GARLAND

AGENDA

CITY COUNCIL WORK SESSION
City of Garland
Duckworth Building, Goldie Locke Room
217 North Fifth Street
Garland, Texas
November 1, 2016
6:00 p.m.

DEFINITIONS:

Written Briefing: Items that generally do not require a presentation or discussion by the staff or Council. On these items the staff is seeking direction from the Council or providing information in a written format.

Verbal Briefing: These items do not require written background information or are an update on items previously discussed by the Council.

Regular Item: These items generally require discussion between the Council and staff, boards, commissions, or consultants. These items are often accompanied by a formal presentation followed by discussion.

[Public comment will not be accepted during Work Session unless Council determines otherwise.]

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

(1) Pending/contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct. Sec. 551.071, Tex. Gov't Code.

(2) The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.072, Tex. Gov't Code.

(3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Sec. 551.073, Tex. Gov't Code.

(4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Sec. 551.074, Tex. Gov't Code.

(5) The deployment, or specific occasions for implementation of security personnel or devices. Sec. 551.076, Tex. Gov't Code.

(6) Discussions or deliberations regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City and with which the City is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect of the sort described in this provision. Sec. 551.087, Tex. Gov't Code.

(7) Discussions, deliberations, votes, or other final action on matters related to the City's competitive activity, including information that would, if disclosed, give advantage to competitors or prospective competitors and is reasonably related to one or more of the following categories of information:

- generation unit specific and portfolio fixed and variable costs, including forecasts of those costs, capital improvement plans for generation units, and generation unit operating characteristics and outage scheduling;
- bidding and pricing information for purchased power, generation and fuel, and Electric Reliability Council of Texas bids, prices, offers, and related services and strategies;
- effective fuel and purchased power agreements and fuel transportation arrangements and contracts;
- risk management information, contracts, and strategies, including fuel hedging and storage;
- plans, studies, proposals, and analyses for system improvements, additions, or sales, other than transmission and distribution system improvements inside the service area for which the public power utility is the sole certificated retail provider; and
- customer billing, contract, and usage information, electric power pricing information, system load characteristics, and electric power marketing analyses and strategies. Sec. 551.086; Tex. Gov't Code; Sec. 552.133, Tex. Gov't Code]

1. Written Briefings:

a. Bond Refunding - Combination of General Obligation Bonds and Certificates of Obligation

Council is requested to consider refunding $34,870,000 of General Obligation Refunding Bonds (GO), Series 2007A and $10,655,000 of Certificates of Obligation (CO), Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

b. Bond Refunding - Electric Utility System Commercial Paper Notes

Council is requested to consider refunding approximately $40 million of Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds. The purpose of this transaction is to refund a portion of variable rate commercial paper notes with fixed rate long-term debt. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

c. Bond Refunding - Electric Utility System Revenue Bonds

Council is requested to consider refunding $13,325,000 of Electric Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

d. Bond Refunding - Water and Sewer Utility System Revenue Bonds

Council is requested to consider refunding $18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

e. Investment Portfolio Summary

Staff presents the Portfolio Summary report to Council each quarter. The report is in compliance with the requirements of the Public Funds Investment Act. Management of the City's portfolios is conducted in accordance with the City Council Policy Finance-06, Statement of Investment Policy and City Council Policy Finance-05, Statement of Investment Strategy.

f. Rate Mitigation Portfolio Report

The Rate Mitigation Portfolio Report is provided to Council each quarter. The Report presents investment information regarding the balances held in the Rate Mitigation Fund.

2. Regular Item:

a. Staff Initiated Neighborhood Vitality Special Projects

Council is requested to review the Neighborhood Vitality Staff Initiated Special Project Applications. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

3. Discuss Appointments to Boards and Commissions

Mayor Pro Tem Scott LeMay

- Dylan Hedrick - Plan Commission

4. Consider the Consent Agenda

A member of the City Council may ask that an item on the consent agenda for the next regular meeting be pulled from the consent agenda and considered separate from the other consent agenda items. No substantive discussion of that item will take place at this time.

5. Announce Future Agenda Items

A member of the City Council, with a second by another member, or the Mayor alone, may ask that an item be placed on a future agenda of the City Council or a committee of the City Council. No substantive discussion of that item will take place at this time.

6. Council will move into Executive Session

**EXECUTIVE SESSION
AGENDA**

NOTICE: The City Council may recess from the open session and convene in a closed executive session if the discussion of any of the listed agenda items concerns one or more of the following matters:

1. **The City Council will adjourn into executive session under Sec. 551.071, TEX. GOV'T CODE and Sec. 551.087, TEX. GOV'T CODE to discuss the creation of a tax increment reinvestment zone or the provision of other forms of economic development incentives relating to the development and construction of a residential subdivision on approximately 100 acres of land located generally at the southwestern intersection of Buckingham Road and Shiloh Road in Garland, Texas; and**

2. **Under Sec. 551.071, TEX. GOV'T CODE to discuss pending or contemplated litigation, settlement offer(s), and matters concerning privileged and unprivileged client information deemed confidential by Rule 1.05 of the Texas Disciplinary Rules of Professional Conduct relating to OM Housing, LLC.**

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7. Adjourn

GARLAND
POLICY REPORT

City Council Work Session Agenda **Work Session Item 1. a.**

Meeting Date: November 1, 2016

Item Title: Bond Refunding - Combination of General Obligation Bonds and Certificates of Obligation

Submitted By: Matt Watson, Finance Director

Council Goal: Financially Stable Government with Tax Base that Supports Community Needs

ISSUE

Consider refunding $34,870,000 of General Obligation Refunding Bonds (GO), Series 2007A and $10,655,000 of Certificates of Obligation (CO), Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

OPTIONS

1. Authorize staff to refund $34,870,000 of General Obligation Refunding Bonds, Series 2007A and $10,655,000 of Certificates of Obligation, Series 2007.
2. Do not approve the bond refunding transaction.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

BACKGROUND

Due to the continuation of a low interest rate environment, the City of Garland has an opportunity to refund approximately $34.9 million in General Obligation Bonds and $10.7 million in Certificates of Obligation. The refunding transaction will reduce total debt service by approximately $4.9 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

CONSIDERATION

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately $4.9 million are structured within the tax rate management strategy and long-term debt models.

GARLAND
POLICY REPORT

City Council Work Session Agenda **Work Session Item 1. b.**

Meeting Date: November 1, 2016
Item Title: Bond Refunding - Electric Utility System Commercial Paper Notes
Submitted By: Matt Watson, Finance Director
Council Goal: Financially Stable Government with Tax Base that Supports Community Needs

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ISSUE

Consider refunding approximately $40 million of Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds. The purpose of this transaction is to refund a portion of variable rate commercial paper notes with fixed rate long-term debt.

OPTIONS

1. Authorize staff to refund approximately $40 million Electric Utility System Commercial Paper Notes, Series 2014 with Electric Utility System Revenue Refunding Bonds.
2. Do not approve the refunding transaction.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

BACKGROUND

Construction of capital improvement projects totaling approximately $40 million have been completed. These projects were funded by variable rate commercial paper notes. The refunding transaction will refund these commercial paper notes with fixed rate long-term debt.

