

2:30 PM

05/04/26

**Village of Salado-General Fund  
Transaction Journal  
All Transactions**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
16248	Deposit	01/17/2023		Ralph Julius Collins	Deposit Subdivision Escrow	1002 - Horizon GF Operating xxx8101 2301 - Development Escrows/Deposits	945,625.08	945,625.08
							945,625.08	945,625.08
<b>TOTAL</b>							<b>945,625.08</b>	<b>945,625.08</b>

2:32 PM

05/04/26

Village of Salado-General Fund  
Transaction Journal  
All Transactions

---

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
23982	Transfer	03/11/2026	xfer		Funds Transfer	1002 - Horizon GF ...		945,625.08
					Funds Transfer	1008 - Horizon Gen...	945,625.08	
							945,625.08	945,625.08
							<b>945,625.08</b>	<b>945,625.08</b>
TOTAL								

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF VILLAGE OF SALADO INVESTMENT POLICY

**Funds Required:**

**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to discuss and consider approval of the Village of Salado Investment Policy. State law requires the Board to review the policy on an annual basis.

No changes are proposed in the policy.

Village staff recommends approval of the policy as presented.

# Investment Policy

## I. Purpose

The purpose of this document is to establish the investment policies for the management of the public funds of the Village of Salado, Texas (Village). This policy will be reviewed on an annual basis by Board of Aldermen. At such time, the council will adopt a resolution that (1) states that the investment policy has been reviewed and (2) enumerates the changes to be made to the policy.

These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this policy will be provided to all business organizations offering to engage in investment transactions with the Village. A qualified representative of the business organization must confirm in writing (1) that this policy has been read and thoroughly reviewed and (2) that reasonable controls have been established to preclude unauthorized investment transactions. The Village prior to the firm providing any services must receive this confirmation.

## II. Statutory Authority

This policy was adopted in accordance with the Public Funds Investment Act (V.T.C.A., Government Code §2256).

## III. Policy Scope

This investment policy applies to all of the financial assets (i.e., cash, bank deposits and securities) of the Village. These assets are pooled into a single common investment fund that incorporates the following accounting fund types:

- General fund;
- Special revenue funds; and
- Enterprise funds.

Investments in the Village's employee deferred compensation plan are independently managed and are not covered by this policy.

## IV. Investment Strategy Statement

It is the Village's policy to invest public funds in a manner that meets the following objectives:

- Ensure the suitability of the investment to the financial requirements of the Village;
- Ensure preservation and safety of capital;

- Provide sufficient liquidity to meet cash flow needs;
- Ensure the marketability of the investments;
- Provide sufficient diversification; and
- Provide a competitive return on investment.

## V. Investment Objectives

The following is a detailed discussion of the Village's investment objectives, in priority order:

### A. Suitability of Investments

Investments shall be made with the primary focus of having cash available to meet the Village's financial requirements. This requires that the Village match investment maturities with anticipated expenditures.

### B. Preservation and Safety of Capital

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this objective it is necessary to minimize credit risk and interest rate risk.

Credit risk is the risk of loss due to failure of the security issuer to pay interest and/or principal in a timely manner. It may be reduced by:

- Limiting investments to the safest types of securities;
- Pre-qualifying the business organizations with which the Village will do business; and
- Requiring that investments not insured or guaranteed by the United States Government be fully collateralized.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The longer the term, the more tendencies there are for rates to fluctuate. Interest rate risk may be reduced by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- Investing primarily in shorter-term securities.

Both types of risk may also be controlled through diversification.

### C. Liquidity

It is the Village's objective that the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Liquidity is the relative ease with which a security may be converted to cash, typically through sale on the open market. The goals of liquidity and preservation of capital may conflict at times. While a security may be easily converted to cash, the amount of cash received may be less than the amount initially paid due to fluctuations in market value. For that reason, it is important for the portfolio to be structured so that securities mature concurrent with anticipated cash needs, hereby avoiding the need to liquidate investments under adverse market conditions.

#### D. Marketability of Investments

Marketability is the availability to quickly purchase and sell a security at competitive prices in secondary markets. Some investments, such as Treasury bills, can be sold at any time. Other more exotic instruments may not be much in demand by other investors and, consequently, may be much harder to sell.

Since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets. This will ensure that in the event the Village must sell a security, a buyer can be readily found.

At all times, selling a security before maturity may produce a loss. With the exception of the following situations, securities shall not be sold at a loss:

- A security with a declining market value could be sold early to minimize loss;
- A security swap would improve the quality, yield, or target duration in the portfolio; or
- Liquidity needs of the portfolio require that a security be sold and all other sales would result in a larger loss.

#### E. Diversification

The constraints established by this investment policy minimize the Village's risk exposure. Through diversification, the Village can further limit risk exposure. The Village will address diversification in its portfolio by *not* limiting its exposure to any one type of investment, staggering investment maturities, and using several investment providers.

#### F. Yield

A fundamental rule of investments is that risk equals return. The Village has deliberately established a low risk threshold in order to protect its financial resources and ensure that cash is available when needed. Return on investment is the least important objective of the Village's investment program. It is anticipated, however, that the Village will still earn a competitive rate of return given the level of risk assumed.

## VI. Standards of Care

### A. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio, not each investment decision. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided that the investment decision was consistent with this written policy.

The “prudent person” standard requires that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

### B. Ethics and Conflicts of Interest

Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper executing and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from under-taking personal investment transactions with the same individual with which business is conducted on behalf of the Village.

### C. Delegation of Authority

The Village Administrator shall be responsible for insuring that all of the physical and monetary assets of the Village are appropriately safeguarded and controlled and perform any duties of Village Treasurer as required by the general laws of the State of Texas. Through the adoption of this policy, the position of Village Administrator shall be designated as an investment officer who is responsible for the investment of the Village’s funds. In the absence of the Village Administrator, the Mayor shall have the responsibility for investment decisions and activities. No person may engage in an investment transaction or the management of funds except as provided under the terms of this Investment Policy as approved by the Board of Aldermen. The investment authority granted to the investment officer is effective until rescinded by the governing body.

The Village Administrator shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### D. Training

The Village Administrator and Finance Officers shall attend at least one training session related to their respective duties within 24 months of assuming office or duties. This training must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Both the Village Administrator and the Mayor shall receive training as required by state law, which is designed to ensure the continued proper performance of their duties under this policy and the Public Funds Investment Act. The Village Administrator and the Mayor shall attend an investment training session no less often than once every two fiscal years commencing February 1, 2009 and shall receive not less than 10 hours of instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Aldermen. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the Village of Salado may engage in an investment transaction.

#### DI. Execution of Security Transactions

##### A. Authorized Financial Dealers and Institutions

A list will be maintained of the business organizations authorized by the Board of Aldermen to provide investment services. These may include "primary dealers" or regional dealers that qualify under Securities and Exchange Commission Rule 15C3 1 (uniform net capital rule).

All business organizations desiring to become qualified bidders for investment transactions must supply the following, as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification signed by a qualified representative of the firm, of having read and thoroughly reviewed the Village's investment policy and having implemented reasonable procedures and controls in an effort to preclude unauthorized investment transactions. (See Appendix B for an example.)

A qualified representative of a business organization is a person who holds a position with the organization, is authorized to act on behalf of the organization, and who is:

- For organizations regulated or registered with a securities commission, registered under the rules of the National Association of Securities Dealers; or
- For state and national banks and savings banks, a member of the loan committee

or authorized by corporate resolution to act on behalf of and bind the banking institution.

- For an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment.

The Village Administrator shall conduct an annual review of the financial condition and registration of qualified business organizations interested in providing investment services for the Village. The Village Administrator shall recommend six or more qualified bidders to the Board of Aldermen, which will then select qualified bidders to provide investment services for the Village for the next year.

#### B. Selection of Investments

The Village Administrator shall establish a competitive process for the selection of investments.

#### C. Delivery vs. Payment

With the exception of mutual funds, all investment transactions will be executed by delivery vs. payment (DVP). This requires that the release of funds and the receipt of the investment occur simultaneously.

#### D. Safekeeping

The Village will utilize an independent third party as a custodial agent for safekeeping of the Village's investments. Book entry only securities may be held in the custodial agent's account with a Federal Reserve Bank, as long as the custodial agent's internal records clearly indicate the Village's ownership of the securities. Any physical securities will be transferred directly to the custodial agent.

Receipts must be issued by the custodial agent for all property received in physical or book entry form. Not less than quarterly, the Village should be provided with reports of all assets held in safekeeping.

#### E. Measuring Market Value

The Village shall use The Wall Street Journal or a comparable nationally recognized business publication to measure the market value of its investments. The price quote used will be as of the date of market valuation.

### VIII. Internal Controls and Compliance Audit

#### A. Internal Controls

The Village Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal control structure should address the following points:

- Control of collusion. Collusion is a situation where two or more employees work in conjunction to defraud their employer.
- Separation of transaction authority from accounting and record keeping. By separating the person who authorizes or performs the transactions from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- Custodial safekeeping. Securities purchased from any bank or dealer including appropriate collateral shall be placed with an independent third party for custodial safekeeping.
- Avoidance of physical delivery securities. Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- Written confirmation of telephone transactions for investments and wire transfers. Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- Development of a wire transfer agreement with the lead bank or third party custodial. This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

#### B. Annual Audit

The Village Administrator shall establish a process for annual independent review by an

external auditor to:

- Assure compliance with policies and procedures; and
- Review monthly investment reports.

This review is to be done in conjunction with the annual audit of the Village's financial statements.

## IX. Suitable and Authorized Investments

### A. Investment Types

The following investments are permitted under this policy.

- Obligations of the United States Government (i.e., treasury bills, treasury notes and treasury bonds):
  - Mutual funds offered by the Village's depository bank as part of its cash management program;
  - Certificates of deposit issued by a state or national bank or a savings bank domiciled in the State of Texas; and
  - Demand deposits with state and national banks and savings banks.
  - Statewide investment pools.

### B. Collateralization

Certificates of deposit and all other deposits with banks and savings banks shall be 1) guaranteed or insured by the Federal Deposit Insurance Corporation or 2) fully collateralized as required by the Public Funds Investment Act. In order to provide an appropriate level of protection, the market value of the pledged security will be a minimum of 105% of the amount on deposit plus accrued interest.

The Village prior to the substitution taking place must approve substitution of collateral in writing.

Collateral will be held by an independent third party. A clearly marked safekeeping receipt showing the securities pledged in the Village's name must be provided to the Village on a monthly basis.

### C. Prohibited Investments

Any investment not specifically authorized by this policy is prohibited. Any investment that is a derivative in nature, even though the underlying asset may meet the guidelines established in this policy, is also prohibited.

#### D. Additional Qualifications by Investment Type:

##### 1. Mutual Funds

As part of its overall cash management program, the Village intends to utilize the automatic investment sweep program offered by its depository bank. This program will enable the Village to eliminate idle cash balances in its checking accounts, while ensuring that adequate cash is on hand to meet daily requirements.

For this purpose, the Village is authorized to invest in a no-load money market mutual fund, if the mutual fund:

- Is registered with and regulated by the Securities and Exchange Commission;
- Provides the Village with a prospectus and any other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- Invests exclusively in obligations of the U.S. Treasury and/or repurchase agreements fully collateralized by such obligations;
- Is continuously rated as AAA or its equivalent by at least one nationally recognized rating service;
- Has a dollar-weighted average stated maturity of 90 days or less; and
- Includes in its investment objectives the maintenance of a stable net asset value of \$1 per share.

##### 2. State Wide Investment Pools

Statewide investment pools are separate legal entities established to invest the funds of 2 or more other government entities. The investment pool typically has its own management and investment staff and provides a highly liquid investment option.

In order to be eligible to provide services to the Village, investment pools must meet all the requirements of state law as determined under Chapter 2256 of the Government Code, as amended and the following requirements:

- Provide the Village with an offering circular and other information required by the Public Funds Investment Act;
- Provide investment transaction confirmations;
- Provide monthly detailed transaction and performance reports as specified by state statute;
- Establish an advisory board composed of qualified members representing participants and non-participants;
- Be continuously rated no lower than AAA or AAA-m or at an equivalent

rating by at least one nationally recognized rating service.

In addition to the preceding requirements, investment pools created to function, as money market mutual funds must mark-to-market daily and must maintain a market value ratio (market value divided by book value) between .995 and 1.005.

Investment in a particular pool will be made only after a thorough investigation of the pool and approval by the Board of Aldermen. The Village Administrator shall conduct an annual review of the pools and recommend qualified pools to the Board of Aldermen, which will then select and adopt a list of approved pools.

With the exception of mortgage-backed securities or any other derivative, pools are permitted to invest in a broader range of investment instruments than those authorized under this policy, provided those instruments are authorized under the Public Funds Investment Act.

## X. Investment Parameters

### A. Investment Management Style

Investment maturities are timed to correspond with anticipated cash requirements and should be purchased at or near par. The Village employs a passive management style in which investments are expected to be held to maturity. This does not preclude the use of active portfolio management techniques.

### B. Diversification

At the time of purchase, investments will be selected to ensure that the Village's portfolio is diversified by security type and institution as follows:

- United States Treasuries;
- No-load money market mutual funds;
- Certificates of deposit within maximum limitation of FDIC and/or collateralization limits.
- Savings bank deposits within maximum limitation of FDIC and/or collateralization limits.
- Authorized investment pools.

### C. Maximum Maturities

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements.

Maximum allowable stated maturities are limited by investment type as follows:

- 3 years for United States treasuries securities;
- 90 days for certificates of deposit; and
- 90 days for no-load money market mutual funds.

#### XI. Performance Standards

During an environment of stable interest rates, the portfolio should obtain a market average rate of return. Since the Village follows a passive investment strategy, the basis used by the Village Accountant to determine whether market yields are being achieved shall be the average 90-day Treasury for the month, as quoted in The Wall Street Journal or comparable nationally recognized business publication.

#### XII. Reporting

The Village Administrator or his designee shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter. The report shall be signed by all designated investment officers and include the statement that the report is in full compliance with the investment strategies as established by the Village of Salado Investment Policy and Public Funds Investment Act (Government Code Chapter 2256)

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board of Aldermen. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period
- The percentage of the total portfolio which each type of investment represents.
- Statement of compliance of the Village's investment portfolio with state law and the investment strategy and policy approved by the Board of Aldermen.

A formal annual review of the quarterly reports will be performed by an independent auditor with the results reported to the governing body.



## APPENDIX A: GLOSSARY

**ACTIVE PORTFOLIO MANAGEMENT:** An approach to investment management in which the investment officer actively trades the portfolio to take advantage of changing market conditions. This style requires the investment officer to develop a comprehensive economic outlook and to take action based upon that outlook. Requires relatively technical knowledge of the investment field.

**BENCHMARKS:** A measure used to evaluate the effectiveness of the investment program. Suitable benchmarks are readily available and share the characteristics of the portfolio with respect to legal constraints and investment policy compliance. Benchmarks may be published figures or indexes in publications such as the Wall Street Journal or they may be specially created for entity.

**BOOK ENTRY SECURITIES:** Securities that are purchased, sold and held with only electronic computer entries rather than the transfer of physical certificates. Buyers typically receive receipts or confirmations as evidence of ownership.

**BROKER:** A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions.

**COLLATERAL:** Securities that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**DEALER:** A firm or an individual who buys and sells for his own account. Dealers have ownership, even if only for an instant, between a purchase from one party and a sale to another party. They are compensated by the spread between the price they pay and the price they receive.

**DERIVATIVES:** Financial instruments whose value depends on the values of underlying assets or indexes.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**PASSIVE INVESTMENT MANAGEMENT:** An approach to investment management in which the investment officer adopts a buy and hold strategy.

Some investment techniques are used. Requires basic level investment knowledge.

**PRIMARY DEALERS:** A group of securities dealers who are recognized as major participants in the government securities markets and who are willing to market all government securities. Primary dealers must submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight.

