City of Azle
Regular Agenda
Municipal Development District Board

505 W. Main Street
Azle, Texas 76020

January 9, 2024	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 ITEMS

1. Consider any action on appointing officers to the Azle MDD Board of Directors.
   Tom Muir - Executive Director
2. Consider approving the Minutes of the October 10, 2023 Azle MDD regular meeting
   Brian Conner - Secretary

PRESENTATIONS

3. Quarterly Investment Report for the Quarter ended September 30, 2023
   Martin Avila, Finance Director
4. Economic Development Report
   David Hawkins, Director of Planning and Development

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on 01/05/2024, 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.

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.

Item Number: 1

Presenter:	**Tom Muir - Executive Director**
Agenda Item:	**Consider any action on appointing officers to the Azle MDD Board of Directors.**

Background and Explanation:

The Azle Municipal Development District Bylaws state:
ARTICLE II
BOARD OF DIRECTORS
Section 5. Officers and Term of Office. The Board of Directors shall choose from its members a President, Vice President, and Secretary. The term of office for each officer shall be one (1) year with the term of office expiring on October 31st of each year. Officers may be re-elected.

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

None

Item Number: 2

Presenter:	**Secretary**
Agenda Item:	**Consider approving the Minutes of the October 10, 2023 Azle MDD regular meeting**

Background and Explanation:

Procedural

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. Minutes 10-10-23

MINUTES
Regular
Azle Municipal Development District Board

505 W. Main Street
Azle, Texas 76020

October 10, 2023	6:00 PM	Community Room

REGULAR SESSION

CALL TO ORDER

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

Members Present:

Jack Stevens	President
Brian Conner	Secretary
Randa Goode	Director Place 1
Stacy Peek	Director Place 3
Jack Reynolds	Director Place 6

Members Absent:

Bill Jones	Vice President
Amy Estes	Director Place 2

Staff Present:

Tom Muir	Executive Director
David Hawkins	Director of Planning and Development
Renita Bishop	Outgoing Finance Director
Martin Avila	Incoming Finance Director
Susie Hiles	Assistant to the City Manager (Scribe)

ACTION ITEMS

1. **Consider approving the Minutes of the July 11, 2023 Azle MDD regular meeting.**

   Director Goode moved to approve the Minutes of the July 11, 2023 Azle MDD regular meeting, as presented. Director Peek seconded the motion.
   Yes: (5) Jack Stevens, Brian Conner, Randa Goode, Stacy Peek, Jack Reynolds
   Motion passed unanimously.

2. **Consider any action on Resolution No. M2023-02 approving the Investment Policy.**

   Finance Director Renita Bishop presented this item to the Board stating the Public Funds Investment Act requires the governing body of an investing entity to adopt a written investment policy and requires the policy be reviewed and adopted by the governing body each year. The Board last approved the City's Investment Policy on November 17,2022.

Staff reviewed the policy with the City's investment advisor, Valley View Consulting, L.L.C., and the recommended changes are to update the Purpose paragraph to define the Public Funds Investment Act and written policy requirement, update the safekeeping receipt requirement, add a paragraph on Internal Controls as a best practice, add accrued interest to the collateral percentage requirements, add the suitability strategy to the General strategies, organize the strategies in the Public Funds Investment Act priority order, and remove the sample "Certificate of Investment Provider". City Council approved this policy on September 19, 2023.

Director Goode moved to approve Resolution No. M2023-02 approving the Investment Policy as presented. Director Conner seconded the motion.
Yes: (5) Jack Stevens, Brian Conner, Randa Goode, Stacy Peek, Jack Reynolds
Motion passed unanimously.

3. Consider any action on Resolution No. M2023-03 amending authorized representatives for the Municipal Development District's Texas Local Government Investment Pool (TexPool) account.

Executive Director Muir introduced Martin Avila and advised he is the City's new finance director as Renita Bishop is retiring October 13. As such, TexPool requires a resolution to amend or designate Authorized Representatives.

Director Conner moved to approve Resolution No. M2023-03 amending authorized representatives for the Municipal Development District's Texas Local Government Investment Pool (TexPool) account, as presented. Director Reynolds seconded the motion.
Yes: (5) Jack Stevens, Brian Conner, Randa Goode, Stacy Peek, Jack Reynolds
Motion passed unanimously.

