City of Azle
Regular Agenda
Municipal Development District Board

505 W. Main Street
Azle, Texas 76020

June 13, 2023 **6:00 PM** **Community Room**

Pursuant to Section 551.071 of the Texas Government Code, the Board may convene into Executive Session(s) from time to time as deemed necessary during the meeting for any posted agenda item and may receive advice from its attorney as permitted by law.

REGULAR SESSION

CALL TO ORDER

ACTION ITEM

1. Consider approving the Minutes of the May 9, 2023 Azle MDD regular meeting
   Brian Conner - Secretary

PRESENTATIONS

2. Quarterly Investment Report for the Quarter ended March 31, 2023
   Renita Bishop, Finance Director
3. Economic Development Report
   David Hawkins, Director of Planning and Development

DISCUSSION ITEM

4. Presentation of proposed FY 2023-24 budget.
   Tom Muir - Executive Director

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on June 9, 2023, at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.

Susie Hiles

Susie Hiles, Assistant to the City Manager

This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101. Complete Municipal Development District Board agenda packet is available for review at the City Secretary's Office and on our website www.cityofazle.org.

Presenter: Brian Conner - Secretary

Agenda Item: Consider approving the Minutes of the May 9, 2023 Azle MDD regular meeting

Background and Explanation:

Procedural

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. MDD Minutes May 9, 2023

MINUTES
Regular
Azle Municipal Development District Board

505 W. Main Street
Azle, Texas 76020

May 9, 2023	6:00 PM	Council Chambers

NOTICE IS HEREBY GIVEN THAT ONE OR MORE MDD BOARD MEMBERS MAY PARTICIPATE IN THE TUESDAY MAY 9, 2023 REGULAR MEETING OF THE CITY OF AZLE MDD BOARD VIA VIDEOCONFERENCE. A QUORUM OF THE GOVERNING BODY AND THE PRESIDING OFFICER WILL BE PRESENT AT THE ABOVE NAMED LOCATION.

REGULAR SESSION

CALL TO ORDER

President Stevens called the meeting to order at 6:00 PM

Members Present:

Jack Stevens	President
Bill Jones	Vice President
Brian Conner	Secretary
Jack Reynolds	Director - Place 6

Members Absent:

Randa Goode	Director Place 1
Amy Estes	Director Place 2
Stacy Peek	Director Place 3

Staff Present:

Tom Muir	City Manager
David Hawkins	Director of Planning and Development
Kristen Pegues	Community and Marketing Specialist
Yael Forgey	City Secretary

ACTION ITEMS

1. **Consider approving the Minutes of the February 14, 2023 Azle MDD regular meeting.**

   Director Bill Jones moved to approve the Minutes of the February 14, 2023, Azle MDD regular meeting, as presented. Secretary Brian Conner seconded the motion.
   Yes: (4) Jack Stevens, Brian Conner, Jack Reynolds, Bill Jones

PRESENTATIONS

2. **Economic Development Report.**

Director of Planning and Development David Hawkins presented an update on current/future projects in the city.

- Katie’s Car Wash - 1330 NW Parkway - Completed.
- Slice Dessert Bar - 109 E. Main Street - Completed
- City Electric Supply - 105 Speer Street, Suite 1 - Completed
- Stafford Place Apartments - 1200 & 1301 SE Parkway- Under construction.
- Azle Retail Development - 700 Block of FM 730 N - Screening Wall installation has begun.
- Hill`s Body & Repair - 1500 Boyd Road - Under construction.
- Chamberlain`s Leather Milk - 105 Speer Street - Under Construction.
- Azle Vision Source - 158 Industrial Ave - Renovation of 6,580 sq.ft. old Aaron’s Rent store. Tenant relocating from Dollar Tree shopping center.
- Hornets Plaza (Capriccio’s) - 1004 Boyd Rd - Under construction.
- LaParis Property - 1900 block of FM 730N (north of Sandy Beach Rd) - Office showroom/warehouse for homebuilder. Waiting on building permit and plat submittals.
- Las Delicias De Michoacan - 913 Boyd Road - 3,000 sq.ft. ice cream shop. Permit under review.
- Stardust Skating Rink - 346 NW Parkway - Plans to renovate the building into a spa and salon facility. Final plat under review.