**RATE OF RETURN:** The yield obtain-able on a security based on its purchase price or its current market price.

**REGIONAL DEALERS:** The second tier of broker/dealers (after primary dealers) composed of brokerage firms that specialize in certain market niches, typically on a regional basis.

**SAVINGS BANK DEPOSITS:** Demand deposits held in an account at a savings and loan association.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding debt issues following the initial distribution.

**TREASURY BILLS:** Short term obligations issued by the United States Treasury. Bills are issued for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

**TREASURY NOTES:** Medium term obligations issued by the United States Treasury. Notes are issued for initial maturities over 1 to 10 years.

**YIELD:** The annual return on an investment expressed as a percentage.

**APPENDIX B: ILLUSTRATIVE BROKER/DEALER  
CERTIFICATION FORM**

**Broker Dealer Certification Form**

(As required by Texas Government Code 2256.005(k))

The Village of Salado (Village) acknowledges that the only means the firm has to preclude unauthorized investment transactions between the firm and the Village is to confirm that all provisions of the Village's investment policy are followed in investment transactions conducted between the firm and the Village, and, the second paragraph below should be read accordingly.

I, \_\_\_\_\_, as a qualified representative for the firm \_\_\_\_\_ do hereby certify that I and the broker covering this account, \_\_\_\_\_, have received and thoroughly reviewed the investment policy of the Village of Salado .

I acknowledge that this firm has implemented reasonable internal procedures and controls in an effort to preclude investment transactions not authorized by the Village's investment policy.

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**REGULAR BOARD OF ALDERMEN MEETING**  
**SALADO MUNICIPAL BUILDING**  
**301 N. STAGECOACH - SALADO, TEXAS**  
**SEPTEMBER 7, 2023 – 6:30 P.M.**

---

**THIS WILL BE AN IN-PERSON MEETING THAT WILL ALSO BE AVAILABLE VIRTUALLY USING ZOOM. YOU CAN ACCESS THE MEETING FROM YOUR COMPUTER, TABLET OR SMARTPHONE USING THE FOLLOWING LINK:**

<https://us02web.zoom.us/j/84793340039?pwd=UjhOSkZDb0hFOHYyVFVlc1B0ckxUdz09>

**MEETING ID: 847 9334 0039**

**PASSWORD: 411932**

**OR YOU CAN DIAL IN TO THE MEETING WITH YOUR PHONE USING ONE OF THE FOLLOWING PHONE NUMBERS AND USING THE MEETING ID AND PASSWORD:**

**1-346-248-7799**

**1-253-215-8782**

**1-669-900-6833**

**1-301-715-8592**

**1-312-626-6799**

**1-929-205-6099**

---

**AGENDA**

**CALL TO ORDER**

**SEPTEMBER 7, 2023, AT 6:30 P.M.**

**CALL OF ROLL**

**CITY SECRETARY**

**INVOCATION**

## **PLEDGE OF ALLEGIANCE/SALUTE TO THE TEXAS FLAG**

### **PRESENTATIONS**

- (A) PRESENTATION RECOGNIZING THE VILLAGE OF SALADO VISITORS CENTER VOLUNTEERS FOR THEIR SERVICE AND DEDICATION TO THE VILLAGE OF SALADO. (MAYOR MICHAEL COGGIN)
- (B) PRESENTATION RECOGNIZING KD AND GRAYDON HILL FOR THEIR SERVICE AND DEDICATION TO THE VILLAGE OF SALADO. (MAYOR MICHAEL COGGIN)

### **CITIZENS COMMUNICATIONS**

THE BOARD OF ALDERMEN WELCOMES COMMENTS FROM CITIZENS ON ISSUES AND ITEMS OF CONCERN NOT ON THE AGENDA. THOSE WISHING TO SPEAK MUST SIGN IN BEFORE THE MEETING BEGINS AND OBSERVE A THREE (3) MINUTE TIME LIMIT WHEN ADDRESSING THE BOARD. SPEAKERS WILL HAVE ONE (1) OPPORTUNITY TO SPEAK DURING THIS TIME-PERIOD. SPEAKERS DESIRING TO SPEAK ON AN AGENDA ITEM WILL BE ALLOWED TO SPEAK WHEN THE AGENDA ITEM IS CALLED. INQUIRIES ABOUT MATTERS NOT LISTED ON THE AGENDA WILL EITHER BE DIRECTED TO STAFF OR PLACED ON A FUTURE AGENDA FOR ALDERMEN CONSIDERATION.

#### **1. CONSENT AGENDA**

- (A) APPROVAL OF MINUTES OF THE REGULAR BOARD OF ALDERMEN MEETING OF AUGUST 17, 2023.
- (B) APPROVAL OF THE MINUTES OF THE SPECIAL BOARD OF ALDERMEN MEETING ON AUGUST 17, 2023.
- (C) APPROVAL OF THE MINUTES OF THE SPECIAL BOARD OF ALDERMEN MEETING ON AUGUST 22, 2023.
- (D) APPROVAL OF THE COMPREHENSIVE FUND BALANCE POLICY AND FUND BALANCE CLASSIFICATION FOR THE VILLAGE OF SALADO.
- (E) APPROVAL OF THE INVESTMENT POLICY FOR THE VILLAGE OF SALADO.

2. **DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING ANY ITEM REMOVED FROM THE CONSENT AGENDA**

3. **STATUS REPORTS**

(A) VILLAGE ADMINISTRATOR'S REPORTS

- MAIN STRET LIGHTS
- ALL-ABILITIES PLAYGROUND PROJECT
- MUSTANG SPRINGS DEVELOPMENT
- WEST SIDE OVERLAY DISTRICT TASK FORCE
- SALADO COMMUNITY INSTITUTE FALL SESSION

(B) SALADO POLICE DEPARTMENT STATUS REPORT

- CALLS FOR SERVICE REPORT
- LICENSE PLATE READER PROGRAM UPDATE
- CITIZENS ON PATROL PROGRAM UPDATE

(C) TOURISM DEPARTMENT REPORT

- SALADO MARKETING ACTIVITIES
- VISITORS CENTER ACTIVITIES
- UPCOMING EVENTS

4. **PUBLIC HEARING**

(A) HOLD A PUBLIC HEARING AND CONSIDER APPROVAL OF A REQUEST FOR A CONDITIONAL USE PERMIT TO ALLOW MIXED BEVERAGE SALES ON PROPERTY ZONED HISTORIC DISTRICT (HD) AND LOCATED AT 112 N. MAIN STREET IN SALADO, BELL COUNTY, TEXAS. (VILLAGE ADMINISTRATOR)

(B) HOLD A PUBLIC HEARING REGARDING THE PROPOSED FISCAL YEAR 2024 OPERATING BUDGET FOR THE VILLAGE OF SALADO, TEXAS. (VILLAGE ADMINISTRATOR)

(C) HOLD A PUBLIC HEARING REGARDING THE PROPOSED AD VALOREM TAX RATE FOR THE 2023 TAX YEAR TO HELP FUND THE PROPOSED FISCAL YEAR 2024 OPERATING BUDGET FOR THE VILLAGE OF SALADO. (VILLAGE ADMINISTRATOR)

5. **ORDINANCE**

CONSIDER APPROVAL OF THE SECOND AND FINAL READING OF AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS ESTABLISHING REGULATIONS ON CONSTRUCTION VEHICLES, HEAVY VEHICLES, AND LARGE COMMERCIAL VEHICLES; PROVIDING FOR A FINE UP OF UP TO \$500 FOR EACH VIOLATION; PROVIDING THIS ORDINANCE BE CUMULATIVE; AND PROVIDING FOR SEVERABILITY, GOVERNMENTAL IMMUNITY, INJUNCTIONS, PUBLICATION, AND AN EFFECTIVE DATE. (VILLAGE ADMINISTRATOR)

6. **RESOLUTION**

CONSIDER APPROVAL OF A RESOLUTION OF THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS ENCOURAGING THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY TO BE PROACTIVE IN ITS REVIEW AND CONSIDERATION OF THE WASTEWATER DISCHARGE PERMIT APPLICATION FOR THE MUSTANG SPRINGS DEVELOPMENT AND TAKE THE STEPS NECESSARY TO PROTECT THE ENVIRONMENT AND THE HEALTH, SAFETY AND WELFARE OF THE GENERAL PUBLIC. (VILLAGE ADMINISTRATOR)

7. **DISCUSSION AND POSSIBLE ACTION**

- (A) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING A PROPOSED MEMORANDUM OF UNDERSTANDING BETWEEN THE VILLAGE OF SALADO POLICE DEPARTMENT AND THE SALADO ISD POLICE DEPARTMENT. (POLICE CHIEF ALLEN FIELDS)
- (B) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING A FINANCING AND REIMBURSEMENT AGREEMENT FOR THE SANCTUARY PUBLIC IMPROVEMENT DISTRICT. (VILLAGE ADMINISTRATOR)
- (C) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING A FINANCING AND REIMBURSEMENT AGREEMENT FOR THE SANCTUARY EAST PUBLIC IMPROVEMENT DISTRICT. (VILLAGE ADMINISTRATOR)
- (D) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING A PROPOSED AMENDING PLAT OF LOT 8, SHEPHERD'S GLEN SUBDIVISION LOCATED ON STAGHORN LANE IN THE E-T-J OF THE VILLAGE OF SALADO, TEXAS. (VILLAGE ADMINISTRATOR)

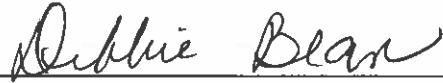
- (E) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING A PROPOSED SUBLEASE AGREEMENT WITH THE SALADO CHAMBER OF COMMERCE FOR SPACE FOR THE SALADO VISITOR'S CENTER. (VILLAGE ADMINISTRATOR)
- (F) DISCUSS AND CONSIDER POSSIBLE ACTION APPOINTING A REPRESENTATIVE OF THE VILLAGE OF SALADO TO SERVE ON THE BELL COUNTY PUBLIC HEALTH DISTRICT BOARD OF DIRECTORS. (VILLAGE ADMINISTRATOR)
- (G) DISCUSS AND CONSIDER POSSIBLE ACTION REGARDING THE SELECTION OF AN EXECUTIVE SEARCH FIRM TO ASSIST WITH THE SEARCH FOR A NEW VILLAGE ADMINISTRATOR. (ALDERMAN D. JASEN GRAHAM)
- (H) DISCUSS AND CONSIDER ISSUES RELATING TO THE DEVELOPMENT OF THE FY 2024 VILLAGE OF SALADO OPERATING BUDGET. (MAYOR MICHAEL COGGIN; THIS IS A WORKSHOP ITEM AND NO ACTION WILL BE TAKEN)

### **ADJOURNMENT**

THE BOARD OF ALDERMEN MAY RETIRE INTO EXECUTIVE SESSION AT ANY TIME BETWEEN THE MEETING'S OPENING AND ADJOURNMENT FOR THE PURPOSE OF DISCUSSING ANY MATTERS LISTED ON THE AGENDA AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE INCLUDING, BUT NOT LIMITED TO, HOMELAND SECURITY PURSUANT TO CHAPTER 418.183 OF THE TEXAS LOCAL GOVERNMENT CODE; CONSULTATION WITH LEGAL COUNSEL PURSUANT TO CHAPTER 551.071 OF THE TEXAS GOVERNMENT CODE; DISCUSSION ABOUT REAL ESTATE ACQUISITION PURSUANT TO CHAPTER 551.072 OF THE TEXAS GOVERNMENT CODE; DISCUSSION OF PERSONNEL MATTERS PURSUANT TO CHAPTER 551.074 OF THE TEXAS GOVERNMENT CODE; DELIBERATIONS ABOUT GIFTS AND DONATIONS PURSUANT TO CHAPTER 551.076 OF THE TEXAS GOVERNMENT CODE; DISCUSSION OF ECONOMIC DEVELOPMENT PURSUANT TO CHAPTER 551.087 OF THE TEXAS GOVERNMENT CODE; ACTION, IF ANY, WILL BE TAKEN IN OPEN SESSION.

### **CERTIFICATION**

I hereby certify the above Notice of Meeting was posted on the Bulletin Board at the Salado Municipal Building on September 1, 2023, at 6:30 p.m.



Debbie Bean, City Secretary

The Village of Salado is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please contact Don Ferguson, Village Administrator, at 254-947-5060 for information. Hearing-impaired or speech-disabled persons equipped with telecommunication devices for the deaf may call 512-272-9116 or may utilize the stateside Relay Texas Program at 1-800-735-2988.

# BOA Agenda Item Form



Date Submitted: September 1, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF MINUTES OF THE AUGUST 17, 2023, REGULAR MEETING OF THE BOARD OF ALDERMEN

**Funds Required:**  
**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to consider approval of the minutes of the August 17, 2023, Regular Meeting of the Board of Aldermen.

A copy of the minutes will be provided to board members under separate cover in advance of the meeting.

# BOA Agenda Item Form



Date Submitted: September 1, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF MINUTES OF THE AUGUST 17, 2023, SPECIAL MEETING OF THE BOARD OF ALDERMEN

**Funds Required:**  
**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to consider approval of the minutes of the August 17, 2023, Special Meeting of the Board of Aldermen.

A copy of the minutes will be provided to board members under separate cover in advance of the meeting.

# BOA Agenda Item Form



Date Submitted: September 1, 2023  
Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF MINUTES OF THE AUGUST 22, 2023, SPECIAL MEETING OF THE BOARD OF ALDERMEN  
**Funds Required:**  
**Funds Available:**

**Council Action Requested:**  
 Ordinance  
 Resolution  
 Motion  
 Discussion

**Project/Proposal Summary:**  
This item was placed on the agenda to allow board members to consider approval of the minutes of the August 22, 2023, Special Meeting of the Board of Aldermen.  
A copy of the minutes will be provided to board members under separate cover in advance of the meeting.

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF VILLAGE OF SALADO INVESTMENT POLICY

**Funds Required:**

**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to discuss and consider approval of the Village of Salado Investment Policy. State law requires the Board to review the policy on an annual basis.

No changes are proposed in the policy.

Village staff recommends approval of the policy as presented.

# Investment Policy

## I. Purpose

The purpose of this document is to establish the investment policies for the management of the public funds of the Village of Salado, Texas (Village). This policy will be reviewed on an annual basis by Board of Aldermen. At such time, the council will adopt a resolution that (1) states that the investment policy has been reviewed and (2) enumerates the changes to be made to the policy.

These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this policy will be provided to all business organizations offering to engage in investment transactions with the Village. A qualified representative of the business organization must confirm in writing (1) that this policy has been read and thoroughly reviewed and (2) that reasonable controls have been established to preclude unauthorized investment transactions. The Village prior to the firm providing any services must receive this confirmation.

## II. Statutory Authority

This policy was adopted in accordance with the Public Funds Investment Act (V.T.C.A., Government Code §2256).

## III. Policy Scope

This investment policy applies to all of the financial assets (i.e., cash, bank deposits and securities) of the Village. These assets are pooled into a single common investment fund that incorporates the following accounting fund types:

- General fund;
- Special revenue funds; and
- Enterprise funds.

Investments in the Village's employee deferred compensation plan are independently managed and are not covered by this policy.

## IV. Investment Strategy Statement

It is the Village's policy to invest public funds in a manner that meets the following objectives:

- Ensure the suitability of the investment to the financial requirements of the Village;
- Ensure preservation and safety of capital;

- Provide sufficient liquidity to meet cash flow needs;
- Ensure the marketability of the investments;
- Provide sufficient diversification; and
- Provide a competitive return on investment.

## V. Investment Objectives

The following is a detailed discussion of the Village's investment objectives, in priority order:

### A. Suitability of Investments

Investments shall be made with the primary focus of having cash available to meet the Village's financial requirements. This requires that the Village match investment maturities with anticipated expenditures.