CONSIDERATION

The Electric Utility Commercial Paper Program finances the construction of various capital improvement projects for the Electric Utility. Funding capacity of this program is $60 million with approximately $40 million of capital improvement projects being completed. Since these projects are complete, it is now necessary to refund the commercial paper notes with Electric Utility System Revenue Refunding Bonds. The Refunding Bonds will be fixed rate debt with a 20 year amortization period. Annual debt service is projected to be $2.7 million. The net interest cost is projected to be 3.5%. The exact amount of annual debt service and net interest is subject to market conditions between now and the final pricing date of November 15, 2016.

GARLAND
POLICY REPORT

City Council Work Session Agenda **Work Session Item 1. c.**

Meeting Date: November 1, 2016
Item Title: Bond Refunding - Electric Utility System Revenue Bonds
Submitted By: Matt Watson, Finance Director
Council Goal: Financially Stable Government with Tax Base that Supports Community Needs

ISSUE

Consider refunding $13,325,000 of Electric Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

OPTIONS

1. Authorize staff to refund $13,325,000 of Electric Utility System Revenue Bonds, Series 2007.
2. Do not approve the bond refunding transaction.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

BACKGROUND

Due to the continuation of a low interest rate environment, the City of Garland has an opportunity to refund approximately $13.3 million of Electric Utility System Revenue Bonds, Series 2007. The refunding transaction will reduce total debt service by approximately $2.2 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

CONSIDERATION

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately $2.2 million are structured within the Electric Utility's long-term financial strategy.

GARLAND
POLICY REPORT

City Council Work Session Agenda **Work Session Item 1. d.**

Meeting Date: November 1, 2016

Item Title: Bond Refunding - Water and Sewer Utility System Revenue Bonds

Submitted By: Matt Watson, Finance Director

Council Goal: Financially Stable Government with Tax Base that Supports Community Needs

ISSUE

Consider refunding $18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007. The purpose of the refunding transaction is to generate savings in debt service costs.

OPTIONS

1. Authorize staff to refund $18,520,000 of Water & Sewer Utility System Revenue Bonds, Series 2007.
2. Do not approve the bond refunding transaction.

RECOMMENDATION

Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting.

BACKGROUND

Due to the continuation of a low interest rate environment, The City of Garland has an opportunity to refund $18.5 million of Water & Sewer Utility System Revenue Bonds, Series 2007. The refunding transaction will save approximately $2.9 million during fiscal years 2017 through 2027. The exact amount of savings is subject to market conditions between now and the final pricing date of November 15, 2016.

CONSIDERATION

First Southwest, the City's Financial Advisor, is recommending the refunding of debt to realize debt service savings. The debt service savings of approximately $2.9 million are structured to achieve level savings each year over a ten year period.

GARLAND

CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda **Work Session Item 1. e.**

Meeting Date: November 1, 2016

Item Title: Investment Portfolio Summary

Submitted By: Steve Anderson, Investment and Debt Administrator

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Summary of Request/Problem

Staff presents the Portfolio Summary report to Council each quarter. The report is in compliance with the requirements of the Public Funds Investment Act. Management of the City's portfolios is conducted in accordance with the City Council Policy Finance-06, Statement of Investment Policy and City Council Policy Finance-05, Statement of Investment Strategy.

Recommendation/Action Requested and Justification

The September 30, 2016 Portfolio Summary is presented to inform the Council. Staff will be available to discuss the report with Council.

Attachments

Investment Portfolio Report

GARLAND

October 31, 2016

To: Members of the City Council,
City Manager,
and City of Garland Residents

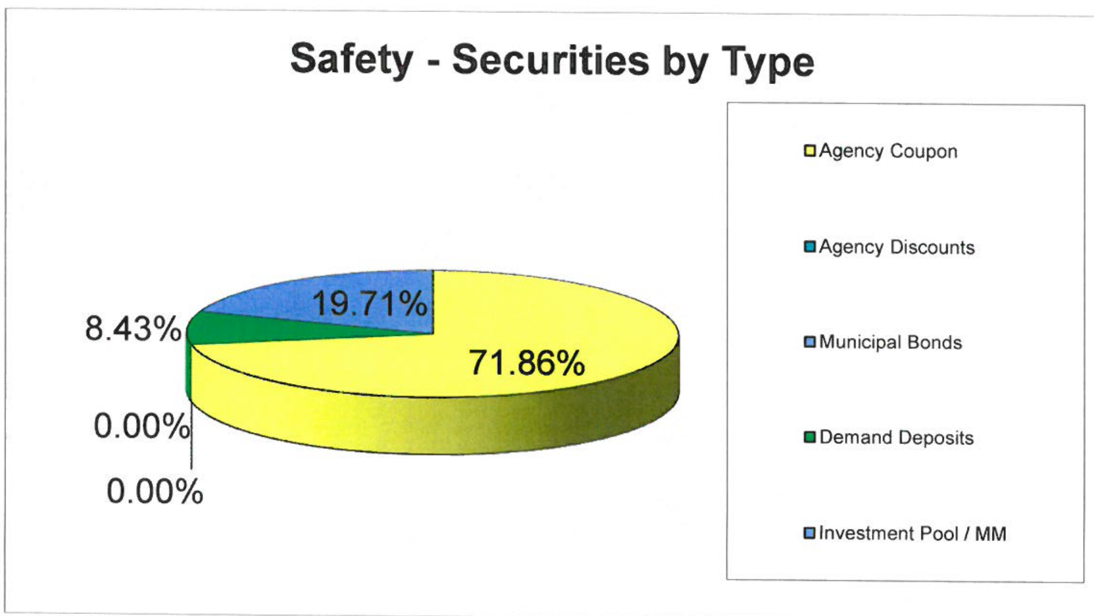
The Portfolio Summary report is prepared each month. We certify that this report is in compliance with the requirements of the Public Funds Investment Act. Management of the City's portfolios is maintained in accordance with the City Council Policy Finance-06, Statement of Investment Policy and City Council Policy Finance-05, Statement of Investment Strategy.

