the Official Records of Denton County, Texas, the southeast corner of a called 1.397 acre tract of land described in a deed to Michael Kohlschmidt and Kara Kohlschmidt, as recorded in Document No. 2018-42768 of the Official Records of Denton County, Texas;

THENCE North 31°13'39" West, continuing along the southerly line of Cardinal Ridge Estates, along the northeasterly line of said 1.397 acre tract, and the northeasterly line of a called 10.000 acre tract of land described as Tract 1 in a deed to Todd Rohwer and Monica Rohwer, as recorded in Document No. 2016-50799 of the Official Records of Denton County, Texas, a distance of 441.88 feet to the common southerly corner of aforesaid Lot 1 and aforesaid Lot 2;

THENCE North 76°12'37" West, continuing along the southerly line of said Cardinal Ridge Estates and the northerly line of said 10.000 acre tract, a distance of 1496.47 feet to the southwest corner of said Cardinal Ridge Estates, common to the northwest corner of said 10.000 acre tract, being on the easterly line of aforesaid Lake Lewisville;

THENCE North 0°32'55" West, along the westerly line of said Cardinal Ridge Estates and the easterly line of said Lake Lewisville, a distance of 171.21 feet to a point for corner;

THENCE North 0°47'31" West, continuing along the westerly line of said Cardinal Ridge Estates and the easterly line of said Lake Lewisville, a distance of 593.68 feet to the **POINT OF BEGINNING** and containing 63.397 acres (2,761,579 square feet) of land, more or less.

NOTES

The bearings for this exhibit are based on a bearing of North 89°36'11" East, for the north line of Cardinal Ridge Estates according to the Final Plat recorded in Cabinet P, Page 255 of the Deed Records of Dallas County, Texas.

This exhibit is based upon recorded deeds and plat, and not based upon on-the-ground survey.

TRACT 1: 63.397 ACRES
TRACT 2: 0.429 ACRE
C.C. DICKSON SURVEY, ABSTRACT NO. 339
TOWN OF LAKEWOOD VILLAGE ETJ,
DENTON COUNTY, TEXAS

Kimley»Horn

6160 Warren Parkway Suite 210
Frisco, Texas 75034
FIRM # 10193822
Tel No (972) 335-3580
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Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
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TRACT 2

BEING a tract of land situated in the C.C. Dickson Survey, Abstract No. 339, Denton County, Texas, and being a portion of Lot 1 of Cardinal Ridge Estates, according to the Final Plat thereof recorded in Cabinet P, Page 255 of the Plat Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at the southeast corner of said Lot 1, common to the northeast corner of a called 9.67 acre tract of land described in a deed to Eldorado West Property LLC, as recorded in Document No. 2017-40049 of the Official Records of Denton County, Texas, being on the westerly right-of-way line of Eldorado Parkway, formerly known as Garza Lane, a variable width right-of-way;

THENCE North $64^{\circ}15'46''$ West, departing the westerly right-of-way line of said Eldorado Parkway, along the easterly line of said Lot 1 and the northeasterly line of said 9.67 acre tract, a distance of 318.38 feet to a point for corner;

THENCE departing the easterly line of said Lot 1 and the northeasterly line of said 9.67 acre tract, and crossing said Lot 1, the following:

South $83^{\circ}44'46''$ East, a distance of 189.92 feet to a point for corner;

South $87^{\circ}27'10''$ East, a distance of 140.09 feet to a point for corner;

North $89^{\circ}46'06''$ East, a distance of 12.42 feet to a point for corner on the easterly line of said Lot 1 and the westerly right-of-way line of said Eldorado Parkway;

THENCE South $26^{\circ}01'14''$ West, along the easterly line of said Lot 1 and the westerly right-of-way line of said Eldorado Parkway, a distance of 123.95 feet to the **POINT OF BEGINNING** and containing 0.429 of an acre (18,696 square feet) of land, more or less.

NOTES

The bearings for this exhibit are based on a bearing of North $89^{\circ}36'11''$ East, for the north line of Cardinal Ridge Estates according to the Final Plat recorded in Cabinet P, Page 255 of the Deed Records of Dallas County, Texas.

This exhibit is based upon recorded deeds and plat, and not based upon on-the-ground survey.

TRACT 1: 63.397 ACRES
TRACT 2: 0.429 ACRE
C.C. DICKSON SURVEY, ABSTRACT NO. 339
TOWN OF LAKEWOOD VILLAGE ETJ,
DENTON COUNTY, TEXAS

Kimley»Horn					
6160 Warren Parkway Suite 210 Frisco, Texas 75034 FIRM # 10193822 Tel No (972) 335-3580 Fax No (972) 335-3779					
Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
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DECLARATION NO. 2020-02
Declaration of Local Disaster and Public Health
Emergency Related to Communicable Disease

WHEREAS, on March 20, 2020 I, Dr. Mark E. Vargus, Mayor, issued a declaration of local disaster and public health emergency in Lakewood Village to alleviate and prevent the suffering of people and protect property; and

WHEREAS, on March 26, 2020 the Lakewood Village Town Council adopted Resolution 20-01 extending the Mayor's Declaration of Emergency No 2020-01 until consent is terminated by the Town Council or the declaration of local disaster is terminated by order of the Mayor; and


WHEREAS, the COVID-19 virus mainly spreads between people who are in close contact; and

WHEREAS, preventative measures such as social distancing are critical to slow the spread of the virus.