### B. Preservation and Safety of Capital

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this objective it is necessary to minimize credit risk and interest rate risk.

Credit risk is the risk of loss due to failure of the security issuer to pay interest and/or principal in a timely manner. It may be reduced by:

- Limiting investments to the safest types of securities;
- Pre-qualifying the business organizations with which the Village will do business; and
- Requiring that investments not insured or guaranteed by the United States Government be fully collateralized.

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The longer the term, the more tendencies there are for rates to fluctuate. Interest rate risk may be reduced by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
- Investing primarily in shorter-term securities.

Both types of risk may also be controlled through diversification.

### C. Liquidity

It is the Village's objective that the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Liquidity is the relative ease with which a security may be converted to cash, typically through sale on the open market. The goals of liquidity and preservation of capital may conflict at times. While a security may be easily converted to cash, the amount of cash received may be less than the amount initially paid due to fluctuations in market value. For that reason, it is important for the portfolio to be structured so that securities mature concurrent with anticipated cash needs, hereby avoiding the need to liquidate investments under adverse market conditions.

#### D. Marketability of Investments

Marketability is the availability to quickly purchase and sell a security at competitive prices in secondary markets. Some investments, such as Treasury bills, can be sold at any time. Other more exotic instruments may not be much in demand by other investors and, consequently, may be much harder to sell.

Since all possible cash demands cannot be anticipated, the portfolio should consist of securities with active secondary or resale markets. This will ensure that in the event the Village must sell a security, a buyer can be readily found.

At all times, selling a security before maturity may produce a loss. With the exception of the following situations, securities shall not be sold at a loss:

- A security with a declining market value could be sold early to minimize loss;
- A security swap would improve the quality, yield, or target duration in the portfolio; or
- Liquidity needs of the portfolio require that a security be sold and all other sales would result in a larger loss.

#### E. Diversification

The constraints established by this investment policy minimize the Village's risk exposure. Through diversification, the Village can further limit risk exposure. The Village will address diversification in its portfolio by *not* limiting its exposure to any one type of investment, staggering investment maturities, and using several investment providers.

#### F. Yield

A fundamental rule of investments is that risk equals return. The Village has deliberately established a low risk threshold in order to protect its financial resources and ensure that cash is available when needed. Return on investment is the least important objective of the Village's investment program. It is anticipated, however, that the Village will still earn a competitive rate of return given the level of risk assumed.

## VI. Standards of Care

### A. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio, not each investment decision. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided that the investment decision was consistent with this written policy.

The “prudent person” standard requires that investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income to be derived.

### B. Ethics and Conflicts of Interest

Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper executing and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from under-taking personal investment transactions with the same individual with which business is conducted on behalf of the Village.

### C. Delegation of Authority

The Village Administrator shall be responsible for insuring that all of the physical and monetary assets of the Village are appropriately safeguarded and controlled and perform any duties of Village Treasurer as required by the general laws of the State of Texas. Through the adoption of this policy, the position of Village Administrator shall be designated as an investment officer who is responsible for the investment of the Village’s funds. In the absence of the Village Administrator, the Mayor shall have the responsibility for investment decisions and activities. No person may engage in an investment transaction or the management of funds except as provided under the terms of this Investment Policy as approved by the Board of Aldermen. The investment authority granted to the investment officer is effective until rescinded by the governing body.

The Village Administrator shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### D. Training

The Village Administrator and Finance Officers shall attend at least one training session related to their respective duties within 24 months of assuming office or duties. This training must include education in investment controls, security risks, strategy risks, market risks and compliance with the Public Funds Investment Act.

Both the Village Administrator and the Mayor shall receive training as required by state law, which is designed to ensure the continued proper performance of their duties under this policy and the Public Funds Investment Act. The Village Administrator and the Mayor shall attend an investment training session no less often than once every two fiscal years commencing February 1, 2009 and shall receive not less than 10 hours of instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Aldermen. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a business organization with whom the Village of Salado may engage in an investment transaction.

#### DI. Execution of Security Transactions

##### A. Authorized Financial Dealers and Institutions

A list will be maintained of the business organizations authorized by the Board of Aldermen to provide investment services. These may include "primary dealers" or regional dealers that qualify under Securities and Exchange Commission Rule 15C3 1 (uniform net capital rule).

All business organizations desiring to become qualified bidders for investment transactions must supply the following, as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification signed by a qualified representative of the firm, of having read and thoroughly reviewed the Village's investment policy and having implemented reasonable procedures and controls in an effort to preclude unauthorized investment transactions. (See Appendix B for an example.)

A qualified representative of a business organization is a person who holds a position with the organization, is authorized to act on behalf of the organization, and who is:

- For organizations regulated or registered with a securities commission, registered under the rules of the National Association of Securities Dealers; or
- For state and national banks and savings banks, a member of the loan committee

or authorized by corporate resolution to act on behalf of and bind the banking institution.

- For an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment.

The Village Administrator shall conduct an annual review of the financial condition and registration of qualified business organizations interested in providing investment services for the Village. The Village Administrator shall recommend six or more qualified bidders to the Board of Aldermen, which will then select qualified bidders to provide investment services for the Village for the next year.

#### B. Selection of Investments

The Village Administrator shall establish a competitive process for the selection of investments.

#### C. Delivery vs. Payment

With the exception of mutual funds, all investment transactions will be executed by delivery vs. payment (DVP). This requires that the release of funds and the receipt of the investment occur simultaneously.

#### D. Safekeeping

The Village will utilize an independent third party as a custodial agent for safekeeping of the Village's investments. Book entry only securities may be held in the custodial agent's account with a Federal Reserve Bank, as long as the custodial agent's internal records clearly indicate the Village's ownership of the securities. Any physical securities will be transferred directly to the custodial agent.

Receipts must be issued by the custodial agent for all property received in physical or book entry form. Not less than quarterly, the Village should be provided with reports of all assets held in safekeeping.

#### E. Measuring Market Value

The Village shall use The Wall Street Journal or a comparable nationally recognized business publication to measure the market value of its investments. The price quote used will be as of the date of market valuation.

### VIII. Internal Controls and Compliance Audit

#### A. Internal Controls

The Village Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Village are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal control structure should address the following points:

- Control of collusion. Collusion is a situation where two or more employees work in conjunction to defraud their employer.
- Separation of transaction authority from accounting and record keeping. By separating the person who authorizes or performs the transactions from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- Custodial safekeeping. Securities purchased from any bank or dealer including appropriate collateral shall be placed with an independent third party for custodial safekeeping.
- Avoidance of physical delivery securities. Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- Clear delegation of authority to subordinate staff members. Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- Written confirmation of telephone transactions for investments and wire transfers. Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and the safekeeping institution has a list of authorized signatures.
- Development of a wire transfer agreement with the lead bank or third party custodial. This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

#### B. Annual Audit

The Village Administrator shall establish a process for annual independent review by an

external auditor to:

- Assure compliance with policies and procedures; and
- Review monthly investment reports.

This review is to be done in conjunction with the annual audit of the Village's financial statements.

## IX. Suitable and Authorized Investments

### A. Investment Types

The following investments are permitted under this policy.

- Obligations of the United States Government (i.e., treasury bills, treasury notes and treasury bonds):
  - Mutual funds offered by the Village's depository bank as part of its cash management program;
  - Certificates of deposit issued by a state or national bank or a savings bank domiciled in the State of Texas; and
  - Demand deposits with state and national banks and savings banks.
  - Statewide investment pools.

### B. Collateralization

Certificates of deposit and all other deposits with banks and savings banks shall be 1) guaranteed or insured by the Federal Deposit Insurance Corporation or 2) fully collateralized as required by the Public Funds Investment Act. In order to provide an appropriate level of protection, the market value of the pledged security will be a minimum of 105% of the amount on deposit plus accrued interest.

The Village prior to the substitution taking place must approve substitution of collateral in writing.

Collateral will be held by an independent third party. A clearly marked safekeeping receipt showing the securities pledged in the Village's name must be provided to the Village on a monthly basis.

### C. Prohibited Investments

Any investment not specifically authorized by this policy is prohibited. Any investment that is a derivative in nature, even though the underlying asset may meet the guidelines established in this policy, is also prohibited.

#### D. Additional Qualifications by Investment Type:

##### 1. Mutual Funds

As part of its overall cash management program, the Village intends to utilize the automatic investment sweep program offered by its depository bank. This program will enable the Village to eliminate idle cash balances in its checking accounts, while ensuring that adequate cash is on hand to meet daily requirements.

For this purpose, the Village is authorized to invest in a no-load money market mutual fund, if the mutual fund:

- Is registered with and regulated by the Securities and Exchange Commission;
- Provides the Village with a prospectus and any other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940;
- Invests exclusively in obligations of the U.S. Treasury and/or repurchase agreements fully collateralized by such obligations;
- Is continuously rated as AAA or its equivalent by at least one nationally recognized rating service;
- Has a dollar-weighted average stated maturity of 90 days or less; and
- Includes in its investment objectives the maintenance of a stable net asset value of \$1 per share.

##### 2. State Wide Investment Pools

Statewide investment pools are separate legal entities established to invest the funds of 2 or more other government entities. The investment pool typically has its own management and investment staff and provides a highly liquid investment option.

In order to be eligible to provide services to the Village, investment pools must meet all the requirements of state law as determined under Chapter 2256 of the Government Code, as amended and the following requirements:

- Provide the Village with an offering circular and other information required by the Public Funds Investment Act;
- Provide investment transaction confirmations;
- Provide monthly detailed transaction and performance reports as specified by state statute;
- Establish an advisory board composed of qualified members representing participants and non-participants;
- Be continuously rated no lower than AAA or AAA-m or at an equivalent

rating by at least one nationally recognized rating service.

In addition to the preceding requirements, investment pools created to function, as money market mutual funds must mark-to-market daily and must maintain a market value ratio (market value divided by book value) between .995 and 1.005.

Investment in a particular pool will be made only after a thorough investigation of the pool and approval by the Board of Aldermen. The Village Administrator shall conduct an annual review of the pools and recommend qualified pools to the Board of Aldermen, which will then select and adopt a list of approved pools.

With the exception of mortgage-backed securities or any other derivative, pools are permitted to invest in a broader range of investment instruments than those authorized under this policy, provided those instruments are authorized under the Public Funds Investment Act.

## X. Investment Parameters

### A. Investment Management Style

Investment maturities are timed to correspond with anticipated cash requirements and should be purchased at or near par. The Village employs a passive management style in which investments are expected to be held to maturity. This does not preclude the use of active portfolio management techniques.

### B. Diversification

At the time of purchase, investments will be selected to ensure that the Village's portfolio is diversified by security type and institution as follows:

- United States Treasuries;
- No-load money market mutual funds;
- Certificates of deposit within maximum limitation of FDIC and/or collateralization limits.
- Savings bank deposits within maximum limitation of FDIC and/or collateralization limits.
- Authorized investment pools.

### C. Maximum Maturities

To the extent possible, the Village will attempt to match its investments with anticipated cash flow requirements.

Maximum allowable stated maturities are limited by investment type as follows:

- 3 years for United States treasuries securities;
- 90 days for certificates of deposit; and
- 90 days for no-load money market mutual funds.

#### XI. Performance Standards

During an environment of stable interest rates, the portfolio should obtain a market average rate of return. Since the Village follows a passive investment strategy, the basis used by the Village Accountant to determine whether market yields are being achieved shall be the average 90-day Treasury for the month, as quoted in The Wall Street Journal or comparable nationally recognized business publication.

#### XII. Reporting

The Village Administrator or his designee shall prepare an investment report on a quarterly basis that summarizes investment strategies employed in the most recent quarter and describes the portfolio in terms of investment securities, maturities, and shall explain the total investment return for the quarter. The report shall be signed by all designated investment officers and include the statement that the report is in full compliance with the investment strategies as established by the Village of Salado Investment Policy and Public Funds Investment Act (Government Code Chapter 2256)

The quarterly investment report shall include a summary statement of investment activity prepared in compliance with generally accepted accounting principles. This summary will be prepared in a manner which will allow the Village to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will be provided to the Board of Aldermen. The report will include the following:

- A listing of individual securities held at the end of the reporting period.
- Unrealized gains or losses resulting from appreciation or depreciation by listing the beginning and ending book and market value of securities for the period.
- Additions and changes to the market value during the period.
- Average weighted yield to maturity of portfolio as compared to applicable benchmark.
- Listing of investments by maturity date.
- Fully accrued interest for the reporting period
- The percentage of the total portfolio which each type of investment represents.
- Statement of compliance of the Village's investment portfolio with state law and the investment strategy and policy approved by the Board of Aldermen.

A formal annual review of the quarterly reports will be performed by an independent auditor with the results reported to the governing body.



## APPENDIX A: GLOSSARY

**ACTIVE PORTFOLIO MANAGEMENT:** An approach to investment management in which the investment officer actively trades the portfolio to take advantage of changing market conditions. This style requires the investment officer to develop a comprehensive economic outlook and to take action based upon that outlook. Requires relatively technical knowledge of the investment field.

**BENCHMARKS:** A measure used to evaluate the effectiveness of the investment program. Suitable benchmarks are readily available and share the characteristics of the portfolio with respect to legal constraints and investment policy compliance. Benchmarks may be published figures or indexes in publications such as the Wall Street Journal or they may be specially created for entity.

**BOOK ENTRY SECURITIES:** Securities that are purchased, sold and held with only electronic computer entries rather than the transfer of physical certificates. Buyers typically receive receipts or confirmations as evidence of ownership.

**BROKER:** A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions.

**COLLATERAL:** Securities that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**DEALER:** A firm or an individual who buys and sells for his own account. Dealers have ownership, even if only for an instant, between a purchase from one party and a sale to another party. They are compensated by the spread between the price they pay and the price they receive.

**DERIVATIVES:** Financial instruments whose value depends on the values of underlying assets or indexes.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**PASSIVE INVESTMENT MANAGEMENT:** An approach to investment management in which the investment officer adopts a buy and hold strategy.

Some investment techniques are used. Requires basic level investment knowledge.

**PRIMARY DEALERS:** A group of securities dealers who are recognized as major participants in the government securities markets and who are willing to market all government securities. Primary dealers must submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight.

**RATE OF RETURN:** The yield obtain-able on a security based on its purchase price or its current market price.

**REGIONAL DEALERS:** The second tier of broker/dealers (after primary dealers) composed of brokerage firms that specialize in certain market niches, typically on a regional basis.

**SAVINGS BANK DEPOSITS:** Demand deposits held in an account at a savings and loan association.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding debt issues following the initial distribution.

**TREASURY BILLS:** Short term obligations issued by the United States Treasury. Bills are issued for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

**TREASURY NOTES:** Medium term obligations issued by the United States Treasury. Notes are issued for initial maturities over 1 to 10 years.

**YIELD:** The annual return on an investment expressed as a percentage.

**APPENDIX B: ILLUSTRATIVE BROKER/DEALER  
CERTIFICATION FORM**

**Broker Dealer Certification Form**

(As required by Texas Government Code 2256.005(k))

The Village of Salado (Village) acknowledges that the only means the firm has to preclude unauthorized investment transactions between the firm and the Village is to confirm that all provisions of the Village's investment policy are followed in investment transactions conducted between the firm and the Village, and, the second paragraph below should be read accordingly.

I, \_\_\_\_\_, as a qualified representative for the firm \_\_\_\_\_ do hereby certify that I and the broker covering this account, \_\_\_\_\_, have received and thoroughly reviewed the investment policy of the Village of Salado .

I acknowledge that this firm has implemented reasonable internal procedures and controls in an effort to preclude investment transactions not authorized by the Village's investment policy.

\_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER APPROVAL OF COMPREHENSIVE FUND BALANCE POLICY AND FUND BALANCE CLASSIFICATION PLAN

**Funds Required:**  
**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to discuss and consider approving the Comprehensive Fund Balance Policy ("Policy") and Fund Balance Classification Plan ("Plan") for the Village of Salado.