PRESENTATION

4. Economic Development Report

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

- Stratford Place Apts - 1200 & 1301 SE Parkway - the clubhouse/pool have been completed; three (3) buildings are almost complete and they are asking for a temporary CO so they can occupy and start hiring employees and begin leasing tenant space.
- Azle Retail Development - 700 Blk FM 730N - still a few items that need to be completed; offsite drainage plan and detention pond sodded.
- Hornets Plaza - 1004 Boyd Rd - project is more than 50% complete.
- Kodiak Car Wash - 700 Boyd Rd - plan is for new car wash and self-storage units. Preliminary & Final Plats approved by P & Z in October.
- Dutch Bros Coffee - 164 Industrial - about a week or two away from issuing a building permit.
- City has issued 15 Certificates of Occupancy for new businesses since July.

Facade Grant
MDD is funding the mural being painted on the side of the Edward Jones Bldg (105 W. Main St). The cost is $10,512. There is already social media buzz.

Residential Developments

- Lakeview Heights (79 lot development) - Lakeview Dr - Development has been completed and 22 building permits have been issued so far.
- Roeser Park (16 lot development) - Park St - Under development; water lines have been installed.
- Oak Harbor Phase II (39 lot development) Flying Jib Dr/Spinnaker Ln - This development is in the middle of Oak Harbor and was platted in 1990 but has been undeveloped until now.

Comprehensive Plan update - There is a Public Workshop on October 12 at City Hall to get feedback on future land use. The next step in the process will be a downtown design charrette where the Public can help design how they would like the Main Street area to look.

ADJOURNMENT

President Stevens adjourned at 6:21 PM.

Presented and approved on January 9, 2024

_____
Secretary

Attest:

_____
Susie Hiles
Scribe

Presenter: **Martin Avila, Finance Director**

Agenda Item: **Quarterly Investment Report for the Quarter ended September 30, 2023**

Background and Explanation:

Present Quarterly Investment Report for the Quarter ended September 30, 2023

Board/Commission/Committee Recommendation:

Staff Recommendation:

Attachments:

1. 2023-09 Azle MDD Quarterly Investment Report

Municipal Development District

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 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

Disclaimer: These reports were compiled using information provided by the City of Azle. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment adviser fees.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

	September 30, 2022			September 30, 2023		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
Bank/Pool/MMMFs	2.41%	$ 1,583,240	$ 1,583,240	5.32%	$ 1,865,436	$ 1,865,436
CDs/Securities	1.21%	1,708,698	1,708,698	4.85%	2,030,157	2,030,157
Totals		**$ 3,291,938**	**$ 3,291,938**		**$ 3,895,594**	**$ 3,895,594**
Fourth Quarter-End Yield	**1.79%**			**5.08%**		

Average Quarter-End Yields *(1)*:

	2022 Fiscal Year	**2023 Fiscal Year**
Azle MDD	0.80%	3.95%
Rolling Three Month Treasury	1.06%	4.95%
Rolling Six Month Treasury	1.01%	4.77%
TexPool	0.90%	4.74%
Fiscal YTD Interest Earnings	$ 21,433 (Approximate)	$ 84,921 (Approximate)

(1) Average Quarter-End Yield calculated using quarter end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

	June 30, 2023		September 30, 2023		
Asset Type	**Book Value**	**Market Value**	**Book Value**	**Market Value**	**Ave. Yield**
Bank/Pool/MMMFs	$ 1,426,919	$ 1,426,919	$ 1,865,436	$ 1,865,436	5.32%
CDs/Securities	2,029,273	2,029,273	2,030,157	2,030,157	4.85%
Totals	**$ 3,456,192**	**$ 3,456,192**	**$ 3,895,594**	**$ 3,895,594**	5.08%

Current Quarter Portfolio Performance (1)	
Average Quarterly Yield	5.08%
Rolling Three Month Treasury	5.54%
Rolling Six Month Treasury	5.38%
TexPool	5.32%

Fiscal Year-to-Date Portfolio Performance (2)	
Average Quarter-End Yield	3.95%
Rolling Three Month Treasury	4.95%
Rolling Six Month Treasury	4.77%
Average Quarter-End TexPool Yield	4.74%

Interest Earnings (Approximate)	
Quarterly Interest Earnings	$ 39,734
Fiscal YTD Interest Earnings	$ 84,921