Facade Grant:
Park Place Plaza - 100 - 252 Park Place. - $5,000 Façade Grant to repair existing pole sign.

Residential Developments:
Sandy Beach Addition (Sandy Beach Rd behind Hoover Elem. School) - new 149 lot development; D.R. Horton builder. Construction has begun.

Community & Marketing Specialist Kristen Pegues stated that last week was "Small Business Week". She visited some of the small businesses in the city and interviewed the owners. Videos are posted on the Community and Development Facebook page. Great job.

Mr. Hawkins updated the board on the Comprehensive Plan, noting that City Staff and Halff and Associates Staff toured the city. This is still an ongoing project.

ADJOURNMENT

President Stevens adjourned the meeting at 6:17 PM.

Presented and approved on June 13, 2023

____
Brian Conner, Secretary

Attest:

____
Susie Hiles, Scribe

City of Azle
Community & Opportunity

Presenter: Renita Bishop, Finance Director

Agenda Item: Quarterly Investment Report for the Quarter ended March 31, 2023

Background and Explanation:

Presentation of the Quarterly Investment Report for the Quarter ended March 31, 2023

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. Quarterly Investment Report March Azle MDD

Municipal Development District

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2023

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Azle Municipal Development District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

____
Investment Officer

____
Investment Officer

Summary

Quarter End Results by Investment Category:

Asset Type	December 31, 2022 Book Value	December 31, 2022 Market Value	March 31, 2023 Book Value	March 31, 2023 Market Value	March 31, 2023 Ave. Yield
Bank/Pool/MMMFs	$ 2,253,941	$ 2,253,941	$ 1,377,555	$ 1,377,555	4.61%
CDs/Securities	1,211,770	1,211,770	2,217,729	2,217,729	2.91%
Totals	**$ 3,465,712**	**$ 3,465,712**	**$ 3,595,284**	**$ 3,595,284**	3.61%

Current Quarter Portfolio Performance (1)	
Average Quarterly Yield	3.61%
Rolling Three Month Treasury	4.78%
Rolling Six Month Treasury	4.73%
TexPool	4.61%

Fiscal Year-to-Date Portfolio Performance (2)	
Average Quarter-End Yield	3.37%
Rolling Three Month Treasury	4.49%
Rolling Six Month Treasury	4.32%
Average Quarter-End TexPool Yield	4.30%

Interest Earnings (Approximate)	
Quarterly Interest Earnings	$ 30,114
Fiscal YTD Interest Earnings	$ 50,867

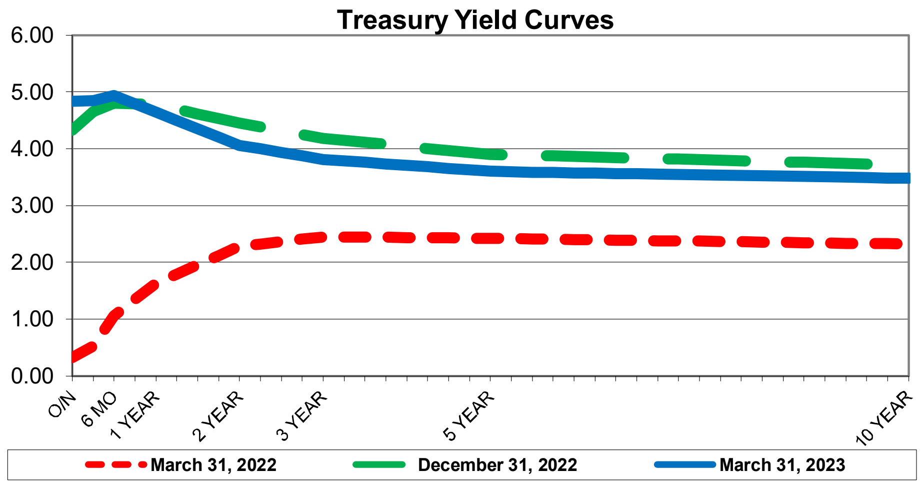
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