Much like the Village's Investment Policy, the Village is obligated to review the Policy and Plan on an annual basis. No changes in the policy or plan are being recommended.

The primary objective of the Policy is to improve the usefulness and comparability of fund balance information by reporting fund balance in more insightful and meaningful components. This policy also clarifies the definitions of the different types of funds that a governmental entity may set up for financial reporting purposes.

The Plan simply identifies how the dollars in fund balance are to be classified. While an approved classification plan must be in place, the classifications can be changed at any time by board members.

Village staff is recommending the Board of Aldermen approve the Policy and Plan as submitted.

**VILLAGE OF SALADO**  
**COMPREHENSIVE FUND BALANCE POLICY**

**BACKGROUND**

The Governmental Accounting Standards Board (“GASB”) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (“GASB-54”)*. The primary objective of this new standard is to improve the usefulness and comparability of fund balance information by reporting fund balance in more intuitive and meaningful components. This standard also clarifies the definitions of the different types of funds that a governmental entity may set up for financial reporting purposes.

GASB-54 now requires the Village of Salado to classify the fund balance amounts reported within our financial statements in accordance with five new and more detailed classifications shown below. These categories are as follows:

*Non-spendable Fund Balance.* Fund balance reported as “non-spendable” represents fund balance associated with inventory or prepaid items. The cash outlay for these types of items has already been made and therefore the resources represented by this fund balance category cannot be spent again; hence the term “non-spendable”.

*Restricted Fund Balance.* Fund balance reported as “restricted” represents amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

*Committed Fund Balance.* Fund balance reported as “committed” includes amounts that can be used only for the specific purposes determined by a formal action of The Board of Aldermen.

*Assigned Fund Balance.* Fund balance reported as “assigned” represents amounts intended to be used for specific purposes, but not meeting the criteria to be reported as committed or restricted fund balance. In addition, the Board of Aldermen may grant to the Village Administrator the authority to “assign” fund balance.

*Unassigned Fund Balance.* Fund balance reported as “unassigned” represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications.

GASB-54 is effective for periods beginning after June 15, 2010. Therefore, the Village of Salado was required to implement this new standard starting with Fiscal Year 2011.

A written Comprehensive Fund Balance Policy is recommended to be formally adopted by the governing body of our organization depicting the procedures that will be used for committing fund balance, assigning fund balance, how stabilization funds, if any, will be determined, order of spending the fund balance categories, minimum fund balance levels, and use of governmental fund types.

## COMPREHENSIVE FUND BALANCE POLICIES

### 1.0 Policy on Committing Funds

In accordance with GASB-54, it is the policy of the Village of Salado that fund balance amounts will be reported as “Committed Fund Balance” only after formal action and approval by the Board of Aldermen. The action to constrain amounts in such a manner must occur prior to year end; however, if the actual dollar amount is not known that may be determined in the subsequent period.

For example, the Board of Aldermen may approve a motion prior to year end to report within the year-end financial statements, if available, up to a specified dollar amount as Committed Fund Balance for Capital Projects. The exact dollar amount to be reported as Committed Fund Balance for Capital Projects may not be known at the time of approval due to the annual financial audit not yet being completed. This amount can be determined at a later date when known and appropriately reported within the year-end financial statements due to the governing body approving this action before year-end.

It is the policy of the Village of Salado that the Board of Aldermen may commit fund balance for any reason that is consistent with the definition of Committed Fund Balance contained within GASB-54. Examples of reasons to commit fund balance would be to display intentions to use portions of fund balance for future capital projects, stabilization funds, or to earmark special General Fund revenue streams unspent at year-end that are intended to be used for specific purposes.

After approval by the Board of Aldermen, the amount reported as Committed Fund Balance cannot be undone without utilizing the same process required to commit the funds. Therefore, in accordance with GASB-54, it is the policy of the Village of Salado that funds can only be removed from the Committed Fund Balance category after motion and approval by the Board of Aldermen.

### 2.0 Policy on Assigning Funds

In accordance with GASB-54, funds that are *intended* to be used for a specific purpose but have not received the formal approval action by the Board of Aldermen may be recorded as Assigned Fund Balance. Likewise, redeploying assigned resources to an alternative use does not require formal action by the governing body.

GASB-54 states that resources can be assigned by the governing body or by another internal body or person whom the governing body gives the authority to do so, such as the Village Administrator.

Therefore, having considered the requirements to assign fund balance, it is the policy of the Village of Salado that the Village Administrator will have the authority to assign fund balance of this organization based on intentions for use of fund balance communicated by the Board of Aldermen.

### 3.0 Policy on Order of Spending Resources

It is the policy of the Village of Salado that when expenditures are incurred that would qualify as expenditures of either Restricted Fund Balance or Unrestricted Fund Balance (Committed, Assigned, or Unassigned), those expenditures will first be applied to the Restricted Fund Balance category.

Furthermore, it is the policy of the Village of Salado that when expenditures are incurred that would qualify as a use of any of the Unrestricted Fund Balance categories (Committed, Assigned, or Unassigned), those expenditures will be applied in the order of Committed first, then Assigned, and then Unassigned.

### 4.0 Policy on the Acceptable Minimum Level of Fund Balances

It is the policy of the Village of Salado to maintain at all times an overall Unrestricted Fund Balance (Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance) of not less than three months of regular General Fund operating expenditures, measured based on the most recently completed fiscal year. If it is determined that the Village of Salado is below this minimum established fund balance level, the Board of Aldermen will be informed of this condition and take necessary budgetary steps to bring the fund balance level into compliance with this policy through budgetary actions.

### 5.0 Review of Governmental Fund Classifications

The Village of Salado desires that the governmental fund types available for use in governmental financial reporting be appropriately selected based on the GASB-54 definitions of these fund types. Furthermore, the fund balance categories utilized within each these fund types are also to be appropriately selected from the new GASB-54 classifications.

Therefore, after consideration of the purpose of each governmental fund type, it is the policy of the Village of Salado to limit the fund balance categories that may be used with each governmental fund type as follows:

#### General Fund

Non-spendable Fund Balance  
Restricted Fund Balance  
Committed Fund Balance  
Assigned Fund Balance  
Unassigned Fund Balance

#### Debt Service Funds

Restricted Fund Balance  
Committed Fund Balance  
Assigned Fund Balance

#### Capital Projects Funds

Restricted Fund Balance  
Committed Fund Balance  
Assigned Fund Balance

#### Special Revenue Funds

Restricted Fund Balance  
Committed Fund Balance  
Assigned Fund Balance

## **VILLAGE OF SALADO FUND BALANCE DESIGNATION**

### **General Fund**

Restricted Fund Balance

- 0% of funds

Committed Fund Balance

- 50% of the funds for public works (roads, drainage, etc)
- 50% of the funds for future grant matches

Assigned Fund Balance

- 0% of funds

### **Hotel Occupancy Fund (*Special Revenue Fund*)**

Restricted Fund Balance

- 10% of funds for Emergency Tourism Marketing

Committed Fund Balance

- 90% of funds for Tourism Division Operations

Assigned Fund Balance

- 0% of funds

### **Wastewater Fund (*Special Revenue Fund*)**

Restricted Fund Balance

- 0% of funds

Committed Fund Balance

- 100% of funds for Wastewater Plant Operations

Assigned Fund Balance

- 0% of funds

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER ACTION REGARDING ANY ITEMS REMOVED FROM THE CONSENT AGENDA

**Funds Required:**  
**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to discuss and consider approval of any items removed from the Consent Agenda.

# BOA Agenda Item Form



Date Submitted: September 1, 2023

Agenda Date Requested: September 7, 2023

Project/Proposal Title: VILLAGE ADMINISTRATOR'S STATUS REPORT

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

- Main Street Lights
- All-Abilities Playground
- Mustang Springs Development
- West Side Overlay District Task Force
- Salado Community Institute

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** SALADO POLICE CHIEF  
STATUS REPORT

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

- Calls for Service Report
- License Plate Reader Program Update
- Citizens on Patrol Program Update

# BOA Agenda Item Form



Date Submitted: August 29, 2023

Agenda Date Requested: September 7, 2023

Project/Proposal Title: TOURISM DEPARTMENT  
STATUS REPORT

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

- Salado Marketing Activities
- Visitors Center Activities
- Upcoming Events

# BOA Agenda Item Form



Date Submitted: August 30, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** HOLD A PUBLIC HEARING AND CONSIDER ACTION REGARDING A REQUEST FOR A CONDITIONAL USE PERMIT TO ALLOW MIXED BEVERAGE SALES ON PROPERTY LOCATED AT 112 N. MAIN STREET

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to hold a public hearing and consider action regarding a request for a Conditional Use Permit ("CUP") to allow the sale of mixed beverages on property located at 112 N. Main Street.

The applicant, Travis Zatopek, is seeking a CUP to sell mixed beverages at *Terlingua On Main* - a new Main Street mixed-use commercial development. Currently, the development features a boutique, recreation area, food trucks and an open-air bar that serves beer and wine with a pre-existing TABC permit. Should the CUP be granted, the new TABC permit will be required that allows the sale of beer, wine, and mixed beverages on the property.

The subject property is zoned Historic District (HD) and is located within the boundaries of the Historic District Overlay. A CUP is required to serve mixed beverages on properties located within the Overlay District.

Public notice of the CUP request was published in the Salado Village Voice and property owners within 200 feet of the subject property were also advised of the request. To date, no comments have been received by the Village regarding the request.

The Planning and Zoning Commission held a public hearing on the CUP request on August 29<sup>th</sup>. Afterwards, the Commission unanimously voted to recommend approval of the CUP request to allow for the sale of mixed beverages on property located at 112 N. Main Street.

## Don Ferguson

---

**From:** Leticia Gauna  
**Sent:** Thursday, August 3, 2023 8:06 AM  
**To:** Don Ferguson  
**Subject:** FW: Form submission from: Zoning Application

**From:** Salado Texas <salado-tx@municodeweb.com>  
**Sent:** Wednesday, August 02, 2023 7:20 PM  
**To:** Leticia Gauna <lgauna@saladotx.gov>  
**Subject:** Form submission from: Zoning Application

Submitted on Wednesday, August 2, 2023 - 7:19pm

Submitted by anonymous user: 67.60.67.58

Submitted values are:

Application Type Conditional Use Permit

Project Description

Property's Street Address 112 N. Main Street

Property Location Alongside the dry creek bed where Wild Angels Boutique burned down

Acres 0.6

Existing Zoning of Property HD Historic District

Existing Use of Property Retail

Are there Buildings on the Property? If yes, what are they used for? Yes- retail sales of men and women's clothing (boutique)

Applicant's Information

Applicant/Owner/Requestor's Name Travis Zatopek

Name of Contact Person Travis Zatopek

Title of Contact Person Managing Member

Name of Company Z9 Group LLC- Terlingua on Main

Street/Mailing Address 4113 Big Brooke Dr.

City Salado

State Texas

Zip Code 76571

Phone Number 512-868-7699

Fax Number

Email Address [REDACTED]

Conditional Use Information

Reason for Conditional Use Request:

With the recent rezoning of downtown to the HC district, we are requesting to obtain a mixed beverage license for the sale of liquor, beer & wine.

Authorization

I hereby certify that I am the Owner, or the duly authorized agent of the Owner (proof of authorization attached), for the purposes of this application, and that all information submitted herein is complete, true and correct to the best of

my knowledge. I understand that submitting this application does not constitute approval, and incomplete applications will result in delays and possible denial.

Name of Applicant Travis Zatopek

Title of Applicant Managing Member

Date Wed, 08/02/2023

Zoning Applicable Fees

The results of this submission may be viewed at:

<https://www.saladotx.gov/node/4208/submission/841>



- c. If the development is to occur in phases, a conceptual phasing plan that identifies the currently anticipated general sequence of development, including the currently anticipated general sequence for installation of major capital improvements to serve the development; and
  - d. An aerial photograph with the boundaries of the PD concept plan clearly delineated.
- 6. **Official Submission Date and Completeness of Application:** Refer to Section 2.4.C of this Ordinance.
- H. **PD Site Plans:** Site plan review and approval for any building site within a PD district shall be in accordance with Section 2.6 of this Ordinance.
- I. **Amendment of Plans:**
  - 1. **PD Concept Plans:** PD concept plans, excluding informational statements, are considered part of the PD ordinance. Any amendment to a PD concept plan shall be considered a zoning change, and shall be processed pursuant to Section 2.4 of this Ordinance.
  - 2. **PD Site Plans:** PD site plans are not considered part of a PD ordinance. Except as otherwise provided within this Subsection, any amendment/revision to an approved PD site plan shall be in accordance with Section 2.6 of this Ordinance.
- J. **Lapse of Concept Plan or Site Plan Approval:** Lapse of a concept plan or site plan shall be in accordance with Section 2.6.J of this Ordinance.
- K. **Extension and Reinstatement Procedure:** Extension of a concept plan or site plan shall be in accordance with Section 2.6.K of this Ordinance.

### **Section 3.17: CUP, Conditional Use Permit**

- A. **General Purpose and Description:** A conditional use is a land use which, because of its unique nature, is compatible with the permitted land uses in a given zoning district only under certain conditions. Such conditions include a determination that the external effects of the conditional use in relation to the existing and planned uses of adjoining property and the neighborhood can be mitigated through imposition of standards and conditions. This Section sets forth the standards used to evaluate proposed conditional uses and the procedures for approving Conditional Use Permit (CUP) applications.
- B. **Conditional Use Permit (CUP) Required:** No conditional use shall be established and no building permit shall be issued for any use designated as a conditional use within a zoning district until a conditional use permit is issued in accordance with the provisions of this Section. An application for a conditional use permit shall be accompanied by a site plan prepared in the manner described in Section 2.6. The site plan shall illustrate the proposed use to be established, its relationship to adjoining properties, and how it meets the approval standards set forth in Section 3.17.E.
- C. **Status of Conditionally Permitted Uses:**
  - 1. The following general rules apply to all conditional uses:

- a. The designation of a use in a zoning district as a conditional use does not constitute an authorization or assurance that such use will be approved.
- b. Approval of a conditional use permit shall authorize only the particular use for which the CUP is issued.
- c. No use authorized by a conditional use permit shall be enlarged, extended or relocated, nor may the number of dwelling units be increased, unless an application is made for approval of a new conditional use permit in accordance with the procedures set forth in this Section.
- d. Development of the use shall not be carried out until the applicant has secured all the permits and approvals required by these zoning regulations, the Village Code of Ordinances, or any permits required by regional, State and Federal agencies.

**D. Application for Conditional Use Permit:**

1. **Application Requirements:** An application for a conditional use permit may be submitted by the property owner or by the property owner's designated representative to the Village. The application shall be accompanied by a site plan prepared in accordance with the requirements of Section 2.6. If a zoning amendment is required or requested in writing, such application shall accompany the application for a conditional use permit.
2. **Subdivision Approval:** If the proposed use requires a division of land, an application for subdivision approval shall be submitted in conjunction with the application for a conditional use permit. Approval of the conditional use permit shall not become effective until final approval of the subdivision application; provided, that if the land is to be divided in phases, the approval of the conditional use permit shall take effect upon final approval of the phase of the subdivision containing the property on which the conditional use is to be located.