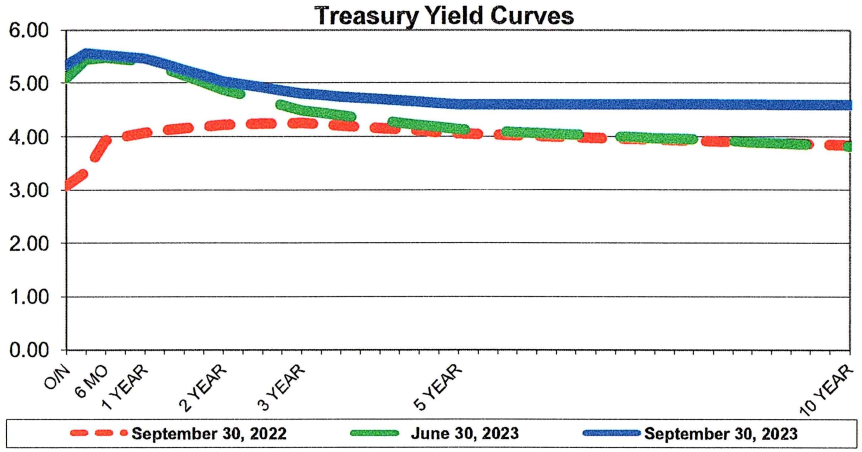
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank, pool, and money market balances.

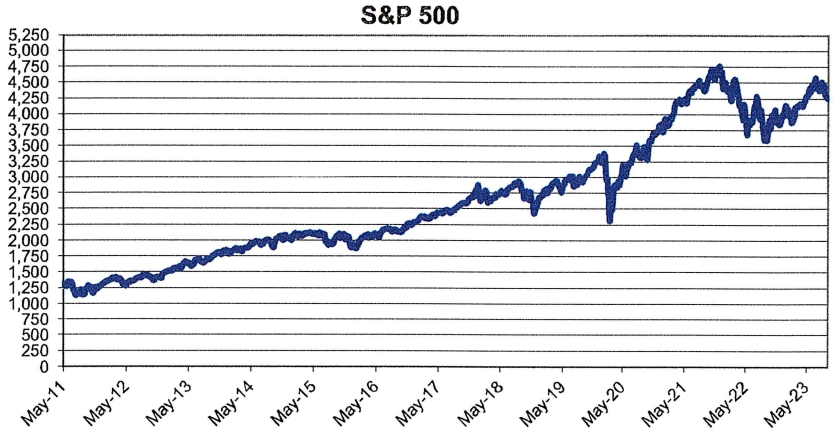
(2) **Fiscal Year-to-Date Weighted Average Yields** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