Steve Anderson
Investment & Debt Director

Kathryn Ritchie
Accounting Administrator

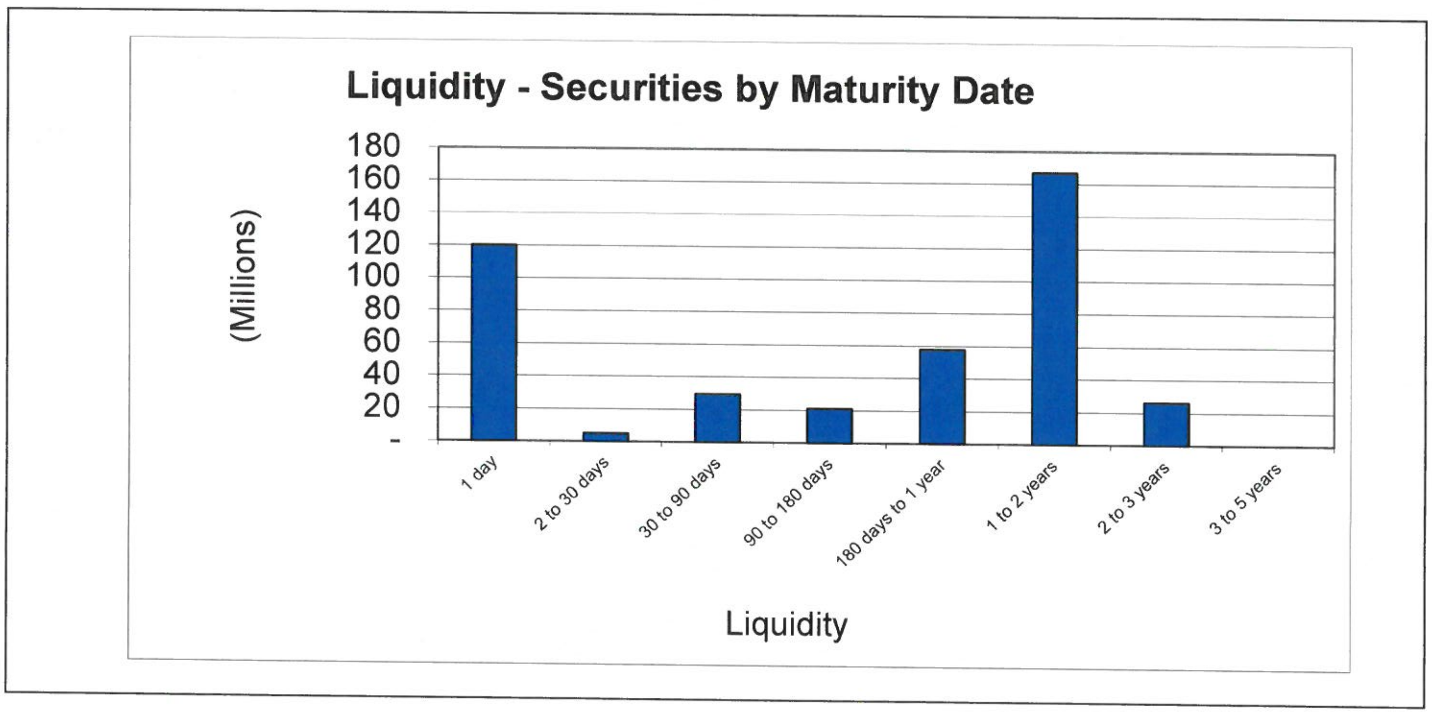
Safety - Securities by Type
City of Garland, Texas
September 30, 2016

Security Type	Treasury	GO I & S	Rate Mitigation	CMH Landfill	Total Book Value	Percent
Agency Coupon	150,575,623	-	151,507,892	4,799,654	306,883,169	71.86%
Agency Discounts	-	-	-	-	-	0.00%
Municipal Bonds	-	-	-	-	-	0.00%
Demand Deposits	34,247,571	1,748,368	-	-	35,995,939	8.43%
Investment Pool / MM	51,646,862	3,527,160	26,600,928	2,386,568	84,161,518	19.71%
Total	236,470,056	5,275,528	178,108,820	7,186,222	427,040,626	100.00%



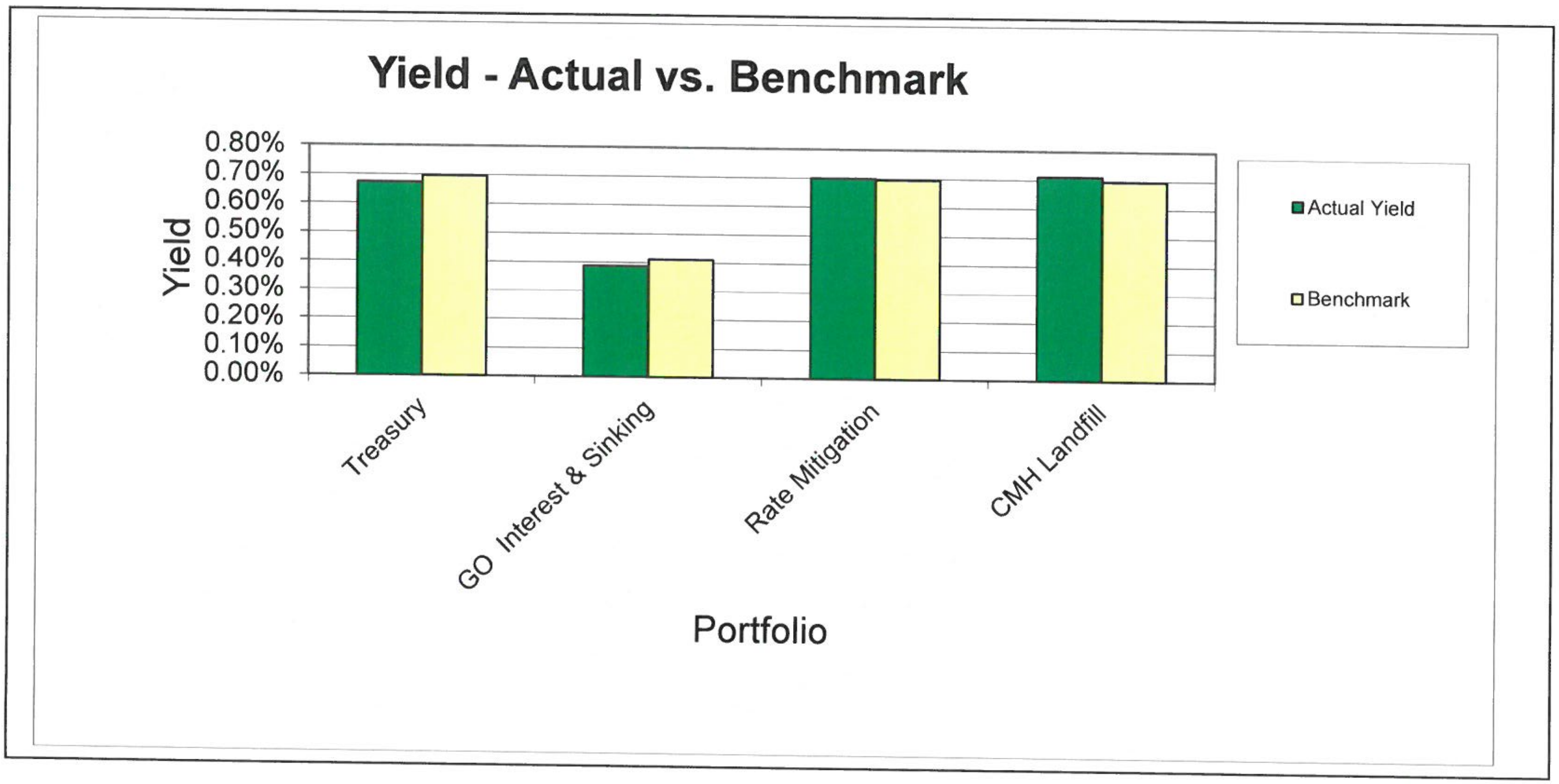
Liquidity - Securities by Maturity Date
City of Garland, Texas
September 30, 2016

	Treasury	GO I & S	Rate Mitigation	CMH Landfill	Total Par Value	Percent
1 day - Pools & CD's	85,894,433	5,275,528	26,600,928	2,386,568	120,157,457	28.15%
2 to 30 days	3,000,000	-	2,000,000	-	5,000,000	1.17%
30 to 90 days	12,000,000	-	17,390,320	-	29,390,320	6.89%
90 to 180 days	11,000,000	-	10,000,000	-	21,000,000	4.92%
180 days to 1 year	25,000,000	-	33,000,000	-	58,000,000	13.59%
1 to 2 years	78,250,000	-	84,000,000	4,800,000	167,050,000	39.14%
2 to 3 years	21,250,000	-	5,000,000	-	26,250,000	6.15%
3 to 5 years	-	-	-	-	-	0.00%
	236,394,433	5,275,528	177,991,248	7,186,568	426,847,777	100.00%
Weighted Average Maturity Days	315	1	367	293		