**E. Procedures for Conditional Use Permits:**

1. **Planning & Zoning Commission Recommendation:** Upon receipt of the recommendation from the Mayor/Village Administrator or his/her designee, the Commission shall conduct a public hearing in order to formulate its recommendations to the Board of Aldermen on the conditional use permit application. Following the public hearing, the Commission shall recommend approval, approval subject to modification, or denial of the proposal to the Board of Aldermen in accordance with Section 2.4. If the appropriateness of the use cannot be assured at the location, the Commission shall recommend denial of the application as being incompatible with existing uses or with other uses permitted by right in the district.
2. **Board of Aldermen Action:** The Board of Aldermen shall be the final decision-maker on applications for conditional use permits. Following a public hearing and in consideration of the Commission's recommendations, the Board of Aldermen shall approve, modify or deny the proposal for a conditional use permit in accordance with Section 2.4. If the appropriateness of the use cannot be assured at the location, the application for conditional use permit shall be denied as being incompatible with existing uses or with other uses permitted by right in the district.

**F. Standards:**

1. **Factors for Consideration:** When considering applications for a conditional use permit, the Commission in making its recommendation and the Board of Aldermen in rendering its decision on the application shall, on the basis of the site plan and other information submitted, evaluate the

impact of the conditional use on, and the compatibility of the use with, surrounding properties and neighborhoods to ensure the appropriateness of the use at a particular location. The Commission and the Board of Aldermen shall specifically consider the extent to which:

- a. The proposed use at the specified location is consistent with the policies embodied in the adopted Comprehensive Plan;
  - b. The proposed use is consistent with the general purpose and intent of the applicable zoning district regulations;
  - c. The proposed use meets all supplemental standards specifically applicable to the use as established in the *Development Standards*, Section 5.1 through 5.9;
  - d. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and, as required by the particular circumstances, includes improvements or modifications either on-site or within the public rights-of-way to mitigate development-related adverse impacts, including but not limited to the following:
    - (1) Adequate ingress and egress to property and proposed structures thereon with particular reference to vehicular and pedestrian safety and convenience, and access in case of fire;
    - (2) Off-street parking areas, loading areas, and pavement type;
    - (3) Refuse and service areas;
    - (4) Utilities with reference to location, availability, and compatibility;
    - (5) Screening and buffering, features to minimize visual impacts, and/or set-backs from adjacent uses;
    - (6) Control of signs, if any, and proposed exterior lighting with reference to glare, traffic safety, economic effect, and compatibility and harmony with properties in the district;
    - (7) Required yards and open space;
    - (8) Height and bulk of structures;
    - (9) Hours of operation;
    - (10) Exterior construction material, building design, and building facade treatment;
    - (11) Roadway adjustments, traffic control devices or mechanisms, and access restrictions to control traffic flow or divert traffic as may be needed to reduce or eliminate development-generated traffic on neighborhood streets;
    - (12) Provision for pedestrian access/amenities/areas;
    - (13) The proposed use is not materially detrimental to the public health, safety, convenience and welfare, or results in material damage or prejudice to other property in the vicinity;
2. **Conditions:** In approving the application, the Commission may recommend and the Board of Aldermen shall impose such conditions as are reasonably necessary to assure compliance with these standards and the purpose and intent of this Section, in accordance with the procedures in Section 2.4. Any conditions imposed shall be set forth in the ordinance approving the conditional use, and shall be incorporated into or noted on the site plan for final approval. The Mayor/Village Administrator or his/her designee shall verify that the site plan incorporates all conditions set forth in the ordinance authorizing the conditional use, and shall sign the plan to indicate final approval. The Village shall maintain a record of such approved conditional uses and the site plans and conditions attached thereto.
3. **Prohibition on Waivers and Variances:** The foregoing standards of development shall not be subject to variances that otherwise could be granted by the Zoning Board of Adjustments, nor may

conditions imposed by the Board of Aldermen subsequently be waived or varied by the Zoning Board of Adjustments. In conformity with the authority of the Board of Aldermen to authorize conditional uses, the Board of Aldermen may waive or modify specific standards otherwise made applicable to the use by this Ordinance, to secure the general objectives of this Section, provided, however, that the Board of Aldermen shall not waive or modify any approval factor set forth in Section 3.17.E.1.

- G. **Expiration and Extension:** Termination of approval of a conditional use for failure to commence development and extension of the time for performance for a conditional use permit shall be governed by Section 2.6.
- H. **Amendment:** No proposed or existing building, premise or land use authorized as a conditional use may be established, enlarged, modified, structurally altered, or otherwise changed from that approved in the conditional use permit, unless such amendment is authorized in accordance with the standards and procedures set forth in this Section, and the conditional use permit and approved site plan are amended accordingly.
- I. **Other Regulations:** The Zoning Board of Adjustments shall not have jurisdiction to hear, review, reverse, or modify any decision, determination, or ruling with respect to the specific land use designated by any conditional use permit.
- J. **Use Regulations:** Uses allowed by Conditional Use Permit are specified in Section 4.1.E (Use Charts).

### **Section 3-18: WS, IH-35 West Side Overlay District**

#### **OVERLAY AND SPECIAL DISTRICTS**

- A. **General Purpose and Description:** The WS, West Side Overlay District prefix is intended to provide for the cohesive development of properties on the west side of IH-35. The WS District is envisioned as a tool to help stabilize and improve property values, to protect and enhance the Village's attractions, to strengthen the economy and to enhance the attractiveness of the Village.

The WS Overlay District allows all uses permitted in the primary base district, as identified by the Permitted Uses section of the appropriate District.

- B. **Declaration of Policy:** The Village Aldermen hereby finds and declares as a matter of public policy that the cohesive development of the west side of IH-35 is a public necessity and is required in the interest of the culture, prosperity, education and welfare of the residents of the Village of Salado. The purpose of the West Side Overlay District is:

- 1. To take advantage of the unique opportunity of the soon to be developed "Salado West Side" while at the same time, requiring future projects therein to be aesthetically attractive, practically functional and foster a safe and community-friendly environment.

- C. **District Designation:**

- 1. The Village Aldermen may designate certain land, areas, lots and districts in the Village as The West Side Overlay District (WS) and define, amend and delineate the boundaries thereof.

# BOA Agenda Item Form



Date Submitted: August 30, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** PUBLIC HEARING ON PROPOSED FISCAL YEAR 2024 OPERATING BUDGET FOR THE VILLAGE OF SALADO

**Funds Required:**  
**Funds Available:**

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to hold a public hearing on the proposed Fiscal Year 2024 Operating Budget for the Village of Salado.

# BOA Agenda Item Form



Date Submitted: August 30, 2023  
Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** PUBLIC HEARING ON PROPOSED FISCAL YEAR 2024 OPERATING BUDGET FOR THE VILLAGE OF SALADO  
**Funds Required:**  
**Funds Available:**

**Council Action Requested:**  
 Ordinance  
 Resolution  
 Motion  
 Discussion

**Project/Proposal Summary:**  
This item was placed on the agenda to allow board members to hold a public hearing on the proposed Fiscal Year 2024 Operating Budget for the Village of Salado.

*filed 8-1-2023  
4:41 PM*

*Debbie Bear  
City Secretary*



## **MAYOR'S PROPOSED FISCAL YEAR 2024 OPERATING BUDGET OVERVIEW**

### **General Fund Budget**

The proposed Fiscal Year 2024 General Fund Operating Budget totals \$2,160,347 – up approximately 1% from the current fiscal year's operating budget for the Village of Salado.

The proposed spending plan includes funding for one (1) additional police officer, one (1) receptionist for part of the year, along with \$50,000 for general street repairs and \$1,500 for a new utility trailer. In addition, the proposed budget includes \$30,000 for right-of-way trimming and \$50,000 to prepare a new Comprehensive Plan for the Village, a project initiated in the current fiscal year.

There is funding allocated for a 4% pay adjustment for all employees, except for those police officers who recently received a significant mid-year pay increase in the current fiscal year, the Village Administrator and the recently hired Police Chief and City Secretary.

Mid-year salary adjustments will be considered for the Police Chief and City Secretary. A market adjustment is proposed for the Village Administrator which would bring his annual salary to \$155,000.

Funding for the proposed General Fund Budget will come from service revenues, franchise fees, and tax revenues, along with a one-time transfer of \$191,387.05 from the General Fund reserves.

There is a budgeted transfer of \$10,050 from the Hotel-Motel Fund to pay a portion of the Assistant Village Administrator's salary, as that position is responsible for oversight of the Tourism Department.

No funding has been proposed for street improvement projects in the coming fiscal year. Instead, such projects needed will be considered individually during the fiscal year with funding coming from the General Fund Balance.

### Hotel-Motel Fund Budget

The proposed Fiscal Year 2023 Hotel-Motel Fund Budget totals \$300,410 – up 4% from the current year's budget. The spending plan includes \$100,000 for marketing expenses, \$20,000 for the Salado Arts and Cultural District, \$10,000 for the Music Friendly Community Program and \$10,000 for the Community HOT Fund Grant Program.

Funding for the proposed Hotel-Motel Fund Budget will come from revenue generated from the Hotel-Motel Occupancy Tax, along with a one-time transfer of \$46,460 Hotel-Motel Fund Reserves.

### Wastewater Operating Fund Budget

The proposed Fiscal Year 2024 Wastewater Operating Budget totals \$332,661.62 – up 17% from the current year's budget. The budget increase is largely the result of a project that will develop a GPS map of the wastewater system. Increases in system operation and utility costs are also budgeted.

The mapping project will be funded with remaining wastewater bond revenues while the remainder of the budget expenditures will be funded with revenue generated from monthly service fees paid by wastewater customers.

No increase is proposed in the monthly wastewater service fees in the coming year.

### Interest & Sinking Fund Budget

The proposed Fiscal Year 2024 Interest & Sinking Fund Budget totals \$702,120. This budget represents the Village's wastewater debt service obligation for the coming fiscal year.

### American Relief Plan Act Budget

The Village of Salado was allocated \$587,252.70 under the American Rescue Plan Act ("ARPA"), Local Fiscal Recovery Funds Program. This federal money can be spent on a wide variety of public projects including, but not limited to, wastewater and drainage improvements.

To date, the Village has spent \$207,453 of its ARPA allocation on engineering and construction services for various drainage projects throughout the Village.

The proposed budget for Fiscal Year 2024 allocates the Village's remaining ARPA funds for the Stagecoach Circle and Chisholm Trail Drainage Improvement Projects.

### Property Tax Rate

The proposed budget was developed using a projected M&O Ad Valorem Tax Rate of \$0.1586 per \$100 property valuation and a projected Debt Service Ad Valorem Tax Rate of \$0.2161 per \$100 property valuation. When combined, the total Ad Valorem Tax Rate would be \$0.3747 per \$100 property valuation. That compares to the current total Ad Valorem Tax Rate of \$0.3957 per \$100 property valuation. *(This summary is based on updated Bell CAD Data received on 08/17/2023)*



**VILLAGE OF SALADO, TEXAS  
FISCAL YEAR 2024  
PROPOSED BUDGET**

The proposed Fiscal Year 2024 Budget will raise more total property taxes than last year's budget by \$195,231.55 or 19% and of that amount \$82,022.58 is tax revenue to be raised from new property added to the tax roll this year. A Property Tax Rate of \$0.3747 per \$100 is proposed to help fund the proposed Fiscal Year 2024 Budget.

**Tax Rates:**

<b>Tax Rate</b>	<b>Proposed 2023 Tax Year</b>	<b>Adopted 2022 Tax Year</b>
Property Tax Rate	0.374700	0.395700
No New Revenue Tax Rate	0.347800	0.407303
M&O Tax Rate	0.158600	0.171300
Debt Tax Rate	0.216100	0.224400
Voter Approval Tax Rate	0.414700	0.435700

**City Debt Obligations:**

The total amount of municipal debt obligation secured by property taxes in the 2023 Tax Year for the Village of Salado is \$702,102.

*\*Information above is based on updated Bell CAD data received on 08/17/23*

PROPOSED FY 2024  
GENERAL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
<b>4000 · GENERAL FUND REVENUE</b>			
<b>4100 · Tax Revenue</b>			
4118 · Property Taxes	475,000.00	495,000.00	20,000.00
4120 · Sales Tax Earned	750,000.00	850,000.00	100,000.00
4130 · Mixed Beverages	35,000.00	40,000.00	5,000.00
<b>Total 4100 · Tax Revenue</b>	<b>1,260,000.00</b>	<b>1,385,000.00</b>	<b>125,000.00</b>
<b>4150 · Franchise Fees</b>			
4160 · Electric Franchise	135,000.00	140,000.00	5,000.00
4166 · Telephone Franchise	21,000.00	23,000.00	2,000.00
4170 · Waste Disposal Franchise Fee	21,000.00	30,000.00	9,000.00
4176 · Cable Franchise	28,875.00	32,000.00	3,125.00
4180 · Water Franchise	39,327.00	43,000.00	3,673.00
<b>Total 4150 · Franchise Fees</b>	<b>245,202.00</b>	<b>268,000.00</b>	<b>22,798.00</b>
<b>4200 · Licenses, Permits, and Fees</b>			
4210 · Sign Permit / Misc	500.00	500.00	-
4215 · Service Fees (Burn)	500.00	250.00	(250.00)
4216 · Service Fees (Itinerant Vendor)	1,850.00	2,000.00	350.00
4230 · Building Permit Fees	100,000.00	120,000.00	20,000.00
4260 · Certificate of Occupancy	2,500.00	5,000.00	2,500.00
4270 · Contractor Registration	10,000.00	12,000.00	2,000.00
<b>Total 4200 · Licenses, Permits, and Fees</b>	<b>115,150.00</b>	<b>139,750.00</b>	<b>24,600.00</b>
<b>4300 · Service Fees</b>			
4310 · Subdiv/Plats/Waivers/Exceptions	35,000.00	38,500.00	3,500.00
4316 · Zoning/Variations	1,200.00	1,200.00	-
4320 · Pace Park Rental Fees	3,500.00	3,500.00	-
4330 · LEOSE	910.00	910.00	-
4340 · Crash Report Fees	250.00	250.00	-
<b>Total 4300 · Service Fees</b>	<b>40,860.00</b>	<b>44,360.00</b>	<b>3,500.00</b>
<b>4700 · Investment and other Income</b>			
4780 · Interest Income	9,200.00	9,300.00	100.00
4790 · Other Income	200,000.00	50,000.00	(150,000.00)
<b>Total 4700 · Investment and other income</b>	<b>209,200.00</b>	<b>59,300.00</b>	<b>(149,900.00)</b>
<b>Total 4400 · Fines and Forfeitures</b>	<b>80,000.00</b>	<b>82,500.00</b>	<b>2,500.00</b>
<b>Total 4000 · GENERAL FUND REVENUE</b>	<b>1,930,412.00</b>	<b>1,956,910.00</b>	<b>26,498.00</b>

**GENERAL FUND EXPENDITURES**

**5000 · ADMINISTRATION DEPARTMENT**

**5100 · Personnel Services**

5101 · Village Administrator Salary	125,802.14	155,000.00	29,197.86
5102 · City Secretary Salary	89,435.18	74,500.00	5,064.82
5103- Assistant Village Administrator Receptionist	66,950.00	80,080.00	13,130.00
5121 · Payroll Tax- MC Admin	3,801.72	4,720.91	919.19
5122 · Payroll Tax- SS Admin	16,255.61	20,185.96	3,930.35
5123 · Payroll Tax- TWC Admin	27.00	38.00	9.00
5126 · TMRS Contributions- Admin	16,822.68	20,841.77	4,019.09
5127 · Health Care- Admin	28,841.76	37,013.82	8,172.06
5128 · Pay Comparability Adjustment	2,000.00	2,000.00	-
<b>Total 5100 · Personnel Services</b>	<b>329,736.09</b>	<b>415,178.46</b>	<b>85,442.37</b>