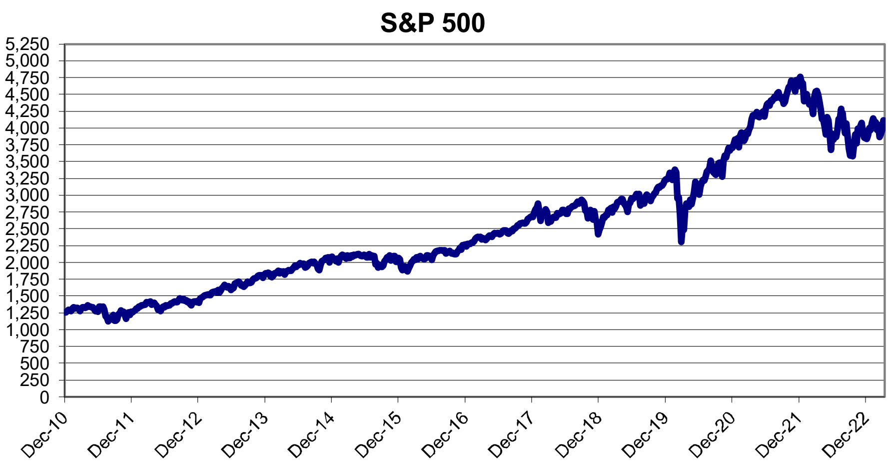
(2) **Fiscal Year-to-Date Weighted Average Yields -** calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