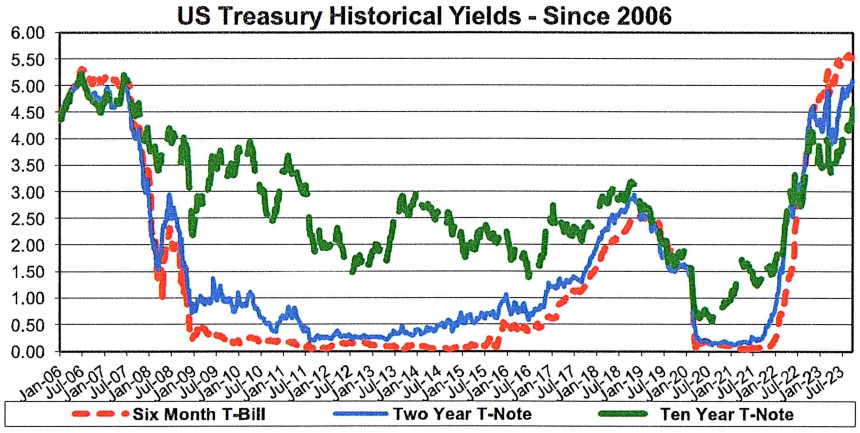
Economic Overview

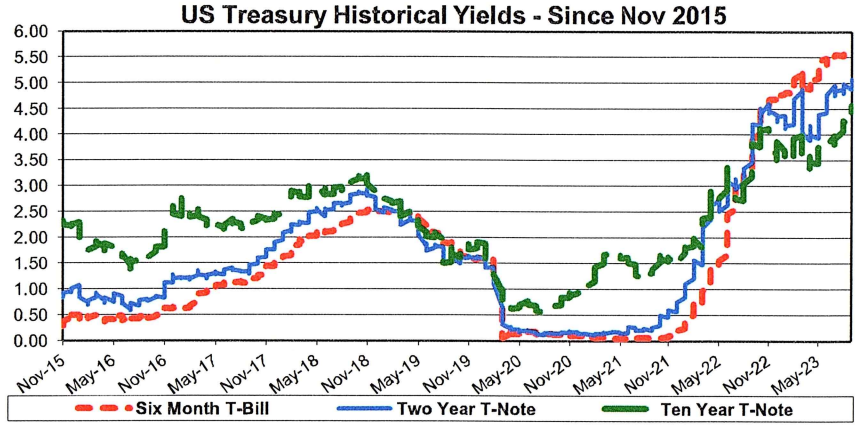
9/30/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 0.25% to 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). A pause is projected at least until the September 19-20 meeting, with any future actions data-dependent. Second Quarter 2023 GDP posted 2.1%. September Non-Farm Payroll surged up 336k new jobs, above the 170k projection. The S&P Stock Index continued to slide below 4,300. The yield curve drifted higher on the long end. Crude Oil traded +/-$85 per barrel. Inflation drifted lower but still over the FOMC 2% target (Core PCE +/-3.9% and CPI +/-3.7%). The slowing China and German economies, Ukrainian/Russian and Israeli/Hamas conflicts continue to weight on future outlooks.