PROPOSED FY 2024  
GENERAL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
<b>6200 · Services</b>			
6201 · Meeting Expense	250.00	250.00	-
6202 · Bell Co Health Svcs Contracts	6,172.38	6,500.00	327.62
6203 · Printing Expense	250.00	500.00	250.00
6204 · Telephone	3,750.00	3,750.00	-
6205 · Equipment - Leased / Rented	3,909.15	3,909.15	-
6206 · Interest Exp/Bank Fees	650.00	750.00	100.00
6207 · Bell CAD	10,500.00	12,100.00	1,600.00
6214 · Utilities	5,100.00	6,128.12	1,028.12
6215 · Janitorial	2,844.00	2,844.00	-
<b>Total 6200 · Services</b>	<b>33,425.53</b>	<b>36,729.27</b>	<b>3,303.74</b>
<b>6216 · Professional Fees</b>			
6216-3 · Profess Fees - Accounting	50,500.00	52,100.00	1,600.00
6216-4 · Profess Fees - Inspections	75,000.00	98,407.99	23,407.99
6216-5 · Profess. Fees - Legal	37,500.00	42,500.00	5,000.00
<b>Total 6216 · Professional Fees</b>	<b>163,000.00</b>	<b>193,007.99</b>	<b>30,007.99</b>
<b>6300 · Other Services &amp; Charges</b>			
6301 · Election Expenses	4,650.00	4,650.00	-
6304 · Office Supplies	3,750.00	4,000.00	250.00
6305 · Postage	2,750.00	3,000.00	250.00
6306 · Building Supplies	250.00	250.00	-
6307 · Building & Equipment - R & M	1,500.00	1,500.00	-
6309 · Website	2,500.00	3,100.00	600.00
6310 · Public Notices	3,000.00	2,000.00	(1,000.00)
6311 · Insurance (TML Property & GL)	37,750.00	50,000.00	12,250.00
6312 · Dues and Subscriptions	2,500.00	2,500.00	-
6313 · Training & Travel	500.00	500.00	-
6319 · Technology	20,000.00	25,000.00	5,000.00
6320 · Special Projects	68,333.20	65,833.20	(2,500.00)
<b>Total 6300 · Other Services &amp; Charges</b>	<b>167,483.20</b>	<b>182,333.20</b>	<b>(5,150.00)</b>
<b>6400 · Capital Outlay</b>			
6401 · Equipment (IT)	2,500.00	4,000.00	1,500.00
6400 · Capital Outlay - Other	-	-	-
<b>Total 6400 · Capital Outlay</b>	<b>2,500.00</b>	<b>4,000.00</b>	<b>-</b>
<b>Total 6000 · ADMINISTRATION DEPARTMENT</b>	<b>688,144.82</b>	<b>811,246.92</b>	<b>115,104.10</b>
<b>6500 · DEVELOPMENT SERVICES DEPARTMENT</b>			
<b>6501 · Personnel Services</b>			
6502 · Permit Clerk Salary	42,848.00	44,561.92	1,713.92
6503 · Payroll Tax- MC Dev Svcs	621.30	846.15	24.85
6504 · Payroll Tax- SS Dev Svcs	2,656.58	2,762.84	106.26
6505 · Payroll Tax- TWC Dev Svcs	9.00	9.00	-
6506 · TMRs Contributions- Dev Svcs	2,716.58	2,825.23	108.67
6507 · Health Care- Dev Svcs	9,613.92	10,575.44	961.52
<b>Total 6501 · Personnel Services</b>	<b>58,465.36</b>	<b>61,380.58</b>	<b>2,915.22</b>
<b>6500 · Other Services &amp; Charges</b>			
6501 · Travel & Training	500.00	500.00	-
<b>Total 6500 · Other Services &amp; Charges</b>	<b>500.00</b>	<b>500.00</b>	<b>-</b>
<b>6700 · Professional Fees</b>			
6701 · General Engineering	12,500.00	30,000.00	17,500.00
6702 · Zoning/Annexation	-	5,000.00	5,000.00
6703 · Engineering- Plat Review	35,000.00	35,000.00	-

PROPOSED FY 2024  
GENERAL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
<b>Total 6700 · Professional Fees</b>	<b>47,500.00</b>	<b>70,000.00</b>	<b>22,500.00</b>
Capital Outlay	-	-	-
Equipment	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 6600 · DEVELOPMENT SERVICES DEPARTMENT</b>	<b>106,465.36</b>	<b>131,890.56</b>	<b>25,415.22</b>
<b>6000 · PUBLIC SAFETY DEPARTMENT</b>			
<b>6200 · Police Department</b>			
<b>6201 · Personnel Services</b>			
6202 · Salary - Chief of Police	81,406.05	103,000.00	21,593.95
6203 · Salary- Sergeants	57,866.22	66,560.00	8,693.78
6204 · Salary / Wages - Officers	316,539.57	334,600.00	18,060.43
6205 · Officers - Overtime	7,000.00	10,000.00	3,000.00
6206 · Longevity & Certif Pay	11,500.00	10,915.08	(584.92)
6207 · Payroll Tax- MC PD	6,609.27	7,013.59	1,004.32
6208 · Payroll Tax- SS PD	28,280.34	32,554.65	4,294.31
6209 · Payroll Tax- TWC PD	72.00	90.00	18.00
6210 · TMRS Contributions- PD	28,896.47	33,269.76	4,391.29
6211 · Health Care- PD	75,487.17	84,603.52	9,116.35
<b>Total 6201 · Personnel Services</b>	<b>813,839.09</b>	<b>883,226.60</b>	<b>69,587.51</b>
<b>6212 · Services</b>			
6213 · Telephone	6,500.00	11,333.00	2,833.00
6214 · Utilities	3,500.00	4,000.00	500.00
6215 · Janitorial	1,800.00	1,800.00	-
6215.1 · Technology- PD	30,000.00	50,000.00	20,000.00
<b>Total 6212 · Services</b>	<b>43,800.00</b>	<b>67,133.00</b>	<b>23,333.00</b>
<b>6216 · Other Services &amp; Charges</b>			
6217 · Ammunition	1,000.00	2,000.00	1,000.00
6218 · Crime Prevention Supplies	-	3,000.00	3,000.00
6219 · Auto Expenses	30,000.00	42,500.00	12,500.00
6220 · Supplies	8,000.00	8,000.00	2,000.00
6221 · Equipment Maintenance & Repair	1,000.00	1,000.00	-
6222 · Building R & M	500.00	500.00	-
6223 · Dues & Subscriptions	8,140.00	8,500.00	360.00
6224 · Animal Control	1,500.00	2,500.00	1,000.00
Travel & Training	-	1,500.00	1,500.00
<b>Total 6216 · Other Services &amp; Charges</b>	<b>48,140.00</b>	<b>69,500.00</b>	<b>21,360.00</b>
<b>6225 · Police - Capital Outlay</b>			
6226 · Capital Outlay- PD Vehicles	96,108.00	97,045.05	937.05
6227 · Capital Outlay- PD Equipment	17,000.00	12,500.00	(4,500.00)
6228 · Cap O/L- Vehicle Rplcmnt Prgrm	5,000.00	5,000.00	-
6229 · Capital Outlay- IT	13,000.00	15,000.00	2,000.00
<b>Total 6225 · Police - Capital Outlay</b>	<b>131,108.00</b>	<b>129,545.05</b>	<b>(1,562.95)</b>
<b>Total 6200 · Police Department</b>	<b>836,687.09</b>	<b>949,404.65</b>	<b>112,717.56</b>
<b>6600 · Municipal Court</b>			
<b>6650 · Professional Fees</b>			
6651 · Judicial Services	9,600.00	11,000.00	1,400.00
6652 · Prosecutor	12,000.00	16,900.00	6,900.00
<b>Total 6650 · Professional Fees</b>	<b>21,600.00</b>	<b>28,900.00</b>	<b>8,300.00</b>
<b>6670 · Other Services &amp; Charges</b>			
6671 · Supplies	250.00	250.00	-
6673 · Dues and Subscriptions	2,500.00	2,500.00	-

PROPOSED FY 2024  
GENERAL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
6575 · Travel and Training	1,000 00	1,000 00	
<b>Total 6570 · Other Services &amp; Charges</b>	<b>3,750 00</b>	<b>3 750 00</b>	
<b>Total 6500 · Municipal Court</b>	<b>25,350 00</b>	<b>33 850 00</b>	<b>8,300 00</b>
<b>Total 6000 · PUBLIC SAFETY DEPARTMENT</b>	<b>662,037 09</b>	<b>663,054.65</b>	<b>121,017 56</b>
<b>7000 · PUBLIC WORKS DEPARTMENT</b>			
7001 · Personnel Services			
Wages-Project Director			
7002 · Wages- Maintenance Worker	34,777 60	36,168 70	1 391 10
7004 · Maintenance Worker- Overtime	2 000 00	2 500 00	500 00
7005 · Payroll Tax- MC Maint	504 28	560 70	56 42
7006 · Payroll Tax- SS Maint	2,156.21	2,397 46	241 25
7007 · Payroll Tax- TWC Maint	9 00	9.00	-
7008 · TMRS Contributions- Maint	2 204 90	2,451 60	246 70
7009 · Healthcare- Maintenance	9,613 92	10,575.44	961 52
<b>Total 7001 · Personnel Services</b>	<b>51,265 91</b>	<b>54 682 90</b>	<b>3 396 99</b>
7015 · Other Services & Charges			
7016 · Maint- Uniforms and Boots	500 00	1,500 00	1 000 00
7017 · Telephone	650 00	1 500 00	850 00
7018 · Maint · R & M (Bldg)	-	-	-
<b>Total 7015 · Other Services &amp; Charges</b>	<b>1,150 00</b>	<b>3,000 00</b>	<b>1 850 00</b>
<b>Total 7000 · PUBLIC WORKS DEPARTMENT</b>	<b>52,415 91</b>	<b>57,682 90</b>	<b>5,246 99</b>
<b>8000 · PARKS DEPARTMENT</b>			
8001 · Services			
8002 · Utilities	2,500.00	2,500 00	
<b>Total 8001 · Services</b>	<b>2,500.00</b>	<b>2 500 00</b>	
8010 · Other Services & Charges			
8011 · Supplies	3 500 00	5,000 00	1 500 00
8012 · Auto Expenses	-	-	-
Contract Services	7 500 00	7,500 00	
8013 · Equipment Repair	-	-	-
<b>Total 8010 · Other Services &amp; Charges</b>	<b>11 000 00</b>	<b>12,500.00</b>	<b>1,500 00</b>
8030 · Capital Outlay- Parks	55,000 00	10 000.00	(45,000 00)
<b>Total 8000 · PARKS DEPARTMENT</b>	<b>66,500.00</b>	<b>25,000 00</b>	<b>(43,500 00)</b>
<b>9000 · STREET DEPARTMENT</b>			
9001 · Other Services & Charges			
9001.1 · Supplies			
9002 · Contract Services	120 000 00	110,000 00	(10 000 00)
9003 · Signage	5 000 00	5 000 00	
9004 · Auto Expense	500 00	500 00	
9005 · Equipment Repair	-	-	-
9006 · Street Supplies	5,000 00	7,500.00	2,500 00
<b>Total 9001 · Other Services &amp; Charges</b>	<b>130 500 00</b>	<b>123 000.00</b>	<b>(7 500 00)</b>
9050 · Services			
9051 · Utilities	25,000 00	25,000 00	
<b>Total 9050 · Services</b>	<b>25,000 00</b>	<b>25 000.00</b>	
9500 · Capital Outlay			
9501 · Capital Outlay- Streets	200,000 00	-	(200,000 00)
9502 · Main Street Improvements	-	-	-
9503 · Capital Outlay- Other	7 000 00	3,500 00	(3,500 00)

PROPOSED FY 2024  
GENERAL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
9500 - Capital Outlay - Other	-	-	-
Total 9500 - Capital Outlay	207,000.00	3,500.00	(203,500.00)
Total 9000 - STREET DEPARTMENT	382,500.00	151,500.00	(211,000.00)
<b>Total - OPERATING TRANSFER OUT (INTEREST &amp; SINKING)</b>			
	-	-	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>2,148,063.18</b>	<b>2,160,347.05</b>	<b>12,283.87</b>
<b>NET ORDINARY INCOME</b>	<b>(217,851.18)</b>	<b>(201,437.05)</b>	<b>16,214.13</b>
<b>Other Income</b>			
Use of Fund Balance	216,151.18	191,387.05	(28,784.13)
Use of Hotel Occupancy Tax Fund	-	10,050.00	10,050.00
<b>NET OTHER INCOME</b>	<b>500.00</b>	<b>0.00</b>	<b>(500.00)</b>

PROPOSED FY 2024  
HOTEL-MOTEL FUND BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
<b>Income</b>			
<b>4000 · HOT FUND REVENUE</b>			
4100 · County Hotel Occupancy Tax	4,000.00		#VALUE!
4200 · Occupancy Tax	260,000.00	260,000.00	-
4300 · Other Income	-	-	-
<b>Total 4000 · HOT FUND REVENUE</b>	<b>264,000.00</b>	<b>260,000.00</b>	<b>(4,000.00)</b>
<b>Expense</b>			
<b>5000 · HOT FUND EXPENDITURES</b>			
<b>5001 · Personnel Services</b>			
5002 · Salary- Marketing Specialist	64,365.54	54,335.00	(10,050.54)
5002 · Salary · Visitors Center Coordinator	36,056.59	36,056.59	-
5004 · Payroll Tax- MC	1,456.41	1,310.68	(145.73)
5005 · Payroll Tax- SS	6,227.41	5,604.28	(623.13)
5006 · Payroll Tax- TWC	18.00	18.00	-
5007 · TMRS Contribution	6,368.03	5,730.83	(637.20)
5008 · Health Care	19,227.96	21,150.88	1,922.92
<b>Total 5001 · Personnel Services</b>	<b>133,739.94</b>	<b>124,206.26</b>	<b>(9,533.68)</b>
<b>5050 · Other Charges &amp; Services</b>			
5051 · Lease- Visitors Center	18,204.00	18,204.00	-
5052 · Marketing	65,000.00	100,000.00	15,000.00
5053 · Office Supplies	500.00	500.00	-
5054 · Arts- Cultural District	20,000.00	20,000.00	-
5054 · Music Friendly Program	-	10,000.00	10,000.00
5055 · Printing	3,500.00	3,500.00	-
5056 · Postage	1,500.00	1,500.00	-
5057 · Dues & Subscriptions	2,500.00	2,500.00	-
5058 · Travel & Training	3,000.00	5,000.00	2,000.00
5059 · Vehicle Maintenance	1,000.00	1,000.00	-
5060 · Community Grant Program	20,000.00	10,000.00	(10,000.00)
<b>Total 5050 · Other Charges &amp; Services</b>	<b>155,204.00</b>	<b>172,204.00</b>	<b>17,000.00</b>
<b>5051 · Capital Outlay</b>			
Equipment	-	4,000.00	4,000.00
<b>Total 5051 · Capital Outlay</b>	<b>-</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>Total 5000 · HOT FUND EXPENDITURES</b>	<b>288,943.94</b>	<b>300,410.26</b>	<b>11,466.32</b>
Transfer Out to General Fund		10,050.00	10,050.00
<b>Net Ordinary Income</b>	<b>(24,943.94)</b>	<b>(50,460.26)</b>	<b>(25,516.32)</b>
Transfer from HOT Fund Balance	24,943.94	46,460.26	21,516.32
<b>Net Income</b>	<b>(0.00)</b>	<b>(4,000.00)</b>	<b>(4,000.00)</b>