Yield - Interest Income
City of Garland, Texas
September 30, 2016

Portfolio	Interest Income Fiscal YTD	Current Yield	Benchmark Yield	Unrealized Gain (Loss)
Treasury	$1,235,046	0.673%	0.696%	($4,415)
GO Interest & Sinking	$42,622	0.387%	0.411%	($0)
Rate Mitigation	$977,403	0.700%	0.696%	($41,285)
CMH Landfill	$53,873	0.712%	0.696%	$4,186
Total Portfolios	$2,308,944			($41,514)



GARLAND

City of Garland Portfolio
Texas Compliance Summary
Sorted by Fund
October 1, 2015 - September 30, 2016

Fund			Par Value	Market Value	Book Value	Accrued Interest
Treasury	Value beginning	10/01/2015	200,225,162.49	200,342,320.49	200,265,047.80	176,447.14
	Net Change		29,713,152.31	29,667,202.56	29,748,890.00	89,789.42
	Value ending	09/30/2016	229,938,314.80	230,009,523.05	230,013,937.80	266,236.56
G O I&S	Value beginning	10/01/2015	6,214,337.54	6,213,878.34	6,213,666.70	1,076.25
	Net Change		-938,809.00	-938,349.80	-938,138.16	-429.59
	Value ending	09/30/2016	5,275,528.54	5,275,528.54	5,275,528.54	646.66
Rate Mitigation	Value beginning	10/01/2015	177,213,411.78	177,265,554.25	177,203,498.58	171,235.02
	Net Change		777,836.00	801,980.73	905,321.24	48,773.30
	Value ending	09/30/2016	177,991,247.78	178,067,534.98	178,108,819.82	220,008.32
GO COMMERCIAL PAPER	Value beginning	10/01/2015	10,240,978.90	10,240,978.90	10,240,978.90	0.00
	Net Change		-3,784,860.88	-3,784,860.88	-3,784,860.88	0.00
	Value ending	09/30/2016	6,456,118.02	6,456,118.02	6,456,118.02	0.00
CMH Landfill	Value beginning	10/01/2015	9,101,906.30	9,115,027.70	9,098,952.56	15,239.58
	Net Change		-1,915,338.23	-1,924,619.43	-1,912,730.71	1,475.56
	Value ending	09/30/2016	7,186,568.07	7,190,408.27	7,186,221.85	16,715.14
Total	Value beginning	10/01/2015	402,995,797.01	403,177,759.68	403,022,144.54	363,997.99
	Net Change		23,851,980.20	23,821,353.18	24,018,481.49	139,608.69
	Value ending	09/30/2016	426,847,777.21	426,999,112.86	427,040,626.03	503,606.68

GARLAND

City of Garland Portfolio
Texas Compliance Details
Sorted by Fund
September 30, 2016

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Fund: Treasury												
TEXSTAR	1822	100	TXSTAR	< 1 Y	5,082,330.40			0.470	100.000	09/30/2016	5,082,330.40	5,082,330.40
TREASURY	1825	100	TEXPOOL Investement Pool	< 1 Y	40,108,413.30			0.395	100.000	09/30/2016	40,108,413.30	40,108,413.30
FICA1	1944	100	Federally Insured Cash Accunt	< 1 Y	25,175,084.60			0.400	100.000	09/30/2016	25,175,084.60	25,175,084.60
ICSA	1991	100	Insured Cash Shelter Account	< 1 Y	9,072,486.50			0.370	100.000	09/30/2016	9,072,486.50	9,072,486.50
3130A6PZ4	2247	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	10/28/2016		0.400	100.015	09/30/2016	3,000,453.00	3,000,000.00
3134G5RS6	2120	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	11/28/2016		0.600	100.058	09/30/2016	3,001,764.00	3,000,000.00
3133EFLN5	2237	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	11/28/2016		0.450	100.039	09/30/2016	3,001,179.00	3,000,000.00
3130A5UB3	2187	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	12/16/2016		0.550	100.036	09/30/2016	3,001,092.00	3,000,000.00
3130A0C65	2047	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	12/28/2016		0.625	100.067	09/30/2016	3,002,034.00	2,999,433.55
3133EE3Y4	2191	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	01/13/2017		0.500	100.016	09/30/2016	3,000,498.00	3,000,000.00
3130A75B7	2263	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	01/25/2017		0.650	100.063	09/30/2016	3,001,902.00	3,000,000.00
3130A4AQ5	2152	100	Federal Home Loan Bank	> 1 Y	2,000,000.00	02/13/2017		0.750	100.107	09/30/2016	2,002,142.00	2,000,000.00
3133EFLM7	2235	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	03/27/2017		0.520	100.001	09/30/2016	3,000,036.00	3,000,000.00
3133EEZR4	2169	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	04/21/2017		0.600	100.062	09/30/2016	3,001,884.00	3,000,000.00
3133EEN48	2174	100	Federal Farm Credit Bank	> 1 Y	2,000,000.00	05/22/2017		0.625	99.884	09/30/2016	1,997,692.00	2,000,000.00
3134G6R70	2306	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	05/26/2017		0.750	100.109	09/30/2016	3,003,276.00	3,004,370.56
3133EE4K3	2199	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	07/21/2017		0.720	100.033	09/30/2016	3,001,008.00	3,000,000.00
3130A5ZU6	2203	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	07/27/2017		0.800	99.998	09/30/2016	2,999,967.00	3,000,000.00
3133EE5T3	2207	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	08/03/2017		0.750	100.117	09/30/2016	3,003,528.00	3,000,000.00
3134G7MJ7	2197	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	08/25/2017		0.750	100.097	09/30/2016	3,002,934.00	3,000,000.00
3133EFEM5	2222	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	09/25/2017		0.900	100.162	09/30/2016	3,004,884.00	3,005,310.00
3136G0J28	2163	100	Fed National Mort Assoc	> 1 Y	2,000,000.00	09/27/2017		1.250	100.424	09/30/2016	2,008,490.00	2,006,866.84
3133EFHY6	2243	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	10/13/2017		0.650	99.936	09/30/2016	2,998,083.00	2,998,213.77
3133EFKM8	2245	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	10/20/2017	10/20/2016	0.710	99.621	09/30/2016	2,988,630.00	2,998,883.73
3130A6LZ8	2305	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	10/26/2017		0.625	99.910	09/30/2016	2,997,327.00	3,001,712.00
3133EFPH4	2252	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	11/17/2017		0.930	100.163	09/30/2016	3,004,902.00	3,000,000.00
3133EFWC7	2265	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	11/27/2017		0.875	100.099	09/30/2016	3,002,970.00	3,000,000.00
3133EE6J4	2211	100	Federal Farm Credit Bank	> 1 Y	2,000,000.00	12/07/2017		0.875	100.091	09/30/2016	2,001,830.00	2,000,000.00
3133EFYM3	2272	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	12/11/2017		0.800	100.005	09/30/2016	3,000,177.00	3,000,000.00
3137EADX4	2304	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	12/15/2017		1.000	100.344	09/30/2016	3,010,335.00	3,013,833.75
3133EFWW3	2267	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	12/27/2017		0.875	100.087	09/30/2016	3,002,622.00	2,999,980.61
3133EGAS4	2295	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	02/16/2018		0.750	99.964	09/30/2016	2,998,932.00	2,999,528.57