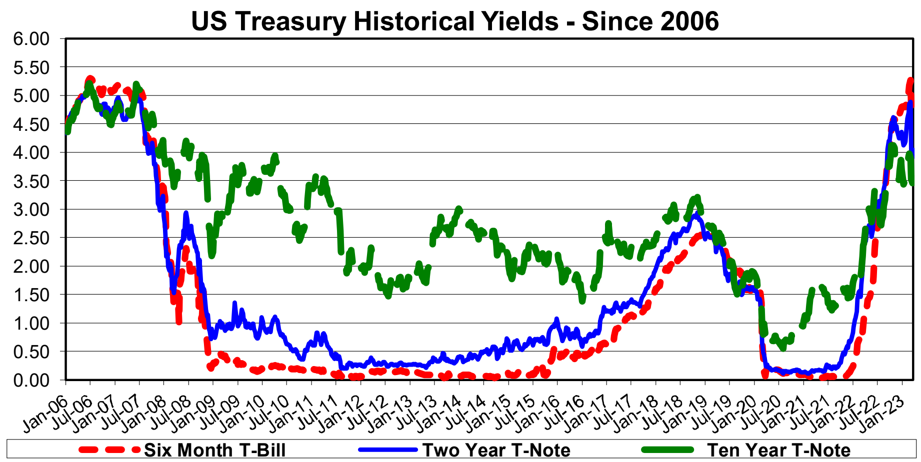
Economic Overview

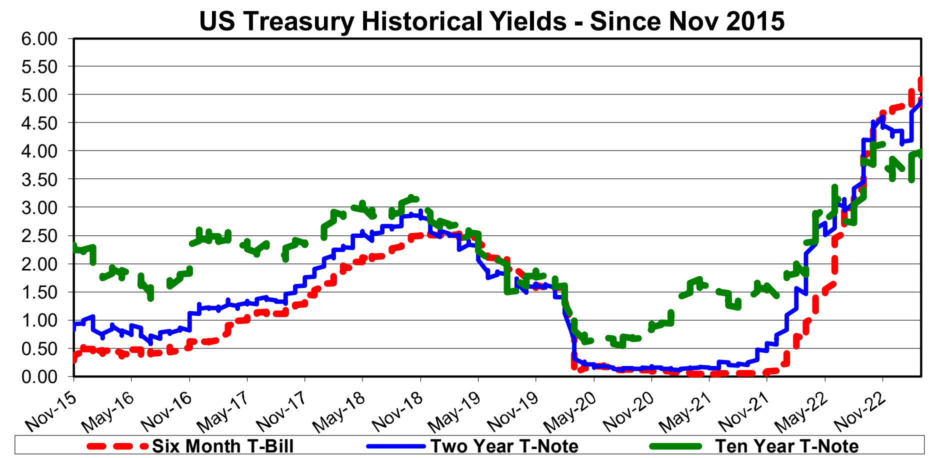
3/31/2023

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.25% to 4.75% - 5.00% March 22nd (Effective Fed Funds are trading +/-4.82%). An additional 0.25% increase is projected May 3rd. Fourth Quarter 2022 GDP was revised downward to 2.6% (final number). March Non-Farm Payroll saw 236k new jobs. OPEC announced production cuts and Crude Oil moved up slightly to +/-$80 per barrel. The S&P Stock Index still oscillates on either side of 4,000. In early March, two large US banks and one European bank required bail-outs to prevent wider financial market disruption. The yield curve shifted lower on broader economic concerns, even with the expectation of additional FOMC rate increases. The Market is now considering lower future interest rates as early as this fall. Inflation is still over the FOMC 2% target (Core PCE +/-4.7% and CPI +/-6.4%). International challenges add to economic uncertainty.