PROPOSED FY 2024  
WASTEWATER BUDGET

	Approved FY 2023 Budget	Proposed FY 2024	FY 2023 vs FY 2024
<b>Income</b>			
Monthly Service Fees	285,000 00	307 141 92	31 191 48
Miscellaneous			-
Interest Income	35.00	40 00	-
<b>Total Income</b>	<b>285,035.00</b>	<b>307,181 92</b>	<b>31 191 48</b>
<b>Expense</b>			
Misc.	-	1 460 00	1 460 00
Bank Service Charge	1 00	-	(1 00)
Maintenance Contractor	172,077 00	182 401 62	10 324 62
Professional Fees- Engineering	5,607 00	5 000 00	(607 00)
Professional Fees- Legal	-	-	-
Repairs	15,000 00	15,000 00	-
Supplies	25,000 00	25,000 00	-
Sludge Disposal	5,000 00	7,500 00	2 500 00
TCEQ Fees	1,250 00	1 250 00	-
Capital Outlay - GIS Map		31 000 00	31,000 00
Utilities			-
Utilities- Electric	59,000 00	61 950 00	2 950 00
Utilities- Water	2,100 00	2,100 00	-
<b>Total Utilities</b>	<b>61,100.00</b>	<b>64,050.00</b>	<b>2,950.00</b>
<b>Total Expense</b>	<b>285,035.00</b>	<b>332,661.62</b>	<b>47,626.62</b>
<b>Net Ordinary Income</b>	<b>-</b>		<b>-</b>
<b>Other Income</b>			
Transfer In - Bond Proceeds		31,000.00	31,000.00
<b>Net Other Income</b>	<b>-</b>	<b>5,520.30</b>	<b>5,520.30</b>

PROPOSED FY 2024  
INTEREST SINKING FUND  
BUDGET

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs FY 2024
<b>Income</b>			
4000 · Property Tax Revenue	705,147.98	702,120.00	(3,027.98)
4100 · Interest Income	3,500.00	3,400.00	(100.00)
4200 · Impact Fee Revenue	-	-	-
<b>Total Income</b>	<b>708,647.98</b>	<b>705,520.00</b>	<b>(3,127.98)</b>
<b>Expense</b>			
6109 - Series 2022 Refunding			
6110 - 2022 Bond Principal	550,000.00	560,000.00	10,000.00
6111 - 2022 Bond Interest	152,570.00	142,120.00	(10,450.00)
<b>Total Expense</b>	<b>702,570.00</b>	<b>702,120.00</b>	<b>(450.00)</b>
<b>Net Ordinary Income</b>	<b>6,077.98</b>	<b>3,400.00</b>	<b>(2,677.98)</b>
Transfer from Surplus Debt Service			
<b>Net Income</b>	<b>6,077.98</b>	<b>3,400.00</b>	<b>(2,677.98)</b>

**FY 2024 American Relief Act Plan Budget**

	Approved FY 2023 Budget	Proposed FY 2024 Budget	FY 2023 vs. FY 2024	% Change
<b>Income</b>				
ARPA Funds	587,252.70	379,799.15	(207,453.55)	
Interest Income	1,500.00	1,500.00	-	
<b>Total Income</b>	<b>588,752.70</b>	<b>381,299.15</b>	<b>(207,453.55)</b>	
<b>Expense</b>				
Capital Outlay	587,252.70	381,799.15	(205,453.55)	
<b>Total Expense</b>	<b>587,252.70</b>	<b>381,799.15</b>	<b>(205,453.55)</b>	
<b>Net Ordinary Income</b>	<b>1,500.00</b>	<b>-</b>	<b>(1,500.00)</b>	
Transfer from General Fund	-	-	-	
<b>Net Income</b>	<b>1,500.00</b>	<b>-</b>	<b>(1,500.00)</b>	

# BOA Agenda Item Form



Date Submitted: August 30, 2023
Agenda Date Requested: September 7, 2023

<b>Project/Proposal Title:</b> PUBLIC HEARING ON PROPOSED AD VALOREM TAX RATE FOR THE 2023 TAX YEAR TO HELP FUND THE PROPOSED FISCAL YEAR 2024 OPERATING BUDGET FOR THE VILLAGE OF SALADO
---

<b>Council Action Requested:</b> <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion
--

<p><b>Project/Proposal Summary:</b></p> <p>This item was placed on the agenda to allow board members to hold a public hearing on the proposed 2023 Ad Valorem Tax Rate to help fund the Fiscal Year 2024 Operating Budget for the Village of Salado.</p> <p>On August 17<sup>th</sup>, the Board of Aldermen voted to propose a total Ad Valorem Tax Rate for the 2023 Tax Year of \$0.4147 per \$100 valuation to help fund the proposed FY 2024 Operating Budget for the Village of Salado. The proposed tax rate is comprised of a Maintenance &amp; Operation Ad Valorem Tax Rate of \$0.1586 per \$100 valuation, a Debt Service Ad Valorem Tax Rate of \$0.2161 and an Unused Increment Ad Valorem Tax Rate of \$0.0400.</p> <p>The proposed total tax rate of \$0.4147 per \$100 valuation compares to the current total Ad Valorem Tax Rate for the 2022 Tax Year of \$0.3957 per \$100 property valuation.</p>
---

# BOA Agenda Item Form



<p>Date Submitted: August 30, 2023</p> <p>Agenda Date Requested September 7, 2023</p>
---

<p><b>Project/Proposal Title:</b> CONSIDER ACTION REGARDING THE SECOND AND FINAL READING OF A PROPOSED ORDINANCE RESTRICTING HEAVY TRUCK TRAFFIC ON CERTAIN VILLAGE STREETS</p>
---

<p><b>Council Action Requested:</b></p> <ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Ordinance</li><li><input type="checkbox"/> Resolution</li><li><input checked="" type="checkbox"/> Motion</li><li><input checked="" type="checkbox"/> Discussion</li></ul>
---

<p><b>Project/Proposal Summary:</b></p> <p>The item was placed on the agenda to allow board members to discuss and consider action regarding the second and final reading of a proposed ordinance restricting heavy truck traffic on certain Village streets.</p> <p>Attached is a copy of the proposed ordinance that prohibits construction vehicle, heavy vehicle and large commercial vehicle traffic on Royal Street, Santa Rosa Road, San Juan Road, Santa Maria Road, San Pedro Road, San Juan Circle, Santa Clara Road, and San Jose Road. The ordinance has been drafted to allow other roadways in the Village to be added to the ordinance should board members desire.</p> <p>It should be noted that the proposed ordinance does provide exemptions for large emergency, public utility, and detoured vehicles.</p> <p>The proposed ordinance must be approved on two (2) readings for the regulations to go into effect.</p>
--

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS ESTABLISHING REGULATIONS ON CONSTRUCTION VEHICLES, HEAVY VEHICLES, AND LARGE COMMERCIAL VEHICLES; PROVIDING FOR A FINE UP OF UP TO \$500 FOR EACH VIOLATION; PROVIDING THIS ORDINANCE BE CUMULATIVE; AND PROVIDING FOR SEVERABILITY, GOVERNMENTAL IMMUNITY, INJUNCTIONS, PUBLICATION, AND AN EFFECTIVE DATE.**

**WHEREAS**, Section 311.001 of the Texas Transportation Code provides that Village of Salado, Texas (hereinafter referred to as the "Village"), has exclusive control over and under the public highways, streets, and alleys of the Village; and

**WHEREAS**, Section 316.021 of the Texas Transportation Code provides that the Village may permit and prescribe the consideration and terms for the use of a portion of a municipal street or sidewalk for a private purpose if the use does not: (1) interfere with the public use of the street or sidewalk; or (2) create a dangerous condition on the street or sidewalk; and

**WHEREAS**, many Village streets are not designed for heavy or oversize vehicles to operate, and consistent use of these streets by such vehicles causes excessive wear to the roads requiring more frequent repairs, resurfacing, or reconstruction; and

**WHEREAS**, Section 51.001 of the Texas Local Government Code provides the authority for the Village to adopt an ordinance, rule or police regulation that is for the good government, peace, or order of the Village, and is necessary or proper for carrying out a power granted by law to the Village; and

**WHEREAS**, the Board of Alderman of the Village of Salado, Texas has discussed and considered such regulations, received public input, and has determined that it is in the interest of public safety and public expenditures for the Village to adopt the following regulations concerning the operation of construction vehicles, heavy vehicles, and large commercial vehicles within the municipal limits of the Village.

**NOW THEREFORE BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:**

**ARTICLE I.**

All of the above premises are hereby found to be true and correct legislative and factual findings of the Village of Salado and are hereby approve and incorporated into the body of this Ordinance as if copies in their entirety.

**ARTICLE II.**

That Ordinance No. \_\_\_\_\_ is hereby enacted for the purpose of establishing

regulations for the regulations concerning the operation of construction vehicles, heavy vehicles, and large commercial vehicles within the municipal limits of the Village.

## **“Restricted Vehicles**

### **I. General provisions.**

- (a) Purpose and Intent. The purpose of this article is to safeguard the life, health, safety, welfare, and property of the residents of and visitors to the Village of Salado through the regulation of construction vehicles, heavy vehicles, and large commercial vehicles within the municipal limits of the Village.
- (b) Definitions. For the purpose of this ordinance, the following terms, phrases, words and their derivatives shall have the meaning given in this ordinance.
1. **Construction Vehicle**, means vehicles with or without trailers, exceeding a total gross weight of 10,000 pounds and which transport sand, gravel, rock, earth, quarried materials, other particles in bulk; or that carry construction equipment, construction materials, or construction supplies to Destination Points within the Village.
  2. **Destination Point**. A location where merchandise, equipment, or material is loaded or unloaded during the normal course of business.
  3. **Heavy Vehicle**. Any vehicle designed or operated for the transportation of property, and whose body weight or whose combined body and load weight or whose rated capacity exceeds 15,000 pounds, and/or that has two rear axles.
  4. **Large Commercial Vehicle**. Any truck, truck-trailer, trailer, pole trailer or semi-trailer with more than one rear axle and/or trailer (that is not a recreational vehicle) and that is more than 30 feet in length.
  5. **Person**. Any person, firm, partnership, association, corporation, company or organization of any kind.
  6. **Restricted Vehicles**. Construction Vehicles, Heavy Vehicles, and Large Commercial Vehicles.
  7. **Village**. The Village of Salado, Texas.
- (b) A Restricted Vehicle, as defined herein, shall only use the designated truck routes.
- (c) Designated truck routes are shown on the map attached hereto, marked as Exhibit “A” and which is made a part of this ordinance for all legal purposes of showing the route or routes over which Restricted Vehicles may be driven or operated while within the corporate limits of the Village. The designated truck route map shall be maintained in the office of the Village secretary as the official truck route map for the Village.

- (d) The Village administrator or designee shall cause signs designating all truck routes to be clearly posted to give notice that this ordinance is in effect.

## **II. Exceptions.**

- (a) Restricted Vehicles, as defined herein, may depart from such routes where it is necessary to load or unload merchandise at locations situated off of designated routes; provided, however, such vehicles shall follow the most direct truck route to the point nearest their ultimate designation and provided further, that such vehicles shall not leave designated truck routes until they have reached a turning off point that can be described as the shortest distance practical to the ultimate destination of the vehicle, which is consistent with a reasonable operation of the vehicle;
- (b) Restricted Vehicles may also be driven off the designated routes to a public storage or repair shop when reasonably necessary for the maintenance and repair of such vehicle; provided, however, that this provision shall never be construed as authorizing the repair of vehicles in areas otherwise prohibited by the provisions of this ordinance, or by state law.
- (c) This ordinance does not restrict the following categories of Restricted Vehicles from using any Village street:
  - (1) Emergency vehicles. The operation of emergency vehicles upon any street in the Village;
  - (2) Public utilities. The operation of Restricted Vehicles owned or operated by the Village, public utilities, or any contractor while engaged in the repair, maintenance or construction of streets, street improvements or utilities within the Village;
  - (3) Detoured vehicles. The operation of Restricted Vehicles upon any officially established detour in any case where such vehicle could lawfully be operated on the street for which such detour was established;
  - (4) Governmental vehicles. The following non-exhaustive list of vehicles, whether government-owned or owned and/or operated by an entity engaged by a governmental unit, shall be permitted to use any Village street while performing governmental functions or services:
    - (A) School buses;
    - (B) Solid waste trucks;
    - (C) Insecticide truck sprayer.

## **III. Enforcement**

- (a) Verification of destination. Verification of pickups or deliveries shall be made by the vehicle operator, upon the request of any law enforcement officer for the Village by presenting for inspection to the officer, a shipping order, bill of lading, contract or other instrument specifying the date, address and name of the company or individual requesting or directing the pickup or delivery.

- (b) Determining Vehicle Weight. For this ordinance the gross vehicle weight may be determined by the law enforcement officer from a visual inspection of the vehicle registration receipt which is required by Article 6701d-11, Section 5(a), Vernon's Annotated Texas Statutes, to be carried at all times on any such vehicle.
- (c) Violation/penalty. It is an offense to violate this ordinance. A violation of this ordinance shall be a class C misdemeanor punishable by fines not to exceed \$500.00 per offense.
- (d) Rebuttable Presumption. Any person operating a Restricted Vehicle found deviating from the truck routes as provided for herein shall be presumed to not be in compliance with this ordinance. The presumption is rebuttable by applying one of the Exceptions set forth in Section 2 of this Ordinance.”

### **ARTICLE III.**

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the Village of Salado; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

### **ARTICLE IV.**

If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

### **ARTICLE V.**

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety, and welfare of the general public. Any member of the Board of Aldermen or any Village official or employee charged with the enforcement of this ordinance, acting for the Village of Salado in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

### **ARTICLE VI.**

Any violation of this ordinance can be enjoined by a suit filed in the name of the Village of Salado in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the Village of Salado.

### **ARTICLE VII.**

The caption and penalty clause of this ordinance shall be published in a newspaper of general circulation in the Village of Salado, Texas. Further, this ordinance may be published in pamphlet form and shall be admissible in such form in any court, as provided by law.

**ARTICLE VII.**

This ordinance shall become effective on \_\_\_\_\_.

**ARTICLE IX.**

Open Meetings. That is hereby official found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Loc. Gov't Code.

**FIRST READING PASSED AND APPROVED this 17<sup>th</sup> day of August, 2023, at a regular meeting of the Board of Aldermen of the Village of Salado, Texas;**

**SECOND AND FINAL READING PASSED AND APPROVED this 7th day of September, 2023, at a regular meeting of the Board of Aldermen of the Village of Salado, Texas;**

\_\_\_\_\_  
MICHAEL COGGIN, MAYOR

ATTEST:

\_\_\_\_\_  
DEBBIE BEAN , VILLAGE SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
JOSH KATZ  
VILLAGE ATTORNEY

# BOA Agenda Item Form



Date Submitted: September 1, 2023

Agenda Date Requested: September 7, 2023

**Project/Proposal Title:** CONSIDER ACTION REGARDING A PROPOSED RESOLUTION RELATING TO THE MUSTANG SPRINGS WASTEWATER DISCHARGE PERMIT APPLICATION

**Council Action Requested:**

- Ordinance
- Resolution
- Motion
- Discussion

**Project/Proposal Summary:**

This item was placed on the agenda to allow board members to discuss and consider action regarding a proposed resolution relating to the wastewater discharge application for the Mustang Springs Development.

A wastewater discharge permit application for the Mustang Springs Development off FM 2843 is currently being reviewed by the Texas Commission on Environmental Quality ("TCEQ"). Many property owners in the area of the proposed development have expressed concerns regarding the proposed plant and its potential impact on the surrounding environment.

The proposed resolution encourages the TCEQ to be proactive in its review and consideration of the application and take the steps necessary to prevent or mitigate any potential issues with the proposed treatment plant that could adversely impact the environment and the health, safety, and welfare of the general public.

A copy of the resolution will be provided to board members under separate cover in advance of the meeting. If approved, the resolution will be provided for the TCEQ for review and consideration.

The Village staff recommends approval of the proposed resolution.