City of Garland Portfolio
Texas Compliance Details
September 30, 2016

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Fund: Treasury												
313378A43	2224	100	Federal Home Loan Bank	> 1 Y	2,000,000.00	03/09/2018		1.375	100.815	09/30/2016	2,016,306.00	2,014,874.08
3130A7CX1	2277	100	Federal Home Loan Bank	> 1 Y	3,000,000.00	03/19/2018		0.875	100.080	09/30/2016	3,002,403.00	3,000,000.00
3134G9A31	2302	100	Federal Home Loan Mort. Corp.	> 1 Y	4,750,000.00	06/29/2018	12/29/2016	0.920	100.009	09/30/2016	4,750,441.75	4,750,000.00
3133EGML6	2309	100	Federal Farm Credit Bank	> 1 Y	2,500,000.00	07/18/2018		0.750	99.789	09/30/2016	2,494,735.00	2,498,180.31
3134G73Q2	2241	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	07/27/2018		1.000	99.933	09/30/2016	2,998,014.00	3,000,000.00
3133EGPL3	2313	100	Federal Farm Credit Bank	> 1 Y	6,000,000.00	07/27/2018		0.830	99.898	09/30/2016	5,993,880.00	5,997,922.67
3136G1AK5	2221	100	Fed National Mort Assoc	> 1 Y	2,000,000.00	07/30/2018		1.000	100.326	09/30/2016	2,006,534.00	1,999,769.00
3133EE6G0	2210	100	Federal Farm Credit Bank	> 1 Y	2,000,000.00	08/06/2018		1.150	100.568	09/30/2016	2,011,372.00	2,000,000.00
3130A6XE2	2310	100	Federal Home Loan Bank	> 1 Y	4,000,000.00	08/10/2018		1.250	100.652	09/30/2016	4,026,112.00	4,033,522.32
3130A8TF0	2320	100	Federal Home Loan Bank	> 1 Y	10,000,000.00	08/15/2018		0.800	99.827	09/30/2016	9,982,730.00	10,005,340.44
3133EGUK9	2321	100	Federal Farm Credit Bank	> 1 Y	10,000,000.00	09/19/2018	09/19/2017	0.930	99.916	09/30/2016	9,991,620.00	10,000,000.00
3136G2R58	2249	100	Fed National Mort Assoc	> 1 Y	4,000,000.00	10/26/2018	10/26/2016	1.040	100.017	09/30/2016	4,000,680.00	4,000,000.00
3136G2PF8	2239	100	Fed National Mort Assoc	> 1 Y	2,000,000.00	10/29/2018		1.125	100.003	09/30/2016	2,000,072.00	2,000,000.00
3135G0G72	2251	100	Fed National Mort Assoc	> 1 Y	3,000,000.00	12/14/2018		1.125	100.479	09/30/2016	3,014,391.00	2,998,578.12
3134G9ZR1	2303	100	Federal Home Loan Mort. Corp.	> 1 Y	1,250,000.00	12/28/2018	06/28/2017	1.000	99.798	09/30/2016	1,247,482.50	1,250,000.00
3133EFWD5	2262	100	Federal Farm Credit Bank	> 1 Y	5,000,000.00	01/25/2019	01/25/2017	1.230	99.974	09/30/2016	4,998,745.00	5,000,000.00
3134G9U88	2316	100	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	01/25/2019	01/25/2017	1.000	99.813	09/30/2016	2,994,414.00	2,999,302.68
3133EGPD1	2318	100	Federal Farm Credit Bank	> 1 Y	3,000,000.00	08/01/2019	08/01/2017	1.180	100.023	09/30/2016	3,000,705.00	3,000,000.00
				Subtotal	**229,938,314.80**						**230,009,523.05**	**230,013,937.80**
Fund: G O I&S												
ICSA	1945	111	Insured Cash Shelter Account	< 1 Y	1,748,368.43			0.370	100.000	09/30/2016	1,748,368.43	1,748,368.43
DEBTSVC	1814	111	TEXPOOL Investement Pool	< 1 Y	3,527,160.11			0.395	100.000	09/30/2016	3,527,160.11	3,527,160.11
				Subtotal	**5,275,528.54**						**5,275,528.54**	**5,275,528.54**
Fund: Rate Mitigation												
RATE	1815	214	TEXPOOL Investement Pool	< 1 Y	26,600,927.42			0.395	100.000	09/30/2016	26,600,927.42	26,600,927.42
3130A7UG8	2292	214	Federal Home Loan Bank	< 1 Y	4,000,000.00	04/26/2017		0.625	100.048	09/30/2016	4,001,944.00	4,000,000.00
3134G6R70	2307	214	Federal Home Loan Mort. Corp.	< 1 Y	2,000,000.00	05/26/2017		0.750	100.109	09/30/2016	2,002,184.00	2,002,913.71
3133EFN78	2283	214	Federal Farm Credit Bank	< 1 Y	5,000,000.00	09/21/2017		0.900	100.081	09/30/2016	5,004,050.00	5,000,000.00
3130A6PZ4	2248	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	10/28/2016		0.400	100.015	09/30/2016	2,000,302.00	2,000,000.00
3135G0WY5	1970	214	Fed National Mort Assoc	> 1 Y	2,000,000.00	11/14/2016		0.550	100.029	09/30/2016	2,000,580.00	1,999,993.17
3134G5RS6	2121	214	Federal Home Loan Mort. Corp.	> 1 Y	2,000,000.00	11/28/2016		0.600	100.058	09/30/2016	2,001,176.00	2,000,000.00
313381BG9	1928	214	Federal Home Loan Bank	> 1 Y	1,390,320.36	11/28/2016		0.625	100.002	09/30/2016	1,390,349.56	1,390,291.18
3133EFLN5	2238	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	11/28/2016		0.450	100.039	09/30/2016	2,000,786.00	2,000,000.00
3134G3Z37	1902	214	Federal Home Loan Mort. Corp.	> 1 Y	3,000,000.00	12/05/2016		0.625	100.046	09/30/2016	3,001,407.00	2,999,866.67