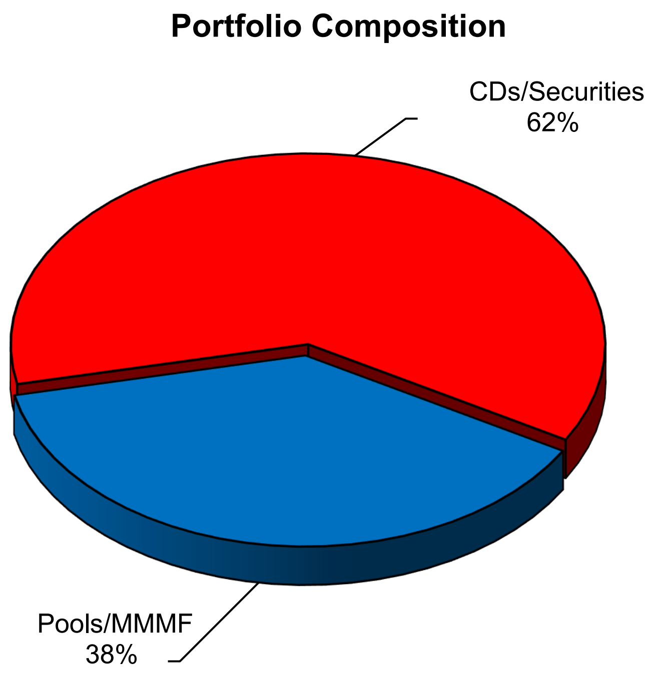


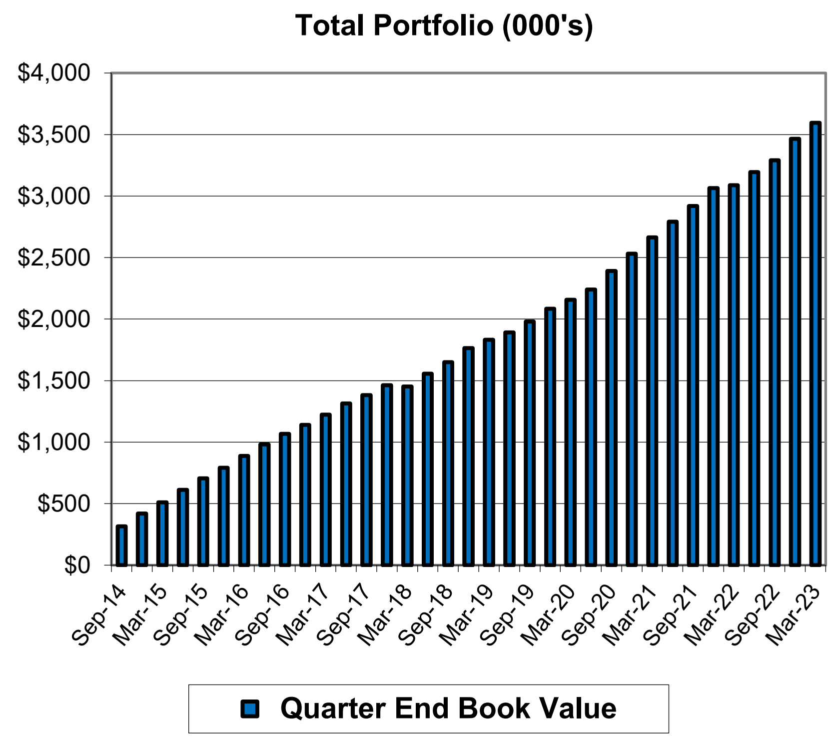
Investment Holdings
March 31, 2023

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
TexPool	AAAm	4.61%	04/01/23	03/31/23	$ 1,377,555	$ 1,377,555	1.00	$ 1,377,555	1	4.61%
Citizen's State Bank CD		0.80%	04/04/23	03/31/22	204,756	204,756	100.00	204,756	4	0.80%
National Bank of Texas CD		0.40%	08/04/23	08/04/21	503,016	503,016	100.00	503,016	126	0.40%
East West Bank CD		3.05%	08/08/23	08/08/22	509,958	509,958	100.00	509,958	130	3.05%
Texas Capital Bank CD		4.70%	03/20/25	03/20/23	1,000,000	1,000,000	100.00	1,000,000	720	4.70%
					$ 3,595,284	**$ 3,595,284**		**$ 3,595,284**	**237**	**3.61%**
									(1)	**(2)**

(1) Weighted average life - Pools, Money Market Funds, and Bank Deposits are assumed to have a one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on Book Value, adviser fees and realized and unrealized gains/losses are not considered. The pool and mutual fund yields are the average for the last month of the quarter.


Portfolio Composition
CDs/Securities
62%
Pools/MMMF
38%


Total Portfolio (000's)
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
Sep-14
Mar-15
Sep-15
Mar-16
Sep-16
Mar-17
Sep-17
Mar-18
Sep-18
Mar-19
Sep-19
Mar-20
Sep-20
Mar-21
Sep-21
Mar-22
Sep-22
Mar-23
Quarter End Book Value

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/22	Increases	Decreases	Book Value 03/31/23	Market Value 12/31/22	Change in Market Value	Market Value 03/31/23
TexPool	4.61%	04/01/23	$ 2,253,941	$ –	$ (876,386)	$ 1,377,555	$ 2,253,941	$ (876,386)	$ 1,377,555
Citizen's State Bank CD	0.80%	04/04/23	203,124	1,631	–	204,756	203,124	1,631	204,756
National Bank of Texas CD	0.40%	08/04/23	502,509	507	–	503,016	502,509	507	503,016
East West Bank CD	3.05%	08/08/23	506,137	3,821	–	509,958	506,137	3,821	509,958
Texas Capital Bank CD	4.70%	03/20/25	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TOTAL			**$ 3,465,712**	**$ 1,005,959**	**$ (876,386)**	**$ 3,595,284**	**$ 3,465,712**	**$ 129,572**	**$ 3,595,284**

Item Number: 3

Presenter: David Hawkins, Director of Planning and Development

Agenda Item: Economic Development Report

Background and Explanation:

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

None

Item Number: 4

Presenter:	**Tom Muir - Executive Director**
Agenda Item:	**Presentation of proposed FY 2023-24 budget.**

Background and Explanation:

The proposed FY 2023-24 budget will be presented - documents will be distributed at the meeting.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

N/A.

Attachments:

None