# BOA Agenda Item Form



<p>Date Submitted: August 31, 2023</p> <p>Agenda Date Requested: September 7, 2023</p>
--

<p><b>Project/Proposal Title:</b> CONSIDER ACTION REGARDING A PROPOSED MEMORANDUM OF UNDERSTANDING BETWEEN THE SALADO POLICE DEPARTMENT AND THE SALADO ISD POLICE DEPARTMENT</p>
--

<p><b>Council Action Requested:</b></p> <ul style="list-style-type: none"><li><input type="checkbox"/> Ordinance</li><li><input type="checkbox"/> Resolution</li><li><input checked="" type="checkbox"/> Motion</li><li><input checked="" type="checkbox"/> Discussion</li></ul>
--

<p><b>Project/Proposal Summary:</b></p> <p>This item was placed on the agenda to allow board members to discuss and consider action regarding a proposed Memorandum of Understanding between the Salado ISD and the Village of Salado Police Department relating to the provision of law enforcement services.</p> <p>The Texas Education Code requires a school district police department and law enforcement agencies which have overlapping jurisdiction to have an MOU that outlines reasonable communication and coordination efforts between the department and agencies.</p> <p>With the recent creation of the Salado ISD Police Department, there is a need to establish an MOU between the school district's police department and the Salado Police Department. Attached is a copy of the proposed MOU.</p> <p>The proposed MOU is an annual agreement that automatically renews on September 1<sup>st</sup> of each successive year for up to five (5) years, unless terminated by either party by providing twenty (20) days written notice.</p> <p>Salado Police Chief Allen Fields will be present at the meeting to present the MOU to the Board and answer questions.</p>
---

**MEMORANDUM OF UNDERSTANDING  
CONCERNING COORDINATION BETWEEN  
THE SALADO INDEPENDENT SCHOOL DISTRICT POLICE DEPARTMENT AND  
THE VILLAGE OF SALADO POLICE DEPARTMENT**

This Memorandum of Understanding (this "MOU") is made and entered into by and between the following parties: the Salado Independent School District Police Department and the Village of Salado Police Department.

**WHEREAS**, Texas Education Code §37.081(g) provides that a school district police department and the law enforcement agencies with which it has overlapping jurisdiction (map attached) shall enter into a memorandum of understanding that outlines reasonable communication and coordination efforts between the department and the agencies; and,

**WHEREAS**, the Salado Independent School District Police Department (SISD PD) has overlapping jurisdiction with the Salado Police Dept. (SPD) and desires to enter into such a memorandum of understanding with regard to communication and coordination of efforts between the agencies; and,

**WHEREAS**, it is the desire of the two agencies to assist one another in the notification and investigation of certain criminal offenses occurring in the territorial jurisdictions of the two entities; and,

**WHEREAS**, this cooperative effort will assist in the agencies' respective responsibilities and mission to serve the citizens of the Village of Salado and the Salado Independent School District (SISD);

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this memorandum of understanding, the undersigned parties agree as follows:

**I. Notification between Parties.**

***The SISD Police Department to Notify the Salado Police Department***

A. A SISD PD officer will call the SPD to advise of any serious incident that occurs within SISD if resources from both agencies are needed for the good of the community and the success of the investigation. The term "serious incident" includes, but is not limited to, the following crimes, offenses, or situations, or evidence thereof:

1. Any 1st degree felony.
2. Murder or attempted murder.
3. Aggravated robbery where a firearm or knife is used.
4. Aggravated sexual assault.
5. Sexual assault of an adult or a child.
6. Any indecent exposure or solicitation of a child report. This includes pornographic pictures being taken of **children** or shown to **children**, **but**

**excludes incidents determined to be punishable as class B & C level offenses under Section 43.261 Penal Code.**

7. Aggravated assault where a gun or weapon is used or threatened.
8. Aggravated kidnapping.
9. Any EOD or explosive weapon is used or threatened.
10. Any disturbance where a mass or group is involved (i.e., riot).
11. Any criminal intelligence information developed by a SISD PD officer concerning any criminal incident, which occurred, or is planned for off SISD property, and within Village of Salado jurisdiction.
12. Any other situation where the officer decides there is a need based on impact to the community, impact to public safety, or requires an immediate response that may need involvement from both agencies. This is designed to encourage open communication between the two departments.

B. Once contacted by SISD PD, the SPD will determine what, if any, response is needed from SPD Personnel. This decision should be based on the resources needed to accomplish the investigative goal, to serve the community, and safeguard students and staff.

***The Salado Police Dept. to notify the SISD Police Department when:***

A. SPD personnel are to notify the SISD PD directly to advise of the following incidents involving SISD students or school safety that occur within the jurisdiction of the Sheriff's Office:

1. All SISD bus accidents so SISD PD can respond to facilitate assistance for the investigation and collection of student data necessary for the investigation, and so SISD PD has assistance with school reunification of students to parents and assistance should alternate transportation and medical transportation be made. SISD PD defers to the SPD for investigations on the roadway and completion of all TxDOT reports. SISD PD shall assist the SPD in the collision efforts and logistics involving such collision. SISD PD will handle bus related investigations occurring on District property unless the incident occurring on school property involves serious bodily injury or death.
2. Any SWAT call in close proximity to SISD property (addresses attached), which might cause alarm or interrupt campus or bus operations.
3. Any armed suspect on school grounds or close to school grounds during school hours.
4. Any sex crimes or suspicious person around school properties who is approaching students walking to and from school.
5. Any fires or complete road blockages around schools during school hours or which may affect bus transportation.
6. Any death of a SISD student, parent, staff member, or board member, to the extent the SPD officer is aware of the person's affiliation with SISD.
7. Any pre-planned tactical operation during school hours within close proximity of a school (i.e. a pre-planned search warrant). While details are not

necessary, there may be a request to limit traffic flow around the target area, and SISD schools in the area.

8. Any 911 calls received originating from school campuses or school properties.
9. Any calls responded to after hours or holidays involving school property that require a criminal investigation or follow-up.
10. Any calls where the SPD believes that administrative assistance may reduce recidivism or impact resources of the SPD officers to respond. Such calls may be harassment or assaultive in nature where both parties are students at a common campus or other criteria the officer believes may benefit the situation or circumstance.
11. Arrest notifications shall be made in compliance with C.C.P. 15.27 and forwarded to the Chief of the SISD PD as designee for the Superintendent for dissemination.

B. **Note:** SISD PD is not a 24-hour department. The department's hours are from 7:00 am to 5:00 pm on school business days, as determined in the official school calendar for school administrators. Except in the event of an emergency, notifications required under this section must be made to the SISD Chief of Police via phone or email during the department's official business hours.

## **II. Investigations.**

- A. If the decision is made to call in additional SPD resources for an incident that has occurred on school property for which the SISD PD initiated the response, the on-scene SISD officer and SPD officer will decide which agency will take the lead.
- B. The parties have agreed that in any case in which SISD PD initiated the investigation and for which the SPD requests the lead, SISD PD will afford the SPD that authority. In order to maintain the flow of information between the agencies, however, one SISD PD officer will be assigned to work with the SPD Police Officer in the investigation. This collaboration will allow the SISD PD and SPD to stay informed and team their resources to accomplish the investigative goal.
- C. It is understood that SISD PD's primary investigative duty is in school-related matters throughout the Salado Independent School District, and its secondary duty is to all other matters that may come within its jurisdiction. SISD PD agrees to support and assist the SPD in off campus matters as resources are available and wanted by the SPD. Typically, matters of traffic congestion surrounding campus arrival and dismissal may require a collaborative effort in addressing these circumstances. Bus stops are generally viewed much the same with the designated stop location being a Non-District location but may require collaboration due to the cause and effect of any issues that arise at such locations.
- D. It is also understood that there may be situations in which the citizens of the Salado Independent School District and Village of Salado may be better served by the initial agency retaining primary jurisdiction over the investigation and processing of the offense.

### **III. Information and Record Sharing.**

- A. The SPD and SISD PD agree to follow guidelines contained in the Texas Family Code (Chapter 58) and the Family Educational Records Privacy Act (20 U.S.C. §1232g and following) governing the sharing of student and juvenile information, as well as all regulations governing the sharing of student and juvenile information.
- B. Specific requirements:
  1. Information disclosed under this agreement relates to the juvenile justice system's ability to serve, before adjudication, the student whose records are being released.
  2. Information obtained shall not be disclosed to a third party, other than another juvenile justice agency, except as permitted or required by law.
  3. Information received under this section shall be destroyed, if permitted or required by applicable law, when the child is no longer under the jurisdiction of a juvenile court.
  4. SISD PD and the SPD collectively recognize and agree that, in accord with the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. §1232g, 34 C.F.R. Part 99), SISD may not disclose education records to a law enforcement unit without prior written consent, except as appropriate in the case of an emergency if knowledge of the information is necessary to protect the health or safety of the student or other individuals. The parties further recognize and agree that FERPA permits SISD to disclose personally identifiable student information in order to comply with a lawfully issued subpoena or court order if SISD makes a reasonable attempt to notify the parent or eligible student of the order or subpoena in advance of compliance.

**IV. Off Duty Employment.**

- A. SISD-PD on occasions may have a need to employ law enforcement officers from the other party for special events or occasions. Such employment may be approved or denied in accordance with the employed officer's departmental policy and procedures for off duty employment.
- B. When employed as an off-duty officer, the off-duty officer shall adhere to the direction of the employing party's on-duty law enforcement supervisor.

**V. Liability, Immunities, and Defenses.**

- A. Nothing herein shall be deemed or construed to create a partnership, joint venture, joint enterprise, employer-employee relationship, or principal-agent relationship between the Salado Police Dept. and SISD PD.
- B. No party to this MOU shall be responsible for the acts of an employee of another party.
- C. It is expressly understood and agreed that neither party waives, nor shall be deemed to have waived, any immunity or defense otherwise available to it under the law.

**VI. Termination and Renewal.**

- A. Either party may withdraw from and terminate this memorandum of understanding on twenty (20) days' written notice to the other party.
- B. This memorandum of understanding is effective when signed by both parties. It shall automatically renew annually, on September 1 of each successive year for up to five (5) years; unless terminated by either party by written notice given according to the terms of this memorandum of understanding.

*Signatures on Next Page*

Signed:

\_\_\_\_\_  
Gary McHone, Chief of Police,  
Salado ISD

\_\_\_\_\_  
Allen Fields, Police Chief  
Village of Salado, Texas

Approved:

\_\_\_\_\_  
Dr. Michael Novotny, Superintendent,  
Salado ISD

\_\_\_\_\_  
Michael Coggin, Mayor  
Village of Salado, Texas

Exhibit A:      Addresses of Salado ISD Property

DRAFT

Exhibit A: Addresses of Salado ISD  
Property

**Administration Building** – 601 N. Main Street, Salado TX

**Salado High School** – 1880 Williams Road, Salado TX

**Salado Middle School** – 1169 Williams Road, Salado TX

**Thomas Arnold Elementary T3** – 620 Thomas Arnold Road, Salado TX

**Thomas Arnold Elementary T2** – 560 Thomas Arnold Road, Salado TX

**Thomas Arnold Elementary T1** – 510 Thomas Arnold Road, Salado TX

**Salado Transportation** – 564 Salado School Road, Salado TX

DRAFT

# VILLAGE

## FINANCIAL STATEMENTS

	<u>General Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 419,266.17
Investments	\$ 4,804.75
Due From Waste Water Operations	\$ 567,875.76
Other Receivables	\$ 202,430.83
<b>Total Current Assets</b>	<u>\$ 1,194,377.51</u>
<b>Capital Assets (Net)</b>	\$ 2,122,635.16
<b>Total Assets</b>	<u><u>\$ 3,317,012.67</u></u>
<b>Liabilities:</b>	
Accounts Payable	\$ 40,363.13
Accrued Interest	\$ -
Accrued Wages	\$ 17,332.84
Payroll Liabilities	\$ 13,769.23
Intergovernmental Payable	\$ -
Wastewater Customer Deposits	
Development Escrows	\$ 945,625.08
Sanctuary PID Escrow	\$ 51,170.50
Deferred Revenue- Ad Valorem	\$ 13,795.67
Reserved Funds- Court	\$ 20,756.21
Reserved Funds- Trolley	\$ -
Restricted Impact Fees	\$ -
Long Term- '22 Refunding Bonds	\$ -
Long Term- Current Portion of Bonds	\$ -
<b>Total Liabilities</b>	<u>\$ 1,102,812.66</u>
<b>Equity:</b>	
Investments in Fixed Assets	\$ 2,122,635.16
Retained Earnings	\$ 979,752.29
Unrestricted Net Assets	\$ -
Net Income	\$ (888,187.44)
<b>Total Equity</b>	<u>\$ 2,214,200.01</u>
<b>Total Liabilities &amp; Equity</b>	<u><u>\$ 3,317,012.67</u></u>
	<u>\$ -</u>

**3E OF SALADO, TEXAS**  
**BALANCE SHEET**  
**As of June 30, 2024**

<u>Occupancy Tax Fund</u>	<u>Wastewater Fund</u>	<u>Wastewater Customer Deposits Fund</u>
\$ 341,299.45	\$ 69,357.28	\$ 14,078.27
\$ 5,755.66	\$ -	\$ -
\$ -	\$ -	\$ -
\$ 33,828.90	\$ 15,991.36	\$ -
<u>\$ 380,884.01</u>	<u>\$ 85,348.64</u>	<u>\$ 14,078.27</u>
\$ -	\$ -	\$ -
<u>\$ 380,884.01</u>	<u>\$ 85,348.64</u>	<u>\$ 14,078.27</u>
\$ -	\$ 428.81	\$ -
\$ -	\$ 11,843.00	\$ -
\$ 1,980.68	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ 567,875.76	\$ -
		\$ 14,060.00
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ 6,675.00	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
<u>\$ 8,655.68</u>	<u>\$ 580,147.57</u>	<u>\$ 14,060.00</u>
\$ -	\$ -	\$ -
\$ 350,647.75	\$ (343,690.15)	\$ (81.39)
\$ -	\$ -	\$ -
\$ 21,580.58	\$ (151,108.78)	\$ 99.66
<u>\$ 372,228.33</u>	<u>\$ (494,798.93)</u>	<u>\$ 18.27</u>
\$ 380,884.01	\$ 85,348.64	\$ 14,078.27
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Permanent Improvement			
Bonds Fund	Interest & Sinking Fund	Total	
\$ 405,935.83	\$ 867,549.95	\$	2,117,486.95
\$ -	\$ -	\$	10,560.41
\$ -	\$ -	\$	567,875.76
\$ -	\$ 20,365.88	\$	272,616.97
<u>\$ 405,935.83</u>	<u>\$ 887,915.83</u>	\$	<u>2,968,540.09</u>
\$ 9,675,923.14	\$ -	\$	11,798,558.30
<u>\$ 10,081,858.97</u>	<u>\$ 887,915.83</u>	\$	<u>14,767,098.39</u>

\$ -	\$ -	\$	40,791.94
\$ -	\$ -	\$	11,843.00
\$ -	\$ -	\$	19,313.52
\$ -	\$ -	\$	13,769.23
\$ -	\$ -	\$	567,875.76
\$ -	\$ -	\$	14,060.00
\$ -	\$ -	\$	945,625.08
\$ -	\$ -	\$	51,170.50
\$ -	\$ 18,072.09	\$	31,867.76
\$ -	\$ -	\$	20,756.21
\$ -	\$ -	\$	6,675.00
\$ 59,794.35	\$ -	\$	59,794.35
\$ 6,920,000.00	\$ -	\$	6,920,000.00
\$ 560,000.00	\$ -	\$	560,000.00
<u>\$ 7,539,794.35</u>	<u>\$ 18,072.09</u>	\$	<u>9,263,542.35</u>

\$ 2,195,923.00	\$ -	\$	4,318,558.16
\$ -	\$ -	\$	986,628.50
\$ 377,029.09	\$ 123,025.58	\$	500,054.67
\$ (30,887.47)	\$ 746,818.16	\$	(301,685.29)
<u>\$ 2,542,064.62</u>	<u>\$ 869,843.74</u>	\$	<u>5,503,556.04</u>

<u>\$ 10,081,858.97</u>	<u>\$ 887,915.83</u>	\$	<u>14,767,098.39</u>
\$ -	\$ -	\$	-