City of Garland Portfolio
Texas Compliance Details
September 30, 2016

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Fund: Rate Mitigation												
3130A5EW5	2181	214	Federal Home Loan Bank	> 1 Y	3,000,000.00	12/15/2016		0.540	100.092	09/30/2016	3,002,784.00	3,000,000.00
3130A5UB3	2188	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	12/16/2016		0.550	100.036	09/30/2016	2,000,728.00	2,000,000.00
3130A0C65	2048	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	12/28/2016		0.625	100.067	09/30/2016	2,001,356.00	1,999,622.37
3130A3N42	2124	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	12/30/2016	12/30/2016	0.650	100.084	09/30/2016	2,001,680.00	2,000,000.00
3133EE3Y4	2192	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	01/13/2017		0.500	100.016	09/30/2016	2,000,332.00	2,000,000.00
3130A75B7	2264	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	01/25/2017		0.650	100.063	09/30/2016	2,001,268.00	2,000,000.00
3130A4TD4	2164	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	02/01/2017		0.625	100.054	09/30/2016	2,001,096.00	2,000,000.00
3133EFLM7	2236	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	03/27/2017		0.520	100.001	09/30/2016	2,000,024.00	2,000,000.00
3133EEZR4	2170	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	04/21/2017		0.600	100.062	09/30/2016	2,001,256.00	2,000,000.00
3133EFKR7	2250	214	Federal Farm Credit Bank	> 1 Y	4,000,000.00	04/21/2017		0.500	99.954	09/30/2016	3,998,196.00	3,999,489.68
3133EEN48	2175	214	Federal Farm Credit Bank	> 1 Y	3,000,000.00	05/22/2017		0.625	99.884	09/30/2016	2,996,538.00	3,000,000.00
3133EFBS5	2215	214	Federal Farm Credit Bank	> 1 Y	3,000,000.00	07/03/2017		0.680	100.043	09/30/2016	3,001,317.00	3,000,000.00
3133EE4K3	2200	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	07/21/2017		0.720	100.033	09/30/2016	2,000,672.00	2,000,000.00
3130A5ZU6	2204	214	Federal Home Loan Bank	> 1 Y	2,000,000.00	07/27/2017		0.800	99.998	09/30/2016	1,999,978.00	2,000,000.00
3133EE5T3	2208	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	08/03/2017		0.750	100.117	09/30/2016	2,002,352.00	2,000,000.00
3134G7MJ7	2198	214	Federal Home Loan Mort. Corp.	> 1 Y	2,000,000.00	08/25/2017		0.750	100.097	09/30/2016	2,001,956.00	2,000,000.00
3133EFEM5	2223	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	09/25/2017		0.900	100.162	09/30/2016	2,003,256.00	2,003,540.00
3133EFHY6	2244	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	10/13/2017		0.650	99.936	09/30/2016	1,998,722.00	1,998,809.18
3133EFKM8	2246	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	10/20/2017	10/20/2016	0.710	99.621	09/30/2016	1,992,420.00	1,999,255.82
3134G73X7	2240	214	Federal Home Loan Mort. Corp.	> 1 Y	2,000,000.00	10/27/2017		0.720	99.937	09/30/2016	1,998,742.00	2,000,000.00
3133EFPH4	2253	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	11/17/2017		0.930	100.163	09/30/2016	2,003,268.00	2,000,000.00
3133EFWC7	2266	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	11/27/2017		0.875	100.099	09/30/2016	2,001,980.00	2,000,000.00
3133EFYM3	2273	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	12/11/2017		0.800	100.005	09/30/2016	2,000,118.00	2,000,000.00
313381ME2	1918	214	Federal Home Loan Bank	> 1 Y	2,500,000.00	12/28/2017		0.600	99.737	09/30/2016	2,493,430.00	2,500,000.00
3134G34W7	1927	214	Federal Home Loan Mort. Corp.	> 1 Y	2,000,000.00	01/30/2018		1.250	100.637	09/30/2016	2,012,740.00	2,003,965.06
3133EGAS4	2296	214	Federal Farm Credit Bank	> 1 Y	5,000,000.00	02/16/2018		0.750	99.964	09/30/2016	4,998,220.00	5,000,000.00
3133EGAS4	2297	214	Federal Farm Credit Bank	> 1 Y	7,000,000.00	02/16/2018		0.750	99.964	09/30/2016	6,997,508.00	6,999,807.50
3133EFF51	2312	214	Federal Farm Credit Bank	> 1 Y	2,000,000.00	02/26/2018		0.850	100.035	09/30/2016	2,000,718.00	2,000,000.00
3130A4GJ5	2317	214	Federal Home Loan Bank	> 1 Y	4,000,000.00	04/25/2018		1.125	100.486	09/30/2016	4,019,440.00	4,024,934.74
313379DT3	2319	214	Federal Home Loan Bank	> 1 Y	5,000,000.00	06/08/2018		1.250	100.679	09/30/2016	5,033,965.00	5,040,846.99
3133EGML6	2308	214	Federal Farm Credit Bank	> 1 Y	7,500,000.00	07/18/2018		0.750	99.789	09/30/2016	7,484,205.00	7,494,540.94
3134G73Q2	2242	214	Federal Home Loan Mort. Corp.	> 1 Y	2,000,000.00	07/27/2018		1.000	99.933	09/30/2016	1,998,676.00	2,000,000.00
3133EGPL3	2314	214	Federal Farm Credit Bank	> 1 Y	3,000,000.00	07/27/2018		0.830	99.898	09/30/2016	2,996,940.00	2,998,961.33
3136G1AK5	2300	214	Fed National Mort Assoc	> 1 Y	1,500,000.00	07/30/2018		1.000	100.326	09/30/2016	1,504,900.50	1,506,469.24
3130A6XE2	2311	214	Federal Home Loan Bank	> 1 Y	4,000,000.00	08/10/2018		1.250	100.652	09/30/2016	4,026,112.00	4,033,522.32
3133EGEQ4	2299	214	Federal Farm Credit Bank	> 1 Y	2,500,000.00	09/13/2018		0.875	100.030	09/30/2016	2,500,767.50	2,505,697.77

City of Garland Portfolio
Texas Compliance Details
September 30, 2016

CUSIP	Investment #	Fund	Issuer	Investment Class	Par Value	Maturity Date	Call Date	Current Rate	Market Price	Market Date	Market Value	Book Value
Fund: Rate Mitigation												
3133EGEQ4	2301	214	Federal Farm Credit Bank	> 1 Y	4,000,000.00	09/13/2018		0.875	100.030	09/30/2016	4,001,228.00	4,007,525.16
3133EGUK9	2322	214	Federal Farm Credit Bank	> 1 Y	10,000,000.00	09/19/2018	09/19/2017	0.930	99.916	09/30/2016	9,991,620.00	10,000,000.00
3133EGUK9	2323	214	Federal Farm Credit Bank	> 1 Y	10,000,000.00	09/19/2018	09/19/2017	0.930	99.916	09/30/2016	9,991,620.00	9,994,100.00
3134GAMV3	2328	214	Federal Home Loan Mort. Corp.	> 1 Y	5,000,000.00	09/28/2018	09/28/2017	1.000	100.034	09/30/2016	5,001,700.00	5,003,739.57
				Subtotal	**177,991,247.78**						**178,067,534.98**	**178,108,819.82**
Fund: GO COMMERCIAL PAPER												
GO CP	2268	601	TEXPOOL Investement Pool	< 1 Y	6,456,118.02			0.395	100.000	09/30/2016	6,456,118.02	6,456,118.02
				Subtotal	**6,456,118.02**						**6,456,118.02**	**6,456,118.02**
Fund: CMH Landfill												
LANDFILL	1812	635	TEXPOOL Investement Pool	< 1 Y	2,386,568.07			0.395	100.000	09/30/2016	2,386,568.07	2,386,568.07
3130A4TR3	2165	635	Federal Home Loan Bank	> 1 Y	3,800,000.00	10/16/2017		0.875	100.127	09/30/2016	3,804,860.20	3,800,000.00
3133EGPL3	2315	635	Federal Farm Credit Bank	> 1 Y	1,000,000.00	07/27/2018		0.830	99.898	09/30/2016	998,980.00	999,653.78
				Subtotal	**7,186,568.07**						**7,190,408.27**	**7,186,221.85**
				Total	**426,847,777.21**						**426,999,112.86**	**427,040,626.03**

GARLAND
CITY COUNCIL ITEM SUMMARY SHEET

City Council Work Session Agenda **Work Session Item 1. f.**

Meeting Date: November 1, 2016

Item Title: Rate Mitigation Portfolio Report

Submitted By: Steve Anderson, Investment and Debt Administrator

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Summary of Request/Problem

The Rate Mitigation Portfolio Report is provided to Council each quarter. The Report presents investment information regarding the balances held in the Rate Mitigation Fund.