NOW, THEREFORE, BE IT DECLARED BY THE MAYOR OF THE TOWN OF LAKEWOOD VILLAGE, TEXAS:

1. That all orders contained in Declaration No. 2020-01 shall continue.
2. Section 7 of Declaration No. 2020-01 is amended to include the following:
 - h. Door-to-door solicitation by businesses is prohibited. Business vendors may contact Town Hall to leave handouts or other business materials for distribution to citizens.

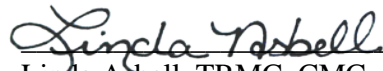
This declaration shall take effect immediately from and after its issuance.
ORDERED and DECLARED this 6th day of April 2020



Dr. Mark E. Vargus
Mayor



I certify this declaration was filed with my office on this 6th day of April 2020 by Dr. Mark E. Vargus, Mayor. I further certify that prompt and general publicity of the foregoing declaration was effected the same date as signing and filing.



Linda Asbell, TRMC, CMC
Town Administrator | Town Secretary



MEMORANDUM

TO: Town Council
CC: Linda Asbell
FROM: Dr. Mark E. Vargus, Mayor
DATE: April 5, 2020
RE: Operations

On March 20, 2020 I issued a Local Emergency Declaration for Lakewood Village, which was approved by the Town Council on March 26th. This memo will detail operational changes as we continue to provide essential services while maintaining virus containment protocols.

STAFF

The Town Secretary will work at Town Hall on Monday and Friday only, and on those days will attempt to minimize the time in the office. The Town secretary will monitor email and voicemail on days when working from home. Public works personnel and Patterson utility service providers are working as planned. Building inspections will continue as usual within our 48 hour response time.

DOCUMENT CONTROL

It is essential that staff and Council continue to move forward on the many projects that we have in front of us. As we do this, please keep in mind the following document controls:

- (1) removing original receipts, bills, invoices, or payment stubs from Town Hall is prohibited;
- (2) removing original ordinances, minutes, or other historical documents is never allowed;
- (3) bill payment by check or EFT can only be done securely at Town Hall (not remote).

CHECK SIGNING

Effective immediately authorized check signers may authorize payment via email. Linda can scan and email a copy of the bill for inspection and the check signers can approve via email. Linda will attach the email approval to the bill for tracking our audit compliance. I have suspended the requirement that authorized check signers come to Town Hall and physically initial the bill and sign the check.

COUNCIL MEETINGS

Until Town Hall is reopened, public access to all Council meetings will be via telephone. Due to I/T logistical concerns, Executive Session will be last on the agenda and once concluded, the Council will immediately adjourn the regular session without discussion.



MEMORANDUM

TO: Town Council
CC: Linda Asbell
FROM: Dr. Mark E. Vargus, Mayor
DATE: April 5, 2020
RE: Current Investments

Under the terms of the Town's investment policy our funds are invested in bank deposits at Point Bank as well as in money-market funds at TexPool. Due to the uncertain economic effects of the ongoing national emergency the volatility of equity markets has increased significantly leading to disruptions in the credit markets. The Federal Reserve has responded by injecting liquidity into the markets via lowering interest rates and asset purchases.

There are two investment options with TexPool (TexPool and TexPool Prime). Our reserve funds are invested in the Prime money fund. Like other "prime" money funds it invests in short-term government securities, certificates of deposit, and short-term A1/P1 commercial paper. Given the economic instability, there were issues concerning the ability of corporate borrowers to roll-over their commercial paper as potential buyers were concentrating on U.S. treasury securities. To backstop any liquidity concerns, on March 17th the Federal Reserve implemented the Commercial Paper Funding Facility (CPFF). The CPFF allows the Fed to be the buyer of any A1/P1 commercial paper, meaning that anyone wishing to sell their paper had a willing buyer. This made it very unlikely for investors to suffer a potential loss of principle on top rated paper.

As expected, in the last month short-term interest rates have decreased significantly, leading to a decrease in our interest revenue. I have been monitoring our investment performance at TexPool daily. The

TexPool - Prime		
Date	Yield	Pool Size
March 1	1.744%	\$8 Billion
March 24	1.094%	\$7.15 Billion
April 5	0.984%	\$6.8 Billion
TexPool Yield (April 5) = 0.546 %		
Point Bank (fixed until 12/21) = 1.02 %		

following chart illustrates the trajectory of rates. In addition to rates, I have been watching the size of the investment pool and the withdrawal rates. As you can see, the size of the fund has fallen by about 15 percent over the last month. In contrast, the current yield for TexPool (which does not invest in commercial paper) is 0.546 percent and the pool size is unchanged over the last month.

Under our depository agreement with Point Bank we have negotiated a fixed rate of 1.02 percent until December 2021. This rate applies to all of our bank accounts. **On March 24th I transferred our reserve funds from TexPool to Point Bank.** We have already created a construction account at Point Bank for the bond proceeds. I expect to move funds back to TexPool later this year when markets normalize.