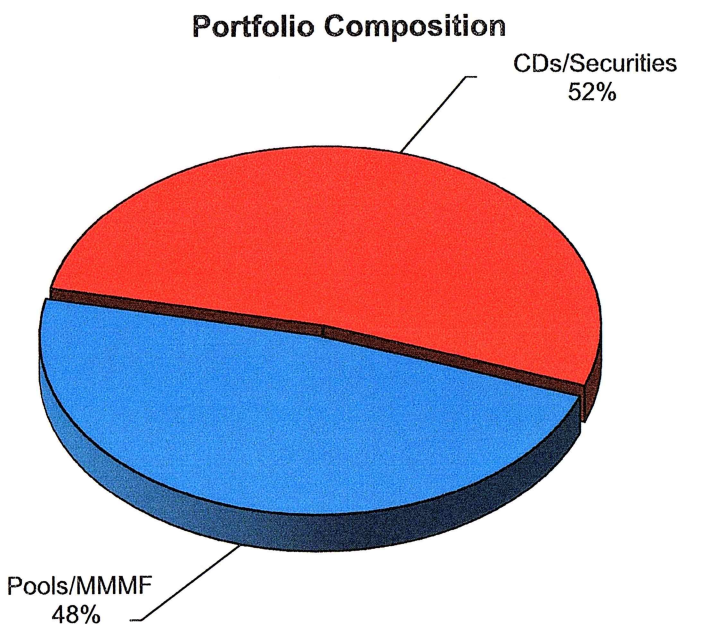


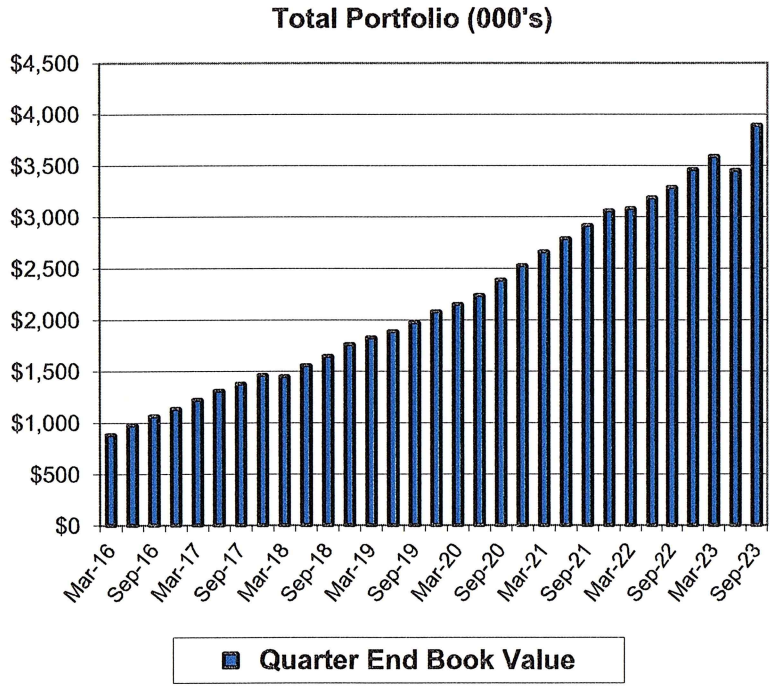
Investment Holdings
September 30, 2023

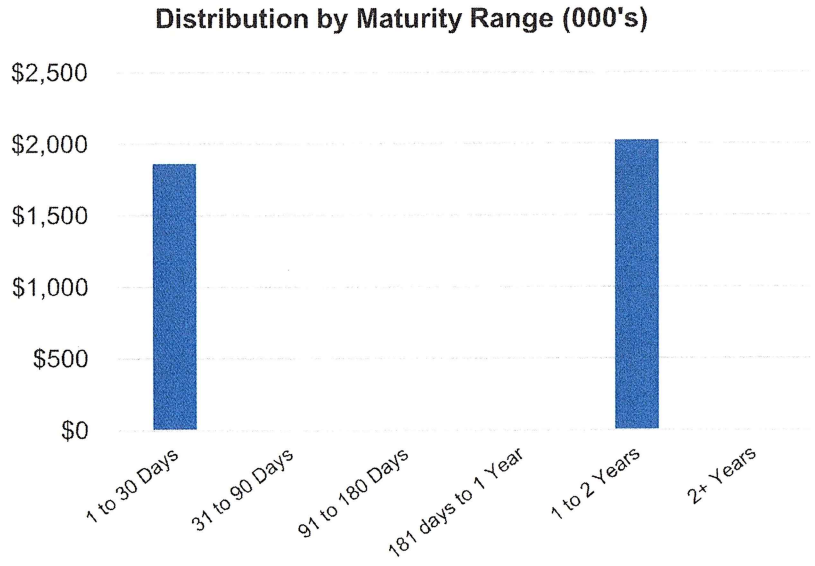
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
TexPool	AAAm	5.32%	10/01/23	09/30/23	$ 1,865,436	$ 1,865,436	1.00	$ 1,865,436	1	5.32%
Texas Capital Bank CD		4.70%	03/20/25	03/20/23	1,023,974	1,023,974	100.00	1,023,974	537	4.70%
American Nat'l Bank & Trust CDARS		5.00%	08/14/25	08/16/23	1,006,183	1,006,183	100.00	1,006,183	684	5.00%
					$ 3,895,594	**$ 3,895,594**		**$ 3,895,594**	**318**	**5.08%**
									(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
52%
Pools/MMMF
48%


Total Portfolio (000's)
$4,500
$4,000
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
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
Sep-23
Quarter End Book Value


Distribution by Maturity Range (000's)
$2,500
$2,000
$1,500
$1,000
$500
$0
1 to 30 Days
31 to 90 Days
91 to 180 Days
181 days to 1 Year
1 to 2 Years
2+ Years

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
TexPool	5.32%	10/01/23	$ 1,426,919	$ 438,517	$ –	$ 1,865,436	$ 1,426,919	$ 438,517	$ 1,865,436
National Bank of Texas CD	0.40%	08/04/23	503,506	–	(503,506)	–	503,506	(503,506)	–
East West Bank CD	3.05%	08/08/23	513,850	–	(513,850)	–	513,850	(513,850)	–
Texas Capital Bank CD	4.70%	03/20/25	1,011,916	12,058	–	1,023,974	1,011,916	12,058	1,023,974
American Nat'l Bank & Tr	5.00%	08/14/25	–	1,006,183	–	1,006,183	–	1,006,183	1,006,183
TOTAL			**$ 3,456,192**	**$ 1,456,758**	**$ (1,017,357)**	**$ 3,895,594**	**$ 3,456,192**	**$ 439,402**	**$ 3,895,594**

Presenter: **David Hawkins, Director of Planning and Development**

Agenda Item: **Economic Development Report**

Background and Explanation:

Staff will present the latest Economic Development Report, as well as provide an update on the Comprehensive Master Plan.

Board/Commission/Committee Recommendation:

N/A.

Staff Recommendation:

N/A.

Attachments:

None