Recommendation/Action Requested and Justification

The September 30, 2016 Rate Mitigation Quarterly Portfolio Report is presented to inform the Council. Staff will be available to discuss the report with Council.

Attachments

Rate Mitigation Report

Rate Mitigation Fund
Quarterly Portfolio Report
September 30, 2016

Portfolio Book Value - October 1, 2015		$177,203,499
Interest income:		
October 1 - December 31	$214,338	
January 1 - March 31	223,925	
April 1- June 30	254,142	
July 1- September 30	284,998	
Total interest income recognized - fiscal year-to-date	977,403	
Adjustment for beginning and ending accruals	(72,082)	
Total interest income received - fiscal year-to-date		905,321
Portfolio Book Value - September 30, 2016		$178,108,820

Portfolio Book Value is the value of the entire portfolio that is recorded in the financial records. The interest income received in each quarter increases the portfolio book value. The adjustment for the beginning and ending accruals is an accounting entry.

Portfolio Book Value - September 30, 2016	$178,108,820
Future interest income to be earned	-117,572
Portfolio Par Value - September 30, 2016	$177,991,248

Portfolio Par Value is the face value, at maturity, of the various securities held in the portfolio. The variance between Book Value and Par Value is one component of future income that will be earned as each security matures. Unlike Book Value, Par Value is not recorded in the financial records. It is reported for informational purposes only.

Portfolio Book Value - September 30, 2016	$178,108,820
Unrealized gain (loss)	(41,285)
Portfolio Market Value - September 30, 2016	$178,067,535

Portfolio Market Value is the current Fair Market Value of the various securities in the portfolio. Generally, Fair Market Value of a fixed income security will decline as interest rates rise. Conversely, as interest rates fall, the Fair Market Value of a fixed income security will increase. Governmental financial reporting standards require that Fair Market Value and the changes in Fair Market Values be reported in year-end financial statements.

It should be noted that declines of Fair Market Value below Book Value are reported as Unrealized Losses for informational purposes. The City does not realize investment losses because securities are held to maturity.

GARLAND
POLICY REPORT

City Council Work Session Agenda **Work Session Item 2. a.**

Meeting Date: November 1, 2016

Item Title: Staff Initiated Neighborhood Vitality Special Projects

Submitted By: Scott Bollinger, Neighborhood Resource Manager

Council Goal: Safe, Family-Friendly Neighborhoods

ISSUE

Review Neighborhood Vitality Staff Initiated Special Project Applications

OPTIONS

1. Approve applications as submitted.
2. Approve applications with modifications.
3. Deny approval of applications.

RECOMMENDATION

The Community Services Committee recommends approval for the applications as submitted by the following 3 staff initiated neighborhood vitality projects: Chandler Heights Neighborhood Association, New World Crime Watch, and Town North Village HOA. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the November 15, 2016 Regular Meeting for approval of these applications.

BACKGROUND

Proposition 6 was approved by Garland voters in May 2004 and included $5,000,000 for the Neighborhood Vitality Matching Grant Program. Council has previously indicated that funds would be made available annually for neighborhood improvement projects. The Community Services Committee reviewed the applications on October 18, 2016. Preliminary bids for the projects total $218,500.

Costs may vary after awards are made and final bids are received.

CONSIDERATION

1. Staff initiated projects do not require a match contribution from neighborhood groups. However, since part of the Town North HOA project involves the HOA's screening wall, Town North HOA will pay for the screening wall component of the project in proportion to what is defined in the Neighborhood Vitality Matching Grant guidelines. The City of Garland will not assume ownership of the Town North screening wall as a result of this project.

Attachments

Staff Initiated Neighborhood Vitality Special Projects Attachments

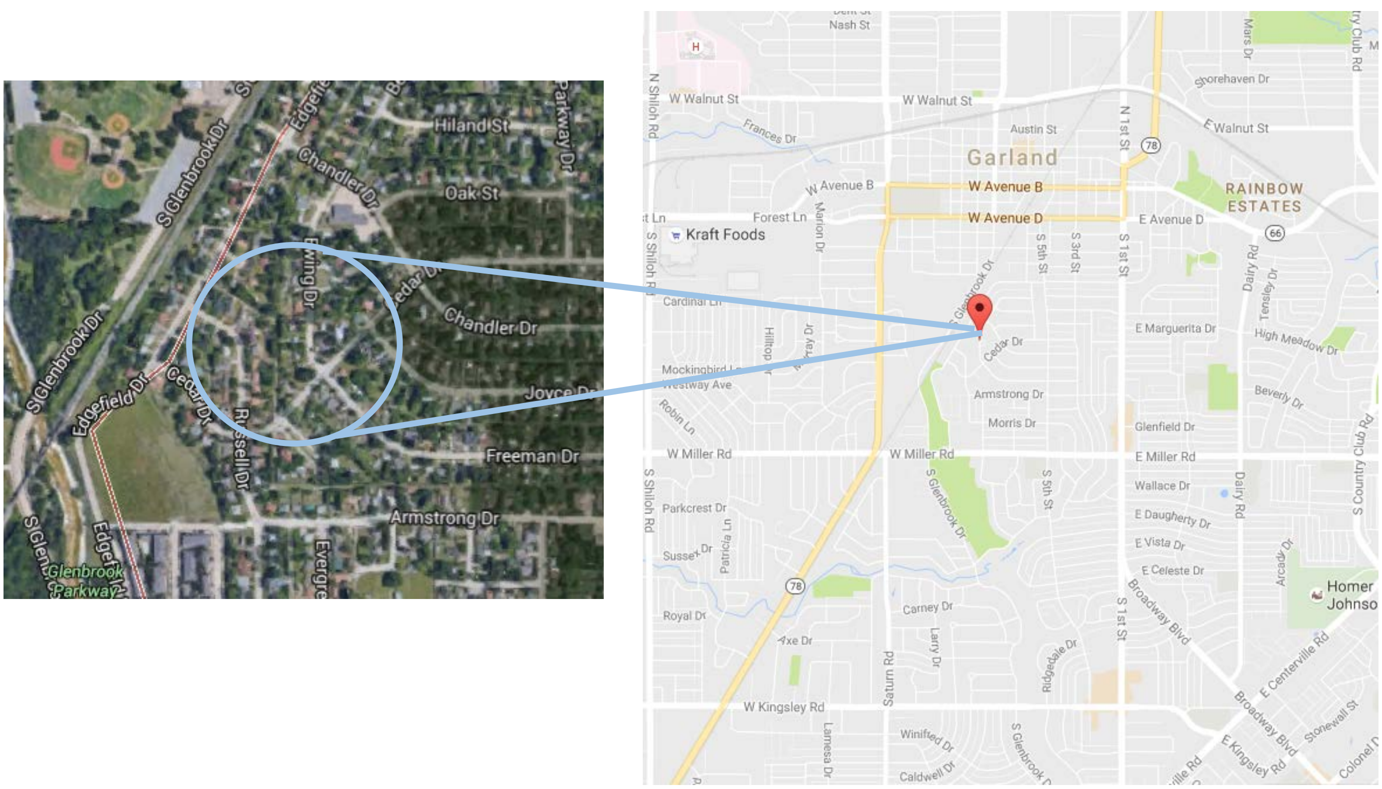
NEIGHBORHOOD VITALITY SPECIAL PROJECT SUMMARY

Neighborhood Association: Chandler Heights Neighborhood Association
Project Name: Ewing Circle and Cedar Circle Enhancements and Activation
Project Location: Ewing Circle and Cedar Circle

Total Project Cost: $55,000

Project Summary:

- This project is designed to beautify the Chandler Heights neighborhood and to create community gathering space.
- The project seeks to convert two residential median areas into a community asset by replacing empty space and no dumping signs with thoughtfully planned landscaping which includes crepe myrtle trees, stone benches featuring the neighborhood logo, and other attractive, draught resistant plants.
- The interior grassy space will be preserved for community gathering and play space for neighborhood children.
- The project includes an "activation" and engagement component which includes hosting a neighborhood block party in the newly redesigned space as well as other community activities that will be planned in conjunction with the neighborhood.



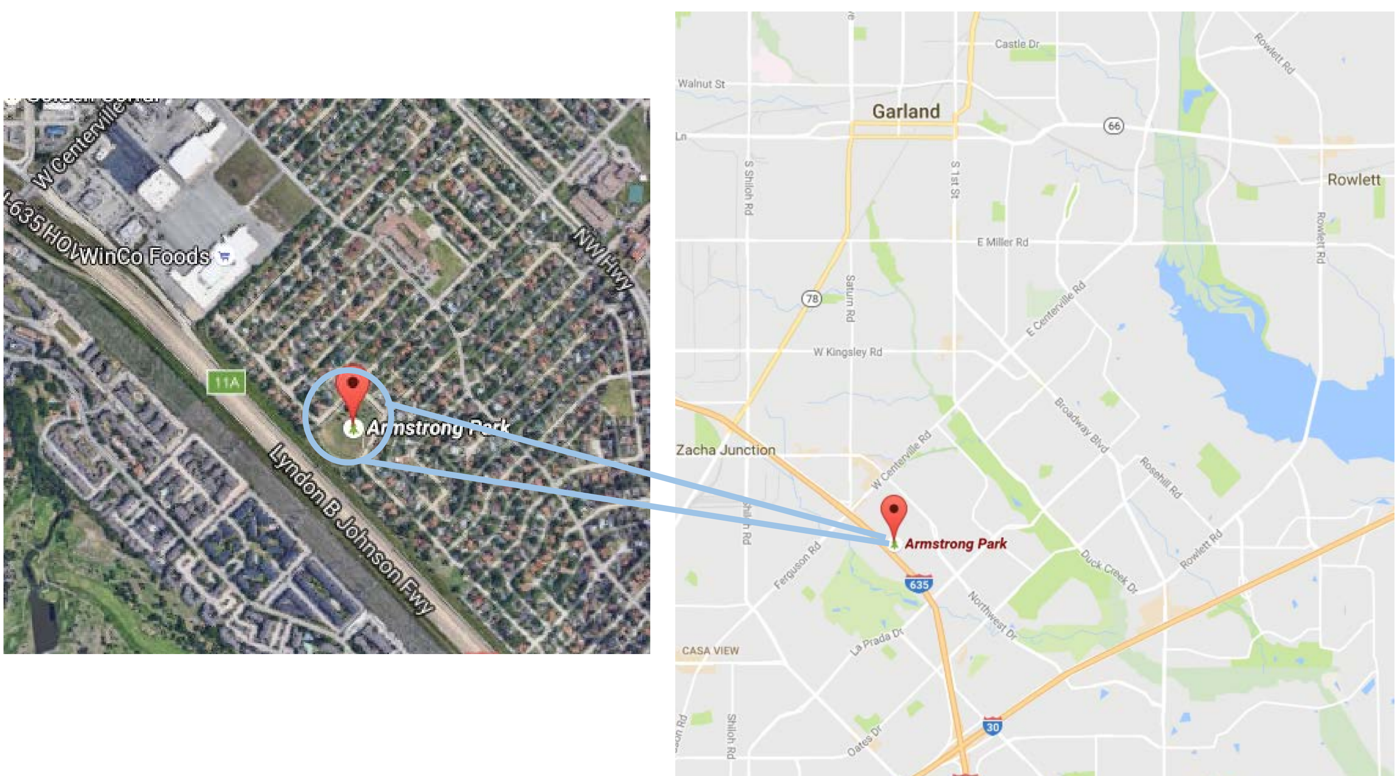
NEIGHBORHOOD VITALITY SPECIAL PROJECT SUMMARY

Neighborhood Association: New World Crime Watch
Project Name: Armstrong Park Enhancements with Fitness Equipment, Lighting, and a Butterfly Garden
Project Location: Armstrong Park, 1126 Birchwood Dr, Garland, TX 75043

Total Project Cost: $55,000

Project Summary:

- The proposed project enhances the neighborhood's focus on health and safety by adding three outdoor fitness stations around the existing trail to provide further opportunities for area residents to enhance their personal fitness, as well as additional lighting for safety during evenings and early mornings.
- Along with the fitness and safety features, Keep Garland Beautiful (KGB) is installing a butterfly garden around the park sign. This garden will provide educational opportunities for area school children and neighbors through interpretative signage that explains the crucial pollinator life cycle.
- The neighborhood had originally applied for security cameras through the matching grant program, however, working with the neighborhood, we collaborated in the design of a new project that enhances both safety and health with the help of the Parks Department and Keep Garland Beautiful.



NEIGHBORHOOD VITALITY SPECIAL PROJECT SUMMARY

Neighborhood Association: Town North Village HOA
Project Name: Corridor Enhancement and Beautification through new landscaping, irrigation, decorative metal panels, educational signage, lighting, and repainting of the screen wall.

Project Location: 1925 Cobblestone Lane

Total Project Cost: $ 108,500

Project Summary:

- The project consists of major beautification to the high traffic Buckingham Rd. / Plano Rd. corridor by enhancements to the Town North Village screen wall and ROW along Buckingham Rd.
- The project combines high quality design elements to produce a strong sense of identity and community pride that identifies Garland as a location of investment through creating a distinctive visual experience at the border of Richardson and Garland.
- The project consists of repainting the screen wall, installing high quality decorative metal panels with lighting, all new landscaping with irrigation, and educational signage that identifies the animals and plants featured in the panels.
- The metal panel designs feature Garland and North Texas native flora and fauna to emphasize the beauty and presence natural elements found in the area which also serves to strengthen community identity and create a strong sense of place for those living in the area as well as for those who